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117TH CONGRESS  
2D SESSION

**H. R. 5376**

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IN THE SENATE OF THE UNITED STATES

AUGUST 2, 2022

Received; read the first time

AUGUST 3, 2022

Read the second time and placed on the calendar

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**AN ACT**

To provide for reconciliation pursuant to title II of S. Con.

Res. 14.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—COMMITTEE ON**  
4 **AGRICULTURE**

5 **Subtitle A—General Provisions**

6 **SECTION 10001. DEFINITIONS.**

7 In this title:

8 (1) The term “insular area” has the meaning  
9 given such term in section 1404 of the National Ag-

1        ricultural Research, Extension, and Teaching Policy  
2        Act of 1977 (7 U.S.C. 3103).

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

## 5                            **Subtitle B—Forestry**

### 6        **SEC. 11001. NATIONAL FOREST SYSTEM RESTORATION AND** 7                            **FUELS REDUCTION PROJECTS.**

8            (a) APPROPRIATIONS.—In addition to amounts other-  
9        wise available, there are appropriated to the Secretary for  
10       fiscal year 2022, out of any money in the Treasury not  
11       otherwise appropriated, to remain available until Sep-  
12       tember 30, 2031—

13            (1) \$10,000,000,000 for hazardous fuels reduc-  
14       tion projects on National Forest System land within  
15       the wildland-urban interface;

16            (2) \$4,000,000,000 for, on a determination  
17       made solely by the Secretary that hazardous fuels  
18       reduction projects within the wildland-urban inter-  
19       face described in paragraph (1) have been planned  
20       to protect, to the extent practicable, at-risk commu-  
21       nities, hazardous fuels reduction projects on Na-  
22       tional Forest System land outside the wildland-  
23       urban interface that are—

24            (A) primarily noncommercial in nature,  
25       provided that, in accordance with the best avail-

1           able science, the harvest of merchantable mate-  
2           rials shall be ecologically appropriate for res-  
3           toration and to enhance ecological health and  
4           function, and any sale of merchantable mate-  
5           rials under this paragraph shall be limited to  
6           small diameter trees or biomass that are a by-  
7           product of hazardous fuel reduction projects;

8                   (B) collaboratively developed; and

9                   (C) carried out in a manner that enhances  
10           the ecological integrity and achieves the restora-  
11           tion of a forest ecosystem; maximizes the reten-  
12           tion of old-growth and large trees, as appro-  
13           priate for the forest type; and prioritizes pre-  
14           scribed fire as the primary means to achieve  
15           modified wildland fire behavior;

16           (3) \$1,000,000,000 for vegetation management  
17           projects carried out solely on National Forest Sys-  
18           tem land that the Secretary shall select following the  
19           receipt of proposals submitted in accordance with  
20           subsections (a), (b), and (c) of section 4003 of the  
21           Omnibus Public Land Management Act of 2009 (16  
22           U.S.C. 7303);

23           (4) \$400,000,000 for vegetation management  
24           projects on National Forest System land carried out  
25           in accordance with a water source management plan

1 or a watershed protection and restoration action  
2 plan;

3 (5) \$400,000,000 for vegetation management  
4 projects on National Forest System land that—

5 (A) maintain, or contribute toward the res-  
6 toration of, reference old growth characteristics,  
7 including structure, composition, function, and  
8 connectivity;

9 (B) prioritize small diameter trees and pre-  
10 scribed fire to modify fire behavior; and

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

13 (6) \$450,000,000 for the Legacy Roads and  
14 Trails program of the Forest Service;

15 (7) \$350,000,000 for National Forest System  
16 land management planning and monitoring,  
17 prioritized on the assessment of watershed, ecologi-  
18 cal, and carbon conditions on National Forest Sys-  
19 tem land and the revision and amendment of older  
20 land management plans that present opportunities  
21 to protect, maintain, restore, and monitor ecological  
22 integrity, ecological conditions for at-risk species,  
23 and carbon storage;

24 (8) \$100,000,000 for maintenance of trails on  
25 National Forest System land, with a priority on

1 trails that provide to underserved communities ac-  
2 cess to National Forest System land;

3 (9) \$100,000,000 for capital maintenance and  
4 improvements on National Forest System land, with  
5 a priority on maintenance level 3, 4, and 5 roads  
6 and improvements that restore ecological integrity  
7 and conditions for at-risk species;

8 (10) \$100,000,000 to provide for more efficient  
9 and more effective environmental reviews by the  
10 Chief of the Forest Service in satisfying the obliga-  
11 tions of the Chief of the Forest Service under the  
12 National Environmental Policy Act of 1969 (42  
13 U.S.C. 4321 through 4370m–12);

14 (11) \$50,000,000 to develop and carry out ac-  
15 tivities and tactics for the protection of older and  
16 mature forests on National Forest System land, in-  
17 cluding completing an inventory of older and mature  
18 forests within the National Forest System;

19 (12) \$50,000,000 to develop and carry out ac-  
20 tivities and tactics for the maintenance and restora-  
21 tion of habitat conditions necessary for the protec-  
22 tion and recovery of at-risk species on National For-  
23 est System land;

24 (13) \$50,000,000 to carry out post-fire recovery  
25 plans on National Forest System land that empha-

1 size the use of locally adapted native plant materials  
2 to restore the ecological integrity of disturbed areas  
3 and do not include salvage logging; and

4 (14) \$50,000,000 to develop and carry out non-  
5 lethal activities and tactics to reduce human-wildlife  
6 conflicts on National Forest System land.

7 (b) PRIORITY FOR FUNDING.—For projects described  
8 in paragraphs (1) through (5) of subsection (a), the Sec-  
9 retary shall prioritize for implementation projects—

10 (1) for which an environmental assessment or  
11 an environmental impact statement required under  
12 the National Environmental Policy Act of 1969 (42  
13 U.S.C. 4321 through 4370m–12) has been com-  
14 pleted;

15 (2) that are collaboratively developed; or

16 (3) that include opportunities to restore sus-  
17 tainable recreation infrastructure or access or ac-  
18 complish other recreation outcomes on National For-  
19 est System lands, if the opportunities are compatible  
20 with the primary restoration purposes of the project.

21 (c) LIMITATIONS.—None of the funds made available  
22 by this section may be used for any activity—

23 (1) conducted in a wilderness area or wilderness  
24 study area;

1           (2) that includes the construction of a perma-  
2           nent road or permanent trail;

3           (3) that includes the construction of a tem-  
4           porary road, except in the case of a temporary road  
5           that is decommissioned by the Secretary not later  
6           than 3 years after the earlier of—

7                   (A) the date on which the temporary road  
8                   is no longer needed; and

9                   (B) the date on which the project for  
10                  which the temporary road was constructed is  
11                  completed;

12           (4) inconsistent with the applicable land man-  
13           agement plan;

14           (5) inconsistent with the prohibitions of the rule  
15           of the Forest Service entitled “Special Areas;  
16           Roadless Area Conservation” (66 Fed. Reg. 3244  
17           (January 12, 2001)), as modified by subparts C and  
18           D of part 294 of title 36, Code of Federal Regula-  
19           tions; or

20           (6) carried out on any land that is not National  
21           Forest System land, including other forested land on  
22           Federal, State, Tribal, or private land.

23           (d) DEFINITIONS.—In this section:

24                   (1) AT-RISK COMMUNITY.—The term “at-risk  
25                  community” has the meaning given the term in sec-

1       tion 101 of the Healthy Forests Restoration Act of  
2       2003 (16 U.S.C. 6511).

3           (2) COLLABORATIVELY DEVELOPED.—The term  
4       “collaboratively developed” means, with respect to a  
5       project located exclusively on National Forest Sys-  
6       tem land, that the project is developed and imple-  
7       mented through a collaborative process that—

8           (A) includes multiple interested persons  
9       representing diverse interests, except such per-  
10      sons shall not be employed by the Federal gov-  
11      ernment or be representatives of foreign enti-  
12      ties; and

13           (B)(i) is transparent and nonexclusive; or  
14           (ii) meets the requirements for a resource  
15      advisory committee under subsections (c)  
16      through (f) of section 205 of the Secure Rural  
17      Schools and Community Self-Determination Act  
18      of 2000 (16 U.S.C. 7125).

19           (3) DECOMMISSION.—The term “decommis-  
20      sion” means, with respect to a road—

21           (A) reestablishing native vegetation on the  
22      road;

23           (B) restoring any natural drainage, water-  
24      shed function, or other ecological processes that  
25      were disrupted or adversely impacted by the



1 road by removing or hydrologically dis-  
2 connecting the road prism and reestablishing  
3 stable slope contours; and

4 (C) effectively blocking the road to vehic-  
5 ular traffic, where feasible.

6 (4) ECOLOGICAL INTEGRITY.—The term “eco-  
7 logical integrity” has the meaning given the term in  
8 section 219.19 of title 36, Code of Federal Regula-  
9 tions (as in effect on the date of enactment of this  
10 Act).

11 (5) HAZARDOUS FUELS REDUCTION  
12 PROJECT.—The term “hazardous fuels reduction  
13 project” means an activity, including the use of pre-  
14 scribed fire, to protect structures and communities  
15 from wildfire that is carried out on National Forest  
16 System land.

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

21 (7) VEGETATION MANAGEMENT PROJECT.—The  
22 term “vegetation management project” means an ac-  
23 tivity carried out on National Forest System land to  
24 enhance the ecological integrity and achieve the res-  
25 toration of a forest ecosystem through the removal

1 of vegetation, the use of prescribed fire, the restora-  
2 tion of aquatic habitat, or the decommissioning of an  
3 unauthorized, temporary, or system road.

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

9 (9) WATERSHED PROTECTION AND RESTORA-  
10 TION ACTION PLAN.—The term “watershed protec-  
11 tion and restoration action plan” means a plan de-  
12 veloped under section 304(a)(3) of the Healthy For-  
13 ests Restoration Act of 2003 (16 U.S.C.  
14 6543(a)(3)).

15 (10) WILDLAND-URBAN INTERFACE.—The term  
16 “wildland-urban interface” has the meaning given  
17 the term in section 101 of the Healthy Forests Res-  
18 toration Act of 2003 (16 U.S.C. 6511).

19 (e) LIMITATIONS.—Nothing in this section shall be  
20 interpreted to authorize funds of the Commodity Credit  
21 Corporation for activities under this section if such funds  
22 are not expressly authorized or currently expended for  
23 such purposes.

24 (f) COST-SHARING REQUIREMENT.— Any partner-  
25 ship agreements, including cooperative agreements and

1 mutual interest agreements, using funds made available  
2 under this section shall be subject to a non-Federal cost-  
3 share requirement of not less than 20 percent of the  
4 project cost, which may be waived at the discretion of the  
5 Secretary.

6 **SEC. 11002. NON-FEDERAL LAND FOREST RESTORATION**  
7 **AND FUELS REDUCTION PROJECTS AND RE-**  
8 **SEARCH.**

9 (a) APPROPRIATIONS.—In addition to amounts other-  
10 wise available, there are appropriated to the Secretary for  
11 fiscal year 2022, out of any money in the Treasury not  
12 otherwise appropriated, to remain available until Sep-  
13 tember 30, 2031—

14 (1) \$2,000,000,000 to award grants to Tribal,  
15 State, or local governments or the government of the  
16 District of Columbia, regional organizations, special  
17 districts, or nonprofit organizations to support, on  
18 non-Federal land, forest restoration and resilience  
19 projects, including projects to reduce the risk of  
20 wildfires and establish defensible space around struc-  
21 tures within at-risk communities (as defined in sec-  
22 tion 101 of the Healthy Forests Restoration Act of  
23 2003 (16 U.S.C. 6511));

24 (2) \$1,000,000,000 to award grants to Tribal,  
25 State, or local governments or the government of the

1 District of Columbia, regional organizations, special  
2 districts, or nonprofit organizations to implement  
3 community wildfire protection plans (as defined in  
4 section 101 of the Healthy Forests Restoration Act  
5 of 2003 (16 U.S.C. 6511)) in existence on the date  
6 of the enactment of this Act, purchase firefighting  
7 equipment, provide firefighter training, and increase  
8 the capacity for planning, coordinating, and moni-  
9 toring projects on non-Federal land to protect at-  
10 risk communities (as defined in section 101 of the  
11 Healthy Forests Restoration Act of 2003 (16 U.S.C.  
12 6511));

13 (3) \$250,000,000 to award grants to Tribal,  
14 State, or local governments or the government of the  
15 District of Columbia, regional organizations, special  
16 districts, or nonprofit organizations for projects on  
17 non-Federal land to aid in the recovery and rehabili-  
18 tation of burned forested areas, including reforest-  
19 ation;

20 (4) \$175,000,000 to award grants to Tribal,  
21 State, or local governments or the government of the  
22 District of Columbia, regional organizations, special  
23 districts, or nonprofit organizations for projects on  
24 non-Federal land to expand equitable outdoor access

1 and promote tourism on non-Federal forested land  
2 for members of underserved groups;

3 (5) \$150,000,000 for the State Fire Assistance  
4 and Volunteer Fire Assistance programs established  
5 pursuant to section 10(b) of the Cooperative For-  
6 estry Assistance Act of 1978 (16 U.S.C. 2106(b)) to  
7 be distributed at the discretion of the Secretary;

8 (6) \$150,000,000 for the implementation of  
9 State-wide forest resource strategies under section  
10 2A of the Cooperative Forestry Assistance Act of  
11 1978 (16 U.S.C. 2101a);

12 (7) \$250,000,000 for the competitive grant pro-  
13 gram under section 13A of the Cooperative Forestry  
14 Assistance Act of 1978 (16 U.S.C. 2109a) for pro-  
15 viding through that program a cost share to carry  
16 out climate mitigation or forest resilience practices  
17 in the case of underserved forest landowners, subject  
18 to the condition that subsection (h) of that section  
19 shall not apply;

20 (8) \$250,000,000 for the competitive grant pro-  
21 gram under section 13A of the Cooperative Forestry  
22 Assistance Act of 1978 (16 U.S.C. 2109a) for pro-  
23 viding through that program grants to support the  
24 participation of underserved forest landowners in  
25 emerging private markets for climate mitigation or

1 forest resilience, subject to the condition that sub-  
2 section (h) of that section shall not apply;

3 (9) \$250,000,000 for the competitive grant pro-  
4 gram under section 13A of the Cooperative Forestry  
5 Assistance Act of 1978 (16 U.S.C. 2109a) for pro-  
6 viding through that program grants to support the  
7 participation of forest landowners who own less than  
8 2,500 acres of forest land in emerging private mar-  
9 kets for climate mitigation or forest resilience, sub-  
10 ject to the condition that subsection (h) of that sec-  
11 tion shall not apply;

12 (10) \$500,000,000 for the competitive grant  
13 program under section 13A of the Cooperative For-  
14 estry Assistance Act of 1978 (16 U.S.C. 2109a) to  
15 provide grants to states and other eligible entities to  
16 provide payments to owners of private forest land  
17 for implementation of forestry practices on private  
18 forest land, that are determined by the Secretary,  
19 based on the best available science, to provide meas-  
20 urable increases in carbon sequestration and storage  
21 beyond customary practices on comparable land,  
22 subject to the conditions that—

23 (A) those payments shall not preclude  
24 landowners from participation in other public

1           and private sector financial incentive programs;  
2           and

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

5           (11) \$50,000,000 for the forest inventory and  
6           analysis program established under section 3(e) of  
7           the Forest and Rangeland Renewable Resources Re-  
8           search Act of 1978 (16 U.S.C. 1642(e)) for activi-  
9           ties and tactics to accelerate and expand existing re-  
10          search efforts to improve forest carbon monitoring  
11          technologies to better predict changes in forest car-  
12          bon due to climate change;

13          (12) \$100,000,000 for the forest inventory and  
14          analysis program established under section 3(e) of  
15          the Forest and Rangeland Renewable Resources Re-  
16          search Act of 1978 (16 U.S.C. 1642(e)) to carry out  
17          recommendations from a panel of relevant experts  
18          convened by the Secretary that has reviewed and,  
19          based on the review, issued recommendations regard-  
20          ing the current priorities and future needs of the  
21          forest inventory and analysis program with respect  
22          to climate change, forest health, sustainable wood  
23          products, and increasing carbon storage in forests;

24          (13) \$50,000,000 for the forest inventory and  
25          analysis program established under section 3(e) of

1 the Forest and Rangeland Renewable Resources Re-  
2 search Act of 1978 (16 U.S.C. 1642(e)) to provide  
3 enhancements to the technology managed and used  
4 by the forest inventory and analysis program, includ-  
5 ing cloud computing and remote sensing for pur-  
6 poses such as small area estimation;

7 (14) \$775,000,000 to provide grants under the  
8 wood innovation grant program under section 8643  
9 of the Agriculture Improvement Act of 2018 (7  
10 U.S.C. 7655d), including for the construction of new  
11 facilities that advance the purposes of the program,  
12 subject to the conditions that the amount of such a  
13 grant shall be not more than \$5,000,000; notwith-  
14 standing subsection (d) of that section, a recipient  
15 of such a grant shall provide funds equal to not less  
16 than 50 percent of the amount received under the  
17 grant, to be derived from non-Federal sources; and  
18 a priority shall be placed on projects that create a  
19 financial model for addressing forest restoration  
20 needs on public or private forest land; and

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

24 (b) FUNDING FOR RESTORATION ON NON-FEDERAL  
25 AREAS BY STATES.—The Secretary may use amounts



1 made available by this section to carry out eligible projects  
2 as determined by the Secretary, authorized in subsection  
3 (a) on non-Federal land upon the request of the Governor  
4 of that State, or, in the case of the District of Columbia,  
5 the Mayor.

6 (c) **COST-SHARING REQUIREMENT.**—Any partnership  
7 agreements, including cooperative agreements and mutual  
8 interest agreements, using funds made available under  
9 this section shall be subject to a non-Federal cost-share  
10 requirement of not less than 20 percent of the project cost,  
11 which may be waived at the discretion of the Secretary.

12 (d) **LIMITATIONS.**—Nothing in this section shall be  
13 interpreted to authorize funds of the Commodity Credit  
14 Corporation for activities under this section if such funds  
15 are not expressly authorized or currently expended for  
16 such purposes.

17 **SEC. 11003. STATE AND PRIVATE FORESTRY CONSERVA-**  
18 **TION PROGRAMS.**

19 (a) **APPROPRIATIONS.**—In addition to amounts other-  
20 wise available, there are appropriated to the Secretary for  
21 fiscal year 2022, out of any money in the Treasury not  
22 otherwise appropriated, to remain available until Sep-  
23 tember 30, 2031—

24 (1) \$1,250,000,000 to provide competitive  
25 grants to States through the Forest Legacy Pro-

1       gram established under section 7 of the Cooperative  
2       Forestry Assistance Act of 1978 (16 U.S.C. 2103e)  
3       to acquire land and interests in land, with priority  
4       given to grant applications that offer significant nat-  
5       ural carbon sequestration benefits, contribute to the  
6       resilience of community infrastructure, local econo-  
7       mies, or natural systems, or provide benefits to un-  
8       derserved populations;

9               (2) \$2,500,000,000 to provide multi-year, pro-  
10       grammatic, competitive grants to a State agency, a  
11       local governmental entity, and agency or govern-  
12       mental entity of the District of Columbia, an Indian  
13       Tribe, or a nonprofit organization through the  
14       Urban and Community Forestry Assistance program  
15       established under section 9(c) of the Cooperative  
16       Forestry Assistance Act of 1978 (16 U.S.C.  
17       2105(e)) for tree planting and related activities to  
18       increase tree equity and community tree canopy and  
19       associated societal and climate co-benefits, with a  
20       priority for projects that benefit underserved popu-  
21       lations; and

22               (3) \$100,000,000 for the acquisition of urban  
23       and community forests through the Community For-  
24       est and Open Space Program of the Forest Service.

1 (b) WAIVER.—Any non-Federal cost-share require-  
2 ment otherwise applicable to projects carried out under  
3 this section may be waived at the discretion of the Sec-  
4 retary.

5 **SEC. 11004. LIMITATION.**

6 The funds made available under this subtitle are sub-  
7 ject to the condition that the Secretary shall not—

8 (1) enter into any agreement—

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

11 (B) under which any payment could be  
12 outlaid or funds disbursed after September 30,  
13 2031; or

14 (2) use any other funds available to the Sec-  
15 retary to satisfy obligations initially made under this  
16 subtitle.

17 **SEC. 11005. APPROPRIATIONS.**

18 In addition to amounts otherwise available, there is  
19 appropriated to the Secretary for fiscal year 2022, out of  
20 any money in the Treasury not otherwise appropriated,  
21 \$200,000,000 to remain available until September 30,  
22 2031, for administrative costs of the agencies and offices  
23 of the Department of Agriculture for costs related to im-  
24 plementing this subtitle.

1 **Subtitle C—Rural Development**  
2 **and Agricultural Credit and**  
3 **Outreach**

4 **PART 1—RURAL DEVELOPMENT**

5 **SEC. 12001. ADDITIONAL SUPPORT FOR USDA RURAL**  
6 **WATER PROGRAMS.**

7 In addition to amounts otherwise available, there is  
8 appropriated to the Secretary for fiscal year 2022, out of  
9 any money in the Treasury not otherwise appropriated,  
10 and notwithstanding sections 381E through 381H and  
11 381N of the Consolidated Farm and Rural Development  
12 Act (7 U.S.C. 2009d through 2009g and 2009m),  
13 \$97,000,000, to remain available until September 30,  
14 2031, for the cost of grants for rural water and waste  
15 water programs authorized by sections 306, 306C, and  
16 306D and described in sections 306C(a)(2) and 306D of  
17 the Consolidated Farm and Rural Development Act in  
18 persistent poverty counties (or, notwithstanding any popu-  
19 lation limits specified in section 343 of the Consolidated  
20 Farm and Rural Development Act, a county seat of a per-  
21 sistent poverty county with a population that does not ex-  
22 ceed the authorized population limit by more than 10 per-  
23 cent), Tribal lands, colonias, and insular areas, subject to  
24 the condition that the performance of any construction  
25 work completed with amounts provided under this section

1 meet the condition described in section 9003(f) of the  
2 Farm Security and Rural Investment Act of 2002 (7  
3 U.S.C. 8103(f)).

4 **SEC. 12002. USDA RURAL WATER GRANTS FOR LEAD REME-**  
5 **DIATION.**

6 In addition to amounts otherwise made available,  
7 there is appropriated to the Secretary for fiscal year 2022,  
8 out of any money in the Treasury not otherwise appro-  
9 priated and notwithstanding sections 381E through 381H  
10 and 381N of the Consolidated Farm and Rural Develop-  
11 ment Act (7 U.S.C. 2009d through 2009g and 2009m),  
12 \$970,000,000, to remain available until September 30,  
13 2031, notwithstanding section 306C(a)(2)(A) of the Con-  
14 solidated Farm and Rural Development Act (7 U.S.C.  
15 1926c(a)(2)(A)), for grants under sections 306C(a)(1)(A)  
16 and 306(a)(2) of the Consolidated Farm and Rural Devel-  
17 opment Act (7 U.S.C. 1926c(a)(1)(A) and 1926(a)(2)) for  
18 the purpose of replacement of service lines that contain  
19 lead, subject to the condition that the performance of any  
20 construction work completed with amounts provided under  
21 this section meet the condition described in section  
22 9003(f) of the Farm Security and Rural Investment Act  
23 of 2002 (7 U.S.C. 8103(f)).

1 **SEC. 12003. ADDITIONAL FUNDING FOR ELECTRIC LOANS**  
2 **FOR RENEWABLE ENERGY.**

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

20 (b) LIMITATION.—The Secretary shall not enter into  
21 any loan agreement pursuant to this section that could  
22 result in disbursements after September 30, 2031.

23 **SEC. 12004. RURAL ENERGY SAVINGS PROGRAM.**

24 (a) APPROPRIATION.—In addition to amounts other-  
25 wise available, there is appropriated to the Secretary for  
26 fiscal year 2022, out of any money in the Treasury not

1 otherwise appropriated, \$200,000,000, to remain available  
2 until September 30, 2031, to carry out section 6407 of  
3 the Farm Security and Rural Investment Act of 2002 (7  
4 U.S.C. 8107a) and this section, subject to the condition  
5 that the performance of any construction work completed  
6 with amounts provided under this section meet the condi-  
7 tion described in section 9003(f) of such Act (7 U.S.C.  
8 8103(f)).

9 (b) USE OF FUNDS.—

10 (1) IN GENERAL.—Except as provided in para-  
11 graph (2) of this subsection, at the election of an eli-  
12 gible entity (as defined in section 6407(b) of the  
13 Farm Security and Rural Investment Act of 2002 (7  
14 U.S.C. 8107a(b))) to which a loan is made under  
15 section 6407(c) of the Farm Security and Rural In-  
16 vestment Act of 2002 (7 U.S.C. 8107a(c)), the Sec-  
17 retary shall make a grant to the eligible entity in an  
18 amount equal to not more than 5 percent of the loan  
19 amount for the purposes of costs incurred in—

20 (A) applying for a loan received under sec-  
21 tion 6407(c) of such Act;

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

24 (C) making repairs to the property of a  
25 qualified consumer that facilitate the energy ef-

1           iciency measures for the property financed  
2           through a loan under section 6407(d) of such  
3           Act;

4                   (D) entering into a contract under section  
5           6407(e) of such Act; or

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

8           (2) PERSISTENT POVERTY COUNTIES.—In the  
9           case that the grant is for the purpose of making a  
10          loan under section 6407(d) of the Farm Security  
11          and Rural Investment Act of 2002 (7 U.S.C.  
12          8107a(d)) to a qualified consumer (as defined in sec-  
13          tion 6407(b) of such Act) in a persistent poverty  
14          county (as determined by the Secretary), the per-  
15          centage limitation in paragraph (1) of this sub-  
16          section shall be 10 percent.

17          (c) LIMITATION.—The Secretary shall not enter into  
18          any loan agreement pursuant to this section that could  
19          result in disbursements after September 30, 2031, or any  
20          grant agreement pursuant to this section that could result  
21          in any outlays after September 30, 2031.

22   **SEC. 12005. RURAL ENERGY FOR AMERICA PROGRAM.**

23          (a) APPROPRIATION.—In addition to amounts other-  
24          wise available, there is appropriated to the Secretary, out  
25          of any money in the Treasury not otherwise appropriated,



1 for eligible projects under section 9007 of the Farm Secu-  
2 rity and Rural Investment Act of 2002 (7 U.S.C. 8107)  
3 and subject to the conditions that the performance of any  
4 construction work completed with amounts provided under  
5 this subsection meet the condition described in section  
6 9003(f) of such Act, and notwithstanding section  
7 9007(c)(3)(A) of such Act, the amount of a grant shall  
8 not exceed 50 percent of the cost of the activity carried  
9 out using the grant funds—

10 (1) \$820,250,000 for fiscal year 2022, to re-  
11 main available until September 30, 2031; and

12 (2) \$180,276,500 for each of fiscal years 2023  
13 through 2027, to remain available until September  
14 30, 2031.

15 (b) UNDERUTILIZED RENEWABLE ENERGY TECH-  
16 NOLOGIES.—In addition to amounts otherwise available,  
17 there is appropriated to the Secretary, out of any money  
18 in the Treasury not otherwise appropriated, to provide  
19 grants and loans guaranteed by the Secretary (including  
20 the costs of such loans) under the program described in  
21 subsection (a) of this section relating to underutilized re-  
22 newable energy technologies, and to provide technical as-  
23 sistance for applying to the program described in sub-  
24 section (a) of this section, including for underutilized re-  
25 newable energy technologies, subject to the conditions that

1 the performance of any construction work completed with  
2 amounts provided under this subsection meet the condition  
3 described in section 9003(f) of such Act and, notwith-  
4 standing section 9007(c)(3)(A) of the Farm Security and  
5 Rural Investment Act of 2002 (7 U.S.C. 8107(c)(3)(A)),  
6 the amount of a grant shall not exceed 50 percent of the  
7 cost of the activity carried out using the grant funds, and  
8 to the extent the following amounts remain available at  
9 the end of each fiscal year, the Secretary shall use such  
10 amounts in accordance with subsection (a) of this sec-  
11 tion—

12 (1) \$144,750,000 for fiscal year 2022, to re-  
13 main available until September 30, 2031; and

14 (2) \$31,813,500 for each of fiscal years 2023  
15 through 2027, to remain available until September  
16 30, 2031.

17 (c) LIMITATION.—The Secretary shall not enter into  
18 any loan agreement pursuant to this section that could  
19 result in disbursements after September 30, 2031 or any  
20 grant agreement pursuant to this section that could result  
21 in any outlays after September 30, 2031.

22 **SEC. 12006. BIOFUEL INFRASTRUCTURE AND AGRICULTURE**  
23 **PRODUCT MARKET EXPANSION.**

24 (a) APPROPRIATION.—In addition to amounts other-  
25 wise available, there is appropriated to the Secretary for

1 fiscal year 2022, out of any money in the Treasury not  
2 otherwise appropriated, \$960,000,000, to remain available  
3 until September 30, 2031, to carry out this section.

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

19 (1) to install, retrofit, or otherwise upgrade fuel  
20 dispensers or pumps and related equipment, storage  
21 tank system components, and other infrastructure  
22 required at a location related to dispensing certain  
23 biofuels blends to ensure the increased sales of fuels  
24 with high levels of commodity-based ethanol and bio-  
25 diesel that are at or greater than the levels required

1 in the Notice of Funding Availability for the Higher  
2 Blends Infrastructure Incentive Program for Fiscal  
3 Year 2020, published in volume 85 of the Federal  
4 Register (85 Fed. Reg. 26656), as determined by  
5 the Secretary; and

6 (2) to build and retrofit distribution systems for  
7 ethanol blends, traditional and pipeline biodiesel ter-  
8 minal operations (including rail lines), and home  
9 heating oil distribution centers or equivalent enti-  
10 ties—

11 (A) to blend biodiesel; and

12 (B) to carry ethanol and biodiesel.

13 (c) LIMITATION.—The Secretary may not limit the  
14 amount of funding an eligible entity may receive under  
15 this section.

16 **SEC. 12007. USDA ASSISTANCE FOR RURAL ELECTRIC CO-**  
17 **OPERATIVES.**

18 (a) APPROPRIATION.—In addition to amounts other-  
19 wise available, there is appropriated to the Secretary for  
20 fiscal year 2022, out of any money in the Treasury not  
21 otherwise appropriated, \$9,700,000,000, to remain avail-  
22 able until September 30, 2031, for the long-term resil-  
23 iency, reliability, and affordability of rural electric sys-  
24 tems, by providing to an eligible entity (defined as an elec-  
25 tric cooperative described in section 501(c)(12) or

1 1381(a)(2) of the Internal Revenue Code of 1986 and is  
2 or has been a Rural Utilities Service electric loan borrower  
3 pursuant to the Rural Electrification Act of 1936 or serv-  
4 ing a predominantly rural area) assistance under para-  
5 graphs (1) and (2) by awarding such assistance to eligible  
6 entities for purposes described in section 310B(a)(2)(C)  
7 of the Consolidated Farm and Rural Development Act  
8 (provided that the term renewable energy system in that  
9 paragraph has the meaning given such term in section  
10 9001(16) of the Farm Security and Rural Investment Act  
11 of 2002) and for carbon capture and storage systems, that  
12 will achieve the greatest reduction in greenhouse gas emis-  
13 sions associated with rural electric systems using such as-  
14 sistance and that will otherwise aid disadvantaged rural  
15 communities (as determined by the Secretary), subject to  
16 the condition that any construction work completed with  
17 amounts provided under this section shall meet the condi-  
18 tion described in section 9003(f) of the Farm Security and  
19 Rural Investment Act of 2002 (7 U.S.C. 8103(f)), when—

20           (1) making grants and loans (including the cost  
21           of loans and modifications thereof) to purchase re-  
22           newable energy (as defined in section 9001(15) of  
23           the Farm Security and Rural Investment Act of  
24           2002 (7 U.S.C. 8101(15))), purchase renewable en-  
25           ergy systems (as defined in section 9001(16) of that

1 Act (7 U.S.C. 8101(16))), and carbon capture and  
2 storage systems, deploy such systems, or make en-  
3 ergy efficiency improvements after the date of enact-  
4 ment of this Act; and

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

9 (A) facilities operating on nonrenewable  
10 energy; and

11 (B) related transmission assets.

12 (b) LIMITATION.—No eligible entity may receive an  
13 amount equal to more than 10 percent of the total amount  
14 made available by this section.

15 (c) PROHIBITION.—Nothing in this section shall be  
16 interpreted to authorize funds of the Commodity Credit  
17 Corporation for activities under this section if such funds  
18 are not expressly authorized or currently expended for  
19 such purposes.

20 **SEC. 12008. RURAL PARTNERSHIP PROGRAM.**

21 (a) RURAL PROSPERITY DEVELOPMENT GRANTS.—

22 (1) APPROPRIATION.—In addition to amounts  
23 otherwise available, there is appropriated to the Sec-  
24 retary for fiscal year 2022, out of any money in the  
25 Treasury not otherwise appropriated, \$873,000,000,

1 to remain available until September 30, 2031, to  
2 provide grants to support rural development under  
3 this subsection, subject to the condition that the re-  
4 cipient of a grant under this subsection shall con-  
5 tribute a non-Federal match of 25 percent of the  
6 amount of the grant, which may be satisfied through  
7 an in-kind contribution, except that the Secretary  
8 may waive such matching requirement on a finding  
9 that the recipient of the applicable grant is economi-  
10 cally distressed.

11 (2) ALLOCATION OF FUNDS.—

12 (A) FORMULA.—The Secretary shall estab-  
13 lish a formula pursuant to which the Secretary  
14 shall allocate, for each State and for Tribal gov-  
15 ernments, an amount to be provided under this  
16 subsection to eligible applicants described in  
17 paragraph (3).

18 (B) REQUIREMENTS.—

19 (i) FORMULA.—The formula estab-  
20 lished under subparagraph (A) shall in-  
21 clude a graduated scale for the amount to  
22 be allocated under this subsection for eligi-  
23 ble applicants in each State and eligible  
24 applicants of Tribal governments, with  
25 higher amounts provided based on lower

1 populations and lower income levels, as de-  
2 termined by the Secretary.

3 (ii) AWARD.—In awarding grants  
4 under this subsection to eligible applicants  
5 in each State and eligible applicants of  
6 Tribal governments, the Secretary shall  
7 give priority to eligible applicants rep-  
8 resenting a micropolitan statistical area (as  
9 defined by the Office of Management and  
10 Budget in OMB Bulletin No. 20-01 (effec-  
11 tive March 2020) and any subsequent up-  
12 dates) and 1 or more rural areas contig-  
13 uous to that micropolitan statistical area  
14 or eligible applicants representing high  
15 poverty areas (as determined by the Sec-  
16 retary) provided that the Secretary may  
17 award additional grants or funding under  
18 this subsection to implement activities pur-  
19 suant to a rural development plan upon  
20 the Secretary's approval of the recipient's  
21 plan and report on the use of each grant  
22 provided to the recipient under this sub-  
23 section.

24 (3) ELIGIBLE APPLICANTS.—The Secretary  
25 may make a grant under this subsection to a part-



1       nership no member of which has received a grant  
2       under subsection (b) and that—

3               (A) is composed of entities representing a  
4       region composed of 1 or more rural areas, in-  
5       cluding—

6               (i) except as provided in subparagraph  
7       (B), 1 or more of—

8                       (I) a unit of local government;

9                       (II) a Tribal government; or

10                      (III) an authority, agency, or in-  
11       strumentality of an entity described in  
12       subclauses (I) or (II); and

13               (ii) a qualified nonprofit or for-profit  
14       organization, as determined by the Sec-  
15       retary;

16       (B) does not include a member described  
17       in subparagraph (A)(i), but demonstrates sig-  
18       nificant community support sufficient to sup-  
19       port a likelihood of success on the proposed  
20       projects, as determined by the Secretary; and

21       (C) demonstrates, as determined by the  
22       Secretary, cooperation among the members of  
23       the partnership necessary to complete com-  
24       prehensive rural development, through aligning  
25       government investment, leveraging nongovern-

1           mental resources, building economic resilience,  
2           and aiding economic recovery, including in com-  
3           munities impacted by economic transitions and  
4           climate change.

5           (4) ELIGIBLE ACTIVITIES.—The use of grant  
6           funds provided under this subsection may be used  
7           for the following purposes, provided that, where ap-  
8           plicable, the performance of any construction work  
9           completed with the grant funds shall meet the condi-  
10          tion described in section 9003(f) of the Farm Secu-  
11          rity and Rural Investment Act of 2002 (7 U.S.C.  
12          8103(f)):

13                   (A) Conducting comprehensive rural devel-  
14                   opment and pre-development activities and  
15                   planning.

16                   (B) Supporting organizational operating  
17                   expenses relating to the rural development ac-  
18                   tivities for which the grant was provided.

19                   (C) Implementing planned rural develop-  
20                   ment activities and projects.

21           (5) LIMITATION.—Not more than 25 percent of  
22           amounts received by a recipient of a grant under  
23           this subsection may be used to satisfy a Federal  
24           matching requirement.

1 (b) RURAL PROSPERITY INNOVATION GRANTS.—In  
2 addition to amounts otherwise available, there is appro-  
3 priated to the Secretary for fiscal year 2022, out of any  
4 money in the Treasury not otherwise appropriated,  
5 \$97,000,000, to remain available until September 30,  
6 2031, to provide grants to entities that have not received  
7 a grant under subsection (a) and that is a qualified non-  
8 profit corporation that serves rural areas (as determined  
9 by the Secretary) or an institution of higher education  
10 that serves rural areas (as determined by the Secretary),  
11 subject to the condition that the recipient of such grant  
12 shall contribute a non-Federal match of 20 percent of the  
13 amount of the grant, which may be used—

14 (1) to support activities of the recipient relating  
15 to—

16 (A) development and predevelopment plan-  
17 ning aspects of rural development; and

18 (B) organizational capacity-building nec-  
19 essary to support the rural development activi-  
20 ties funded by the grant; and

21 (2) to support the recipient of a grant under  
22 subsection (a) in carrying out activities for which  
23 that grant was provided.

24 (c) DEFINITIONS.—In this section:

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

5           (2) STATE.—The term “State” has the mean-  
6           ing given the term in section 1404 of the National  
7           Agricultural Research, Extension, and Teaching Pol-  
8           icy Act of 1977 (7 U.S.C. 3103).

9   **SEC. 12009. ADDITIONAL USDA RURAL DEVELOPMENT AD-**  
10                                   **MINISTRATIVE FUNDS.**

11           In addition to amounts otherwise available, there is  
12           appropriated to the Secretary for fiscal year 2022, out of  
13           any money in the Treasury not otherwise appropriated,  
14           \$553,000,000, to remain available until September 30,  
15           2031, for administrative costs and salaries and expenses  
16           for the Rural Development mission area and expenses of  
17           the agencies and offices of the Department for costs re-  
18           lated to implementing this part.

19                           **PART 2—AGRICULTURAL CREDIT AND**  
20                                   **OUTREACH**

21   **SEC. 12101. ASSISTANCE FOR CERTAIN FARM LOAN BOR-**  
22                                   **ROWERS.**

23           Section 1005 of the American Rescue Plan Act of  
24           2021 (Public Law 117–2) is amended to read as follows:

1 **“SEC. 1005. ASSISTANCE FOR CERTAIN FARM LOAN BOR-**  
2 **ROWERS.**

3 “(a) APPROPRIATIONS.—In addition to amounts oth-  
4 erwise available, there are appropriated to the Secretary  
5 for fiscal year 2022, out of amounts in the Treasury not  
6 otherwise appropriated, to remain available until Sep-  
7 tember 30, 2031—

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

10 “(2) \$1,020,000,000 to provide payments or  
11 loan modifications or otherwise carry out the au-  
12 thorities under section 331(b)(4) of the Consolidated  
13 Farm and Rural Development Act (7 U.S.C.  
14 1981(b)(4)), using a centralized process adminis-  
15 tered from the national office, for Farm Service  
16 Agency direct loan and loan guarantee borrowers, fo-  
17 cusing on borrowers who are at risk (as determined  
18 by the Secretary of Agriculture using factors that  
19 may include whether the borrower is a limited re-  
20 source farmer or rancher, the amount of payments  
21 received by the borrower during calendar years 2020  
22 and 2021 under the Coronavirus Food Assistance  
23 Program of the Department of Agriculture, and  
24 other factors, as determined by the Secretary).

25 “(b) PAYMENTS.—

1           “(1) IN GENERAL.—The Secretary shall provide  
2 a payment in an amount up to 100 percent of the  
3 outstanding indebtedness of each economically dis-  
4 tressed borrower on eligible farm debt.

5           “(2) OTHER PAYMENTS.—

6           “(A) IN GENERAL.—For each farmer and  
7 rancher with outstanding indebtedness on eligi-  
8 ble farm debt that does not qualify for a pay-  
9 ment under paragraph (1), the Secretary shall  
10 provide a payment that is equal to, subject to  
11 subparagraph (B), the lesser of—

12                   “(i) the amount of the outstanding in-  
13 debtedness of the farmer or rancher on eli-  
14 gible farm debt; and

15                   “(ii) \$150,000.

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

19                   “(i) the total of the payments received  
20 by the farmer or rancher during calendar  
21 year 2020 pursuant to the Coronavirus  
22 Food Assistance Program of the Depart-  
23 ment of Agriculture; and

24                   “(ii) the total of the payments re-  
25 ceived by the farmer or rancher during cal-

1           endar years 2018 and 2019 pursuant to  
2           the Market Facilitation Program of the  
3           Department of Agriculture.

4           “(c) DEFINITIONS.—In this section:

5           “(1) ECONOMICALLY DISTRESSED BOR-  
6           ROWER.—The term ‘economically distressed bor-  
7           rower’ means a farmer or rancher that, as deter-  
8           mined by the Secretary—

9           “(A) was 90 days or more delinquent with  
10          respect to an eligible farm debt as of April 30,  
11          2021;

12          “(B) was 90 days or more delinquent with  
13          respect to an eligible farm debt as of December  
14          31, 2020;

15          “(C) operates a farm or ranch whose head-  
16          quarters of operation, as determined by the  
17          Secretary, location is—

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

20                          “(I) in the 1990 or 2000 decen-  
21                          nial census; or

22                          “(II) in the Small Area Income  
23                          and Poverty Estimates of the Bureau  
24                          of the Census for the most recent year  
25                          for which the Estimates are available

1 as of the date of enactment of the Act  
2 entitled ‘An Act to provide for rec-  
3 onciliation pursuant to title II of S.  
4 Con. Res. 14’;

5 “(ii) in a ZIP Code with a poverty  
6 rate of not less than 20 percent, as deter-  
7 mined by the Secretary; or

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

11 “(D) owes more interest than principal  
12 with respect to an eligible farm debt as of July  
13 31, 2021;

14 “(E) is undergoing bankruptcy or fore-  
15 closure or is in other financially distressed cat-  
16 egories, as determined by the Secretary, as of  
17 July 31, 2021;

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

20 “(G) has restructured an eligible farm debt  
21 3 or more times as of July 31, 2021; or

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

24 “(2) ELIGIBLE FARM DEBT.—



1           “(A) IN GENERAL.—The term ‘eligible  
2 farm debt’ means a debt owed to the United  
3 States by a farmer or rancher that was issued  
4 as a direct loan administered by the Farm  
5 Service Agency under subtitle A, B, or C of the  
6 Consolidated Farm and Rural Development Act  
7 (7 U.S.C. 1922 through 1970) and was out-  
8 standing or otherwise not paid as of December  
9 31, 2020, or July 31, 2021.

10           “(B) AMOUNT.—The amount of eligible  
11 farm debt with respect to a borrower shall be  
12 equal to the amount of eligible farm debt out-  
13 standing as of a date determined by the Sec-  
14 retary, but no sooner than the date of enact-  
15 ment of the Act entitled ‘An Act to provide for  
16 reconciliation pursuant to title II of S. Con Res.  
17 14’, plus the total of all loan payments on eligi-  
18 ble farm debt made by the borrower in calendar  
19 year 2021.

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

22           “(d) LIMITATION.—The Secretary shall not enter  
23 into any loan agreement pursuant to this section that  
24 could result in disbursements after September 30, 2031

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

3 **SEC. 12102. USDA ASSISTANCE AND SUPPORT FOR UNDER-**  
4 **SERVED FARMERS, RANCHERS, AND FOR-**  
5 **ESTERS.**

6 Section 1006 of the American Rescue Plan Act of  
7 2021 (Public Law 117–2) is amended to read as follows:

8 **“SEC. 1006. USDA ASSISTANCE AND SUPPORT FOR UNDER-**  
9 **SERVED FARMERS, RANCHERS, FORESTERS.**

10 “(a) **TECHNICAL AND OTHER ASSISTANCE.**—In addi-  
11 tion to amounts otherwise available, there is appropriated  
12 to the Secretary of Agriculture for fiscal year 2022, to  
13 remain available until September 30, 2031, out of any  
14 money in the Treasury not otherwise appropriated,  
15 \$200,000,000 to provide outreach, mediation, financial  
16 training, capacity building training, cooperative develop-  
17 ment and agricultural credit training and support, and  
18 other technical assistance on issues concerning food, agri-  
19 culture, agricultural credit, agricultural extension, rural  
20 development, or nutrition to underserved farmers, ranch-  
21 ers, or forest landowners, including veterans, limited re-  
22 source producers, beginning farmers and ranchers, and  
23 farmers, ranchers, and forest landowners living in high  
24 poverty areas.

1       “(b) LAND LOSS ASSISTANCE.—In addition to  
2 amounts otherwise available, there is appropriated to the  
3 Secretary of Agriculture for fiscal year 2022, to remain  
4 available until September 30, 2031, out of any money in  
5 the Treasury not otherwise appropriated, \$200,000,000 to  
6 provide grants and loans to eligible entities, as determined  
7 by the Secretary, to improve land access (including heirs’  
8 property and fractionated land issues) for underserved  
9 farmers, ranchers, and forest landowners, including vet-  
10 erans, limited resource producers, beginning farmers and  
11 ranchers, and farmers, ranchers, and forest landowners  
12 living in high poverty areas.

13       “(c) EQUITY COMMISSIONS.—In addition to amounts  
14 otherwise available, there is appropriated to the Secretary  
15 of Agriculture for fiscal year 2022, to remain available  
16 until September 30, 2031, out of any money in the Treas-  
17 ury not otherwise appropriated, \$10,000,000 to fund the  
18 activities of one or more equity commissions that will ad-  
19 dress racial equity issues within the Department of Agri-  
20 culture and the programs of the Department of Agri-  
21 culture.

22       “(d) RESEARCH, EDUCATION, AND EXTENSION.—In  
23 addition to amounts otherwise available, there is appro-  
24 priated to the Secretary of Agriculture for fiscal year  
25 2022, to remain available until September 30, 2031, out

1 of any money in the Treasury not otherwise appropriated,  
2 \$189,000,000 to support and supplement agricultural re-  
3 search, education, and extension, as well as scholarships  
4 and programs that provide internships and pathways to  
5 agricultural sector or Federal employment, for 1890 Insti-  
6 tutions (as defined in section 2 of the Agricultural, Re-  
7 search, Extension, and Education Reform Act of 1998 (7  
8 U.S.C. 7601)), 1994 Institutions (as defined in section  
9 532 of the Equity in Educational Land-Grant Status Act  
10 of 1994 (7 U.S.C. 301 note; Public Law 103–382)), Alas-  
11 ka Native serving institutions and Native Hawaiian serv-  
12 ing institutions eligible to receive grants under subsections  
13 (a) and (b), respectively, of section 1419B of the National  
14 Agricultural Research, Extension, and Teaching Policy  
15 Act of 1977 (7 U.S.C. 3156), Hispanic-serving institu-  
16 tions eligible to receive grants under section 1455 of the  
17 National Agricultural Research, Extension, and Teaching  
18 Policy Act of 1977 (7 U.S.C. 3241), and the insular area  
19 institutions of higher education located in the territories  
20 of the United States, as referred to in section 1489 of  
21 the National Agricultural Research, Extension, and  
22 Teaching Policy Act of 1977 (7 U.S.C. 3361).

23       “(e) DISCRIMINATION FINANCIAL ASSISTANCE.—In  
24 addition to amounts otherwise available, there is appro-  
25 priated to the Secretary of Agriculture for fiscal year

1 2022, to remain available until September 30, 2031, out  
2 of any money in the Treasury not otherwise appropriated,  
3 \$750,000,000 for a program to provide financial assist-  
4 ance to farmers, ranchers, or forest landowners deter-  
5 mined to have experienced discrimination prior to January  
6 1, 2021, in Department of Agriculture farm lending pro-  
7 grams, under which the amount of financial assistance  
8 provided to a recipient may be not more than \$500,000  
9 as appropriate in relation to any consequences experienced  
10 from the discrimination, which program shall be adminis-  
11 tered through 1 or more qualified nongovernmental enti-  
12 ties selected by the Secretary subject to standards set and  
13 enforced by the Secretary, subject to the condition that  
14 any selected entity administering the program shall return  
15 the funds to the Secretary on the request of the Secretary  
16 if the standards are not adequately carried out or the ad-  
17 ministration of the program is not otherwise sufficient or  
18 if any funds provided to the selected entity are not distrib-  
19 uted on the date that is 5 years after the date of enact-  
20 ment of the Act entitled ‘An Act to provide for reconcili-  
21 ation pursuant to title II of S. Con. Res. 14’, and any  
22 such returned funds shall be available for obligation for  
23 any activity authorized under this section, except sub-  
24 sections (c) and (f).

1       “(f) ADMINISTRATIVE COSTS.—In addition to  
2 amounts otherwise available, there is appropriated to the  
3 Secretary of Agriculture for fiscal year 2022, to remain  
4 available until September 30, 2031, out of any money in  
5 the Treasury not otherwise appropriated, \$35,000,000 for  
6 administrative costs, including training employees, of the  
7 agencies and offices of the Department of Agriculture to  
8 carry out this section.

9       “(g) LIMITATION.—The funds made available under  
10 subsection (d) are subject to the condition that the Sec-  
11 retary shall not—

12               “(1) enter into any agreement—

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

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

18               “(2) use any other funds available to the Sec-  
19               retary to satisfy obligations initially made under  
20               subsection (d).”.

1     **Subtitle D—Research and Urban**  
2                     **Agriculture**

3     **SEC. 13001. DEPARTMENT OF AGRICULTURE RESEARCH**  
4                     **FUNDING.**

5             (a) APPROPRIATIONS.—In addition to amounts other-  
6 wise available, there are appropriated to the Secretary, out  
7 of any money in the Treasury not otherwise appropriated,  
8 to remain available until September 30, 2031—

9                     (1) to the National Agricultural Statistics Serv-  
10             ice, for measurements, a survey, and data collection  
11             to conduct the study required under section 7212(b)  
12             of the Agriculture Improvement Act of 2018 (Public  
13             Law 115–334; 132 Stat. 4812), which shall be com-  
14             pleted not later than December 31, 2022,  
15             \$5,000,000 for fiscal year 2022;

16                     (2) to the National Institute of Food and Agri-  
17             culture—

18                             (A) to fund agricultural education, exten-  
19             sion, and research relating to climate change—

20                                     (i) through the Agriculture and Food  
21             Research Initiative established by sub-  
22             section (b) of the Competitive, Special, and  
23             Facilities Research Grant Act (7 U.S.C.  
24             3157(b)), \$210,000,000 for fiscal year  
25             2022;

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

8 (iii) through the organic agriculture  
9 research and extension initiative estab-  
10 lished under section 1672B of the Food,  
11 Agriculture, Conservation, and Trade Act  
12 of 1990 (7 U.S.C. 5925b), \$60,000,000 for  
13 fiscal year 2022;

14 (iv) through the urban, indoor, and  
15 other emerging agricultural production re-  
16 search, education, and extension initiative  
17 established under section 1672E of the  
18 Food, Agriculture, Conservation, and  
19 Trade Act of 1990 (7 U.S.C. 5925g),  
20 \$5,000,000 for fiscal year 2022;

21 (v) through the centers of excellence  
22 led by 1890 Institutions established under  
23 section 1673(d) of the Food, Agriculture,  
24 Conservation, and Trade Act of 1990 (7



1 U.S.C. 5926(d)), \$5,000,000 for fiscal  
2 year 2022;

3 (vi) through the specialty crop re-  
4 search and extension initiative established  
5 by section 412 of the Agricultural Re-  
6 search, Extension, and Education Reform  
7 Act of 1998 (7 U.S.C. 7632), \$60,000,000  
8 for fiscal year 2022;

9 (vii) through the cooperative extension  
10 under the Smith-Lever Act (7 U.S.C. 341  
11 through 349) for agricultural extension ac-  
12 tivities and research relating to climate  
13 change, technical assistance, and tech-  
14 nology adoption, \$80,000,000 for fiscal  
15 year 2022;

16 (viii) through the cooperative exten-  
17 sion at 1994 Institutions in accordance  
18 with section 3(b)(3) of the Smith-Lever  
19 Act (7 U.S.C. 343(b)(3)), \$35,000,000 for  
20 fiscal year 2022; and

21 (ix) through the cooperative extension  
22 at 1890 Institutions under section 1444 of  
23 the National Agricultural Research, Exten-  
24 sion, and Teaching Policy Act of 1977 (7

1 U.S.C. 3221), \$40,000,000 for fiscal year  
2 2022;

3 (B) for grants to covered institutions for  
4 construction, alteration, acquisition, moderniza-  
5 tion, renovation, or remodeling of agricultural  
6 research facilities, including related building  
7 costs associated with compliance with applicable  
8 Federal and State law, under section 4 of the  
9 Research Facilities Act (7 U.S.C. 390b),  
10 \$1,000,000,000 for fiscal year 2022, subject to  
11 the condition that notwithstanding section  
12 3(e)(2)(A) of that Act (7 U.S.C.  
13 390a(c)(2)(A)), the recipient of a grant pro-  
14 vided using those amounts shall not be required  
15 to provide any non-Federal share of total fund-  
16 ing provided under this subparagraph;

17 (C) for the scholarships for students at  
18 1890 Institutions grant program under section  
19 1446 of the National Agricultural Research,  
20 Extension, and Teaching Policy Act of 1977 (7  
21 U.S.C. 3222a), \$100,000,000 for fiscal year  
22 2022, to carry out such program in fiscal years  
23 2024 through 2031;

24 (D) for grants to land-grant colleges and  
25 universities to support Tribal students under

1 section 1450 of that Act (7 U.S.C. 3222e),  
2 \$15,000,000 for fiscal year 2022, and for pur-  
3 poses of this subparagraph, section 1450(b)(4)  
4 of such Act shall not apply; and

5 (E) for the Higher Education Multicultural  
6 Scholars Program carried out pursuant to sec-  
7 tion 1417 of that Act (7 U.S.C. 3152),  
8 \$15,000,000 for fiscal year 2022;

9 (3) to the Office of the Chief Scientist, to carry  
10 out advanced research and development relating to  
11 climate through the Agriculture Advanced Research  
12 and Development Authority to further the goals  
13 under section 1473H(b)(2) of the National Agricul-  
14 tural Research, Extension, and Teaching Policy Act  
15 of 1977 (7 U.S.C. 3319k(b)(2)), \$30,000,000 for  
16 fiscal year 2022;

17 (4) to the Foundation for Food and Agriculture  
18 Research, to carry out activities relating to climate  
19 change in accordance with section 7601 of the Agri-  
20 cultural Act of 2014 (7 U.S.C. 5939), to be consid-  
21 ered as provided pursuant to subsection (g)(1)(A) of  
22 such section, \$210,000,000 for fiscal year 2022;

23 (5) to the Office of Urban Agriculture and In-  
24 novative Production, to carry out activities in ac-  
25 cordance with section 222 of the Department of Ag-

1 riculture Reorganization Act of 1994 (7 U.S.C.  
2 6923), \$10,000,000 for fiscal year 2022.

3 (b) DEFINITIONS.—In this section:

4 (1) COVERED INSTITUTION.—The term “cov-  
5 ered institution” means—

6 (A) an 1890 Institution (as defined in sec-  
7 tion 2 of the Agricultural Research, Extension,  
8 and Education Reform Act of 1998 (7 U.S.C.  
9 7601));

10 (B) a 1994 Institution (as defined in sec-  
11 tion 532 of the Equity in Educational Land-  
12 Grant Status Act of 1994 (7 U.S.C. 301 note;  
13 Public Law 103–382));

14 (C) an Alaska Native serving institution or  
15 Native Hawaiian serving institution eligible to  
16 receive grants under subsections (a) and (b), re-  
17 spectively, of section 1419B of the National Ag-  
18 ricultural Research, Extension, and Teaching  
19 Policy Act of 1977 (7 U.S.C. 3156);

20 (D) Hispanic-serving agricultural colleges  
21 and universities and Hispanic-serving institu-  
22 tions (as those terms are defined in section  
23 1404 of the National Agricultural Research,  
24 Extension, and Teaching Policy Act of 1977 (7  
25 U.S.C. 3103));

1 (E) an eligible institution (as defined in  
2 section 1489 of the National Agricultural Re-  
3 search, Extension, and Teaching Policy Act of  
4 1977 (7 U.S.C. 3361) (relating to institutions  
5 of higher education in insular areas)); and

6 (F) the University of the District of Co-  
7 lumbia established pursuant to the Act of July  
8 2, 1862 (commonly known as the “First Morrill  
9 Act”) (7 U.S.C. 301 through 309).

10 (2) STATE.—The term “State” has the mean-  
11 ing given the term in section 1404 of the National  
12 Agricultural Research, Extension, and Teaching Pol-  
13 icy Act of 1977 (7 U.S.C. 3103).

14 **SEC. 13002. LIMITATION.**

15 The funds made available under this subtitle are sub-  
16 ject to the condition that the Secretary shall not—

17 (1) enter into any agreement—

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

20 (B) under which any payment could be  
21 outlaid or funds disbursed after September 30,  
22 2031; or

23 (2) use any other funds available to the Sec-  
24 retary to satisfy obligations initially made under this  
25 subtitle.

1                   **Subtitle E—Miscellaneous**

2   **SEC. 14001. ADDITIONAL SUPPORT FOR USDA OFFICE OF**  
3                   **THE INSPECTOR GENERAL.**

4           In addition to amounts otherwise made available,  
5 there is appropriated to the Office of the Inspector Gen-  
6 eral of the Department of Agriculture for fiscal year 2022,  
7 out of any money in the Treasury not otherwise appro-  
8 priated, \$5,000,000 to remain available until September  
9 30, 2031, for audits, investigations, and other oversight  
10 activities of projects and activities carried out with funds  
11 made available to the Department of Agriculture under  
12 this title.

13   **SEC. 14002. ADDITIONAL SUPPORT FOR FARMWORKER AND**  
14                   **FOOD WORKER RELIEF GRANT PROGRAM.**

15           In addition to amounts otherwise available, there is  
16 appropriated to the Secretary of Agriculture for fiscal year  
17 2022 to remain available until September 30, 2031, out  
18 of any money in the Treasury not otherwise appropriated,  
19 \$200,000,000 to provide additional funds to the Secretary  
20 for the Farmworker and Food Worker Relief Grant Pro-  
21 gram of the Agricultural Marketing Service to provide ad-  
22 ditional COVID–19 assistance relief payments for front-  
23 line grocery workers.

## 1                   **Subtitle F—Conservation**

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

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

12                   (1) enter into any agreement—

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

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

18                   (2) use any other funds available to the Sec-  
19                   retary to satisfy obligations initially made under this  
20                   section; or

21                   (3) interpret this section to authorize funds of  
22                   the Commodity Credit Corporation for such pay-  
23                   ments if such funds are not expressly authorized or  
24                   currently expended for such purposes.

25           (b) AVAILABILITY OF PAYMENTS TO PRODUCERS.—

1           (1) IN GENERAL.—Of the funds made available  
2           under subsection (a), for each of the 2022 through  
3           2026 crop years, the Secretary shall make payments  
4           to the producers on a farm for which the producer  
5           establishes 1 or more cover crop practices with re-  
6           spect to the applicable crop year, as determined by  
7           the Secretary, in accordance with this subsection,  
8           subject to the condition that a producer receiving a  
9           payment shall not receive a payment under any  
10          other provision of law for the same practices on the  
11          same acres.

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

17          (3) ACRES ESTABLISHED.—The acres for which  
18          a producer receives the payment rate under para-  
19          graph (2) shall be equal to the total number of acres  
20          on which the producer establishes 1 or more cover  
21          crop practices, not to exceed 1,000 acres per pro-  
22          ducer.

23          (c) AVAILABILITY OF PAYMENTS TO FARM OWN-  
24          ERS.—



1           (1) IN GENERAL.—Of the funds made available  
2           under subsection (a), for each of the 2022 through  
3           2026 crop years, the Secretary shall make payments  
4           to the owners of a farm with respect to which a pro-  
5           ducer establishes 1 or more cover crop practices pur-  
6           suant to subsection (b), in accordance with this sub-  
7           section, subject to the condition that an owner of a  
8           farm may not receive a payment under this sub-  
9           section and subsection (b) for the same farm or  
10          acres, as determined by the Secretary.

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

15          (3) ACRES ESTABLISHED.—The acres for which  
16          the owner of a farm receives the payment rate under  
17          paragraph (2) shall be equal to the total number of  
18          acres for which the applicable producer establishes 1  
19          or more cover crop practices, not to exceed 1,000  
20          acres per owner.

21          (d) AVAILABILITY OF PAYMENTS FOR PREVENTED  
22          PLANTING.—

23                 (1) IN GENERAL.—Of the funds made available  
24                 under subsection (a) and in addition to any other  
25                 payments or assistance, for the 2022 through 2026

1 crop years, the Secretary shall make payments in ac-  
2 cordance with this subsection to producers on farms  
3 who establish 1 or more cover crop practices pursu-  
4 ant to subsection (b).

5 (2) REQUIREMENTS.—To receive a payment  
6 under this subsection, a producer—

7 (A) shall have—

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

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

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

22 (B) as determined by the Secretary, shall

23 not—

24 (i) harvest the cover crop for market  
25 or sale;

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

5 (iii) otherwise use the acres for which  
6 payments are received under this sub-  
7 section for any unapproved uses or other  
8 uses that seek to defeat or undermine the  
9 purposes of this section.

10 (3) PAYMENT AMOUNT.—The Secretary shall  
11 make payments to producers under this subsection  
12 in an amount equal to the product obtained by mul-  
13 tiplying—

14 (A) the total number of acres for which the  
15 producer is eligible to receive a payment under  
16 this subsection; and

17 (B) the difference between—

18 (i) 100 percent of the prevented plant-  
19 ing guarantee, calculated without regard to  
20 the establishment of the cover crop prac-  
21 tices pursuant to subsection (b), applicable  
22 for the insurance policy purchased by the  
23 producer under section 508A of the Fed-  
24 eral Crop Insurance Act (7 U.S.C. 1508a),  
25 as determined by the Secretary; and

1                   (ii) the prevented planting indemnity  
2                   payment received by the producer under  
3                   that section and the policy purchased by  
4                   the producer for the applicable crop, as de-  
5                   termined by the Secretary.

6 **SEC. 15002. ADDITIONAL AGRICULTURAL CONSERVATION**  
7                   **INVESTMENTS.**

8           (a) APPROPRIATIONS.—In addition to amounts other-  
9           wise available (and subject to subsection (b)), there are  
10           appropriated to the Secretary of Agriculture (referred to  
11           in this section as the “Secretary”), out of any money in  
12           the Treasury not otherwise appropriated, to remain avail-  
13           able until September 30, 2031 (subject to the condition  
14           that no such funds may be disbursed after September 30,  
15           2031)—

16                   (1) to carry out, using the facilities and au-  
17                   thorities of the Commodity Credit Corporation, the  
18                   environmental quality incentives program under sub-  
19                   chapter A of chapter 4 of subtitle D of title XII of  
20                   the Food Security Act of 1985 (16 U.S.C. 3839aa  
21                   through 3839aa–8)—

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

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

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

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

2 and

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

4 and

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

7 (i) section 1240B(f)(1) of the Food  
8 Security Act of 1985 (16 U.S.C. 3839aa–  
9 2(f)(1)) shall not apply;

10 (ii) section 1240H(c)(2) of the Food  
11 Security Act of 1985 (16 U.S.C. 3839aa–  
12 8(c)(2)) shall be applied—

13 (I) by substituting  
14 “\$50,000,000” for “\$25,000,000”;  
15 and

16 (II) with the Secretary  
17 prioritizing proposals that utilize diet  
18 and feed management to reduce en-  
19 teric methane emissions from  
20 ruminants;

21 (iii) the funds shall be available for 1  
22 or more agricultural conservation practices  
23 or enhancements that the Secretary deter-  
24 mines directly improve soil carbon or re-  
25 duce nitrogen losses or greenhouse gas

1 emissions, or capture or sequester green-  
2 house gas emissions, associated with agri-  
3 cultural production; and

4 (iv) the Secretary shall prioritize  
5 projects and activities that mitigate or ad-  
6 dress climate change through the manage-  
7 ment of agricultural production, including  
8 by reducing or avoiding greenhouse gas  
9 emissions;

10 (2) to carry out, using the facilities and au-  
11 thorities of the Commodity Credit Corporation, the  
12 conservation stewardship program under subchapter  
13 B of that chapter (16 U.S.C. 3839aa–21 through  
14 3839aa–25)—

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

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

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

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

19 and

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

21 and

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

24 (i) the funds shall only be available

25 for—

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

9 (II) State-specific or region-spe-  
10 cific groupings or bundles of agricul-  
11 tural conservation activities for cli-  
12 mate change mitigation appropriate  
13 for cropland, pastureland, rangeland,  
14 nonindustrial private forest land, and  
15 producers transitioning to organic or  
16 perennial production systems; and

17 (ii) the Secretary shall prioritize  
18 projects and activities that mitigate or ad-  
19 dress climate change through the manage-  
20 ment of agricultural production, including  
21 by reducing or avoiding greenhouse gas  
22 emissions;

23 (3) to carry out, using the facilities and au-  
24 thorities of the Commodity Credit Corporation, the  
25 agricultural conservation easement program under

1 subtitle H of title XII of that Act (16 U.S.C. 3865  
2 through 3865d)—

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

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

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

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

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

8 (B) subject to the condition on the use of  
9 the funds that the Secretary shall prioritize  
10 projects and activities that mitigate or address  
11 climate change through the management of ag-  
12 ricultural production, including by reducing or  
13 avoiding greenhouse gas emissions; and

14 (4) to carry out, using the facilities and au-  
15 thorities of the Commodity Credit Corporation, the  
16 regional conservation partnership program under  
17 subtitle I of title XII of that Act (16 U.S.C. 3871  
18 through 3871f)—

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

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

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

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

23 and

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

25 and



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

3 (i) shall prioritize partnership agree-  
4 ments under section 1271C(d) of the Food  
5 Security Act of 1985 (16 U.S.C. 3871c(d))  
6 that support the implementation of con-  
7 servation projects that assist agricultural  
8 producers and nonindustrial private  
9 forestland owners in directly improving soil  
10 carbon or reducing nitrogen losses or  
11 greenhouse gas emissions, or capturing or  
12 sequestering greenhouse gas emissions, as-  
13 sociated with agricultural production;

14 (ii) shall prioritize projects and activi-  
15 ties that mitigate or address climate  
16 change through the management of agri-  
17 cultural production, including by reducing  
18 or avoiding greenhouse gas emissions; and

19 (iii) may prioritize projects that—

20 (I) leverage corporate supply  
21 chain sustainability commitments; or

22 (II) utilize models that pay for  
23 outcomes from targeting methane and  
24 nitrous oxide emissions associated  
25 with agricultural production systems.

1 (b) CONDITIONS.—The funds made available under  
2 this section are subject to the conditions that the Sec-  
3 retary shall not—

4 (1) enter into any agreement—

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

7 (B) under which any payment could be  
8 outlaid or funds disbursed after September 30,  
9 2031; or

10 (2) use any other funds available to the Sec-  
11 retary to satisfy obligations initially made under this  
12 section.

13 (c) CONFORMING AMENDMENTS.—

14 (1) Section 1240B of the Food Security Act of  
15 1985 (16 U.S.C. 3839aa-2) is amended—

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

18 (B) in subsection (f)(2)(B)—

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

21 (ii) by striking “2023” and inserting  
22 “2031”.

23 (2) Section 1240H of the Food Security Act of  
24 1985 (16 U.S.C. 3839aa-8) is amended by striking  
25 “2023” each place it appears and inserting “2031”.

1           (3) Section 1240J(a) of the Food Security Act  
2 of 1985 (16 U.S.C. 3839aa–22(a)) is amended, in  
3 the matter preceding paragraph (1), by striking  
4 “2023” and inserting “2031”.

5           (4) Section 1240L(h)(2)(A) of the Food Secu-  
6 rity Act of 1985 (16 U.S.C. 3839aa–24(h)(2)(A)) is  
7 amended by striking “2023” and inserting “2031”.

8           (5) Section 1241 of the Food Security Act of  
9 1985 (16 U.S.C. 3841) is amended—

10           (A) in subsection (a)—

11           (i) in the matter preceding paragraph  
12 (1), by striking “2023” and inserting  
13 “2031”;

14           (ii) in paragraph (1), by striking  
15 “2023” each place it appears and inserting  
16 “2031”;

17           (iii) in paragraph (2)(F), by striking  
18 “2023” and inserting “2031”; and

19           (iv) in paragraph (3), by striking “fis-  
20 cal year 2023” each place it appears and  
21 inserting “each of fiscal years 2023  
22 through 2031”;

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

25           (C) in subsection (h)—

1 (i) in paragraph (1)(B), in the sub-  
2 paragraph heading, by striking “2023” and  
3 inserting “2031”; and

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

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

9 (7) Section 1271D(a) of the Food Security Act  
10 of 1985 (16 U.S.C. 3871d(a)) is amended by strik-  
11 ing “2023” and inserting “2031”.

12 **SEC. 15003. CONSERVATION TECHNICAL ASSISTANCE.**

13 (a) APPROPRIATIONS.—In addition to amounts other-  
14 wise available (and subject to subsection (b)), there are  
15 appropriated to the Secretary of Agriculture (referred to  
16 in this section as the “Secretary”) for fiscal year 2022,  
17 out of any money in the Treasury not otherwise appro-  
18 priated, to remain available until September 30, 2031  
19 (subject to the condition that no such funds may be dis-  
20 bursed after September 30, 2031)—

21 (1) \$200,000,000 to provide conservation tech-  
22 nical assistance through the Natural Resources Con-  
23 servation Service;

24 (2) \$50,000,000 to carry out climate change  
25 adaptation and mitigation activities through the

1 Natural Resources Conservation Service by working  
2 with the Regional Climate Hubs designed to provide  
3 information and technical support on climate smart  
4 agriculture and forestry to agricultural producers,  
5 landowners, and resource managers, as determined  
6 by the Secretary; and

7 (3) \$600,000,000 to carry out a carbon seques-  
8 tration and greenhouse gas emissions quantification  
9 program through which the Natural Resources Con-  
10 servation Service, including through technical service  
11 providers and other partners, shall collect field-based  
12 data to assess the carbon sequestration and green-  
13 house gas emissions reduction outcomes associated  
14 with activities carried out pursuant to this section  
15 and use the data to monitor and track greenhouse  
16 gas emissions and carbon sequestration trends  
17 through the Greenhouse Gas Inventory and Assess-  
18 ment Program of the Department of Agriculture.

19 (b) CONDITIONS.—The funds made available under  
20 this section are subject to the conditions that the Sec-  
21 retary shall not—

22 (1) enter into any agreement—

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

1 (B) under which any payment could be  
2 outlaid or funds disbursed after September 30,  
3 2031;

4 (2) use any other funds available to the Sec-  
5 retary to satisfy obligations initially made under this  
6 section; or

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

11 (c) ADMINISTRATIVE COSTS.—In addition to  
12 amounts otherwise available, there is appropriated to the  
13 Secretary for fiscal year 2022, out of any money in the  
14 Treasury not otherwise appropriated, \$100,000,000, to re-  
15 main available until September 30, 2028, for administra-  
16 tive costs of the agencies and offices of the Department  
17 of Agriculture for costs related to implementing this sec-  
18 tion.

1           **TITLE II—COMMITTEE ON**  
2           **EDUCATION AND LABOR**  
3           **Subtitle A—Education Matters**  
4           **PART 1—ELEMENTARY AND SECONDARY**  
5           **EDUCATION**

6   **SEC. 20001. GROW YOUR OWN PROGRAMS.**

7           (a) **APPROPRIATIONS.**—In addition to amounts other-  
8 wise available, there is appropriated to the Department  
9 of Education for fiscal year 2022, out of any money in  
10 the Treasury not otherwise appropriated, \$112,684,000,  
11 to remain available through September 30, 2025, to award  
12 grants for the development and support of Grow Your  
13 Own Programs, as described in section 202(g) of the  
14 Higher Education Act of 1965.

15          (b) **IN GENERAL.**—Section 202 of the Higher Edu-  
16 cation Act of 1965 is amended—

17               (1) in subsection (b)(6)(C), by striking “sub-  
18 section (f) or (g)” and inserting “subsection (f) or  
19 (h)”;

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

23               (3) by redesignating subsections (g), (h), (i),  
24 (j), and (k), as subsections (h), (i), (j), (k), and (l),  
25 respectively; and

1           (4) by inserting after subsection (f) the fol-  
2           lowing:

3           “(g) PARTNERSHIP GRANTS FOR THE ESTABLISH-  
4           MENT OF ‘GROW YOUR OWN’ PROGRAMS.—

5           “(1) IN GENERAL.—An eligible partnership that  
6           receives a grant under this section shall carry out an  
7           effective ‘Grow Your Own’ program to address  
8           shortages of teachers in high-need subjects, fields,  
9           schools, and geographic areas, or shortages of school  
10          leaders in high-need schools, and to increase the di-  
11          versity of qualified individuals entering into the  
12          teacher, principal, or other school leader workforce.

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

19                 “(A) integrate courses on education topics  
20                 with a year-long school-based clinical experience  
21                 in which candidates teach or lead alongside an  
22                 expert mentor teacher or school leader who is  
23                 the teacher or school leader of record in the  
24                 same local educational agencies in which the  
25                 candidates expect to work;



1           “(B) provide opportunities for candidates  
2 to practice and develop teaching skills or school  
3 leadership skills;

4           “(C) support candidates as they complete  
5 their associate (in furtherance of their bacca-  
6 laureate), baccalaureate, or master’s degree or  
7 earn their teaching or school leadership creden-  
8 tial;

9           “(D) work to provide academic, counseling,  
10 and programmatic supports to candidates;

11           “(E) provide academic and nonacademic  
12 supports, including advising and financial as-  
13 sistance, to candidates to enter and complete  
14 teacher or school leadership preparation pro-  
15 grams, to access and complete State licensure  
16 exams, and to engage in school-based clinical  
17 placements;

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

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

24                   “(ii) who live in and come from the  
25 communities the schools serve; and

1                   “(G) require candidates to complete all  
2                   State requirements to become fully certified.”.

3 **SEC. 20002. TEACHER RESIDENCIES.**

4           In addition to amounts otherwise available, there is  
5 appropriated to the Department of Education for fiscal  
6 year 2022, out of any money in the Treasury not otherwise  
7 appropriated, \$112,266,000, to remain available through  
8 September 30, 2025, to award grants for the development  
9 and support of high-quality teaching residency programs,  
10 as described in section 202(e) of the Higher Education  
11 Act of 1965 (20 U.S.C. 1022a(e)), except that amounts  
12 available under this section shall also be available for resi-  
13 dency programs for prospective teachers in a bachelor’s  
14 degree program.

15 **SEC. 20003. SUPPORT SCHOOL PRINCIPALS.**

16           In addition to amounts otherwise available, there is  
17 appropriated to the Department of Education for fiscal  
18 year 2022, out of any money in the Treasury not otherwise  
19 appropriated, \$112,266,000, to remain available through  
20 September 30, 2025, to award grants for the development  
21 and support of school leadership programs, as described  
22 in section 2243 of the Elementary and Secondary Edu-  
23 cation Act of 1965 (20 U.S.C. 6673).

1 **SEC. 20004. HAWKINS.**

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

10 **SEC. 20005. FUNDING FOR THE INDIVIDUALS WITH DISABIL-**  
11 **ITIES EDUCATION PART D PERSONNEL DE-**  
12 **VELOPMENT.**

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

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

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

1 **“SEC. 803D. GRANTS FOR NATIVE AMERICAN LANGUAGE**  
2 **TEACHERS AND EDUCATORS.**

3 “(a) IN GENERAL.—In addition to amounts other-  
4 wise available, there is appropriated for fiscal year 2022,  
5 out of any money in the Treasury not otherwise appro-  
6 priated, to remain available until September 30, 2031,  
7 \$200,000,000 for the Secretary, in carrying out section  
8 803C, to award grants to carry out activities relating to  
9 preparing, training, and offering professional development  
10 to Native American language teachers and Native Amer-  
11 ican language early childhood educators to ensure the sur-  
12 vival and continuing vitality of Native American lan-  
13 guages.

14 “(b) COST SHARE PROHIBITION.—The Secretary  
15 shall not impose a cost sharing or matching fund require-  
16 ment with respect to grants awarded under subsection  
17 (a).”.

18 **PART 2—HIGHER EDUCATION**  
19 **SEC. 20021. INCREASING THE MAXIMUM FEDERAL PELL**  
20 **GRANT.**

21 (a) AWARD YEAR 2022–2023.—Section 401(b)(7) of  
22 the Higher Education Act of 1965 is amended—

23 (1) in subparagraph (A)(iii), by inserting “and  
24 such sums as may be necessary for fiscal year 2022  
25 to carry out the \$550 increase for enrollment at in-  
26 stitutions of higher education defined in section 101

1 or 102(a)(1)(B) provided under subparagraph  
2 (C)(iii)” before “; and”; and

3 (2) in subparagraph (C)(iii), by inserting before  
4 the period at the end the following: “, except that,  
5 for award year 2022–2023, such amount shall be  
6 equal to the amount determined under clause (ii) for  
7 award year 2017–2018, increased by \$550 for en-  
8 rollment at institutions of higher education defined  
9 in section 101 or 102(a)(1)(B)”.

10 (b) SUBSEQUENT AWARD YEARS THROUGH 2025–  
11 2026.—Section 401(b) of the Higher Education Act of  
12 1965, as amended by section 703 of the FAFSA Sim-  
13 plification Act (title VII of division FF of Public Law  
14 116–260), is amended—

15 (1) in paragraph (5)(A)—

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

18 (B) by redesignating clause (ii) as clause  
19 (iii); and

20 (C) by inserting after clause (i) the fol-  
21 lowing:

22 “(ii) for each of award years 2023–  
23 2024 through 2025–2026, an additional  
24 \$550 for enrollment at institutions of high-

1           er education defined in section 101 or  
2           102(a)(1)(B); and”; and  
3       (2) in paragraph (6)(A)—  
4           (A) in clause (i)—  
5               (i) by striking “appropriated) such”  
6           and inserting the following: “appro-  
7           priated)—  
8           “(I) such”; and  
9               (ii) by adding at the end the fol-  
10          lowing:  
11                       “(II) such sums as are necessary  
12           to carry out paragraph (5)(A)(ii) for  
13           each of fiscal years 2023 through  
14           2025; and”; and  
15           (B) in clause (ii), by striking “(5)(A)(ii)”  
16          and inserting “(5)(A)(iii)”.

17 **SEC. 20022. EXPANDING FEDERAL STUDENT AID ELIGI-**  
18 **BILITY.**

19       Section 484(a)(5) of the Higher Education Act of  
20 1965 is amended by inserting “, or, with respect to any  
21 grant, loan, or work assistance received under this title  
22 for award years 2022–2023 through 2029–2030, be sub-  
23 ject to a grant of deferred enforced departure or have de-  
24 ferred action pursuant to the Deferred Action for Child-  
25 hood Arrivals policy of the Secretary of Homeland Secu-

1 rity or temporary protected status” after “becoming a cit-  
2 izen or permanent resident”.

3 **SEC. 20023. INCREASE IN PELL GRANTS FOR RECIPIENTS**  
4 **OF MEANS-TESTED BENEFITS.**

5 Section 473 of the Higher Education Act of 1965,  
6 as amended by section 702(b) of the FAFSA Simplifica-  
7 tion Act (title VII of division FF of Public Law 116–260),  
8 is amended by adding at the end the following:

9 “(d) SPECIAL RULE FOR MEANS-TESTED BENEFIT  
10 RECIPIENTS.—During award years 2024–2025 through  
11 2029–2030, and notwithstanding subsection (b), for an  
12 applicant (or, as applicable, an applicant and spouse, or  
13 an applicant’s parents) who is not described in subsection  
14 (c) and who, at any time during the previous 24-month  
15 period, received a benefit under a means-tested Federal  
16 benefit program (or whose parent or spouse received such  
17 a benefit, as applicable) described in clauses (i) through  
18 (vi) of section 479(b)(4)(H), the Secretary shall for the  
19 purposes of this title consider the student aid index as  
20 equal to –\$1,500 for the applicant.”.

21 **SEC. 20024. RETENTION AND COMPLETION GRANTS.**

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





1 ents, and other underserved student populations in such  
2 eligible entity, improve enrollment, retention, transfer, or  
3 completion rates or labor market outcomes.

4 “(d) ADEQUATE PROGRESS.—As a condition of con-  
5 tinuing to receive funds under this section, for each year  
6 in which an eligible entity participates in the program  
7 under this section, such eligible entity shall demonstrate  
8 to the satisfaction of the Secretary that the entity has  
9 made adequate progress in implementing or expanding evi-  
10 dence-based reforms or practices, and, among students of  
11 color, low-income students, students with disabilities, stu-  
12 dents in need of remediation, first generation college stu-  
13 dents, student parents, and other underserved student  
14 populations in such eligible entity, improving enrollment,  
15 retention, transfer, or completion rates or labor market  
16 outcomes.

17 “(e) MATCHING REQUIREMENT.—As a condition of  
18 receiving a grant under this section for the applicable year  
19 described in paragraphs (1) through (3), an eligible entity  
20 that is not a Tribal College or University shall provide  
21 matching funds for such applicable year toward the cost  
22 of the activities described in the application submitted  
23 under subsection (b). Such matching funds shall be in the  
24 amount of—

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

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

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

11          “(f) GENERAL REQUIREMENT.—An eligible entity  
12          shall use a grant under this section only to carry out ac-  
13          tivities described in the application for such year under  
14          subsection (b).

15          “(g) EVIDENCE-BASED REFORMS OR PRACTICES.—  
16          An eligible entity receiving a grant under this section  
17          shall, directly or in collaboration with institutions of high-  
18          er education and other non-profit organizations, use the  
19          grant funds to implement one or more of the following  
20          evidence-based reforms or practices:

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

24                 “(2) Providing assistance in applying for and  
25                 accessing direct support services, financial assist-

1       ance, or means-tested benefit programs to meet the  
2       basic needs of students.

3               “(3) Providing accelerated learning opportuni-  
4       ties, including dual or concurrent enrollment pro-  
5       grams and early college high school programs.

6               “(4) Reforming remedial or developmental edu-  
7       cation, course scheduling, or credit-awarding poli-  
8       cies.

9               “(5) Improving transfer pathways between—

10                       “(A) in the case of an eligible entity that  
11       is a State, community colleges and 4-year insti-  
12       tutions of higher education in the State;

13                       “(B) in the case of an eligible entity that  
14       is a system of institutions of higher education,  
15       institutions within such system and other insti-  
16       tutions of higher education in the State in  
17       which the system is located; or

18                       “(C) in the case of a Tribal College or  
19       University, between the Tribal College or Uni-  
20       versity and other institutions of higher edu-  
21       cation.

22               “(h) SUPPLEMENT, NOT SUPPLANT.—Funds made  
23       available under this part shall be used to supplement, and  
24       not supplant, other Federal, State, local, Tribal, and insti-

1 tutional funds that would otherwise be expended to carry  
2 out activities described in this section.

3 “(i) DEFINITIONS.—In this section:

4 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
5 tity’ means a State, a system of institutions of high-  
6 er education, or a Tribal College or University.

7 “(2) EVIDENCE TIERS.—

8 “(A) EVIDENCE TIER 1.—The term ‘evi-  
9 dence tier 1’, when used with respect to a re-  
10 form or practice, means a reform or practice  
11 that meets the criteria for receiving an expan-  
12 sion grant from the education innovation and  
13 research program under section 4611(a)(2)(C)  
14 of the Elementary and Secondary Education  
15 Act of 1965, as determined by the Secretary in  
16 accordance with such section.

17 “(B) EVIDENCE TIER 2.—The term ‘evi-  
18 dence tier 2’, when used with respect to a re-  
19 form or practice, means a reform or practice  
20 that meets the criteria for receiving a mid-  
21 phase grant from the education innovation and  
22 research program under section 4611(a)(2)(B)  
23 of the Elementary and Secondary Education  
24 Act of 1965, as determined by the Secretary in  
25 accordance with such section.

1           “(3) FIRST GENERATION COLLEGE STUDENT.—  
2           The term ‘first generation college student’ has the  
3           meaning given the term in section 402A(h)(3).

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

8           “(5) STATE.—The term ‘State’ means each of  
9           the 50 States of the United States, the District of  
10          Columbia, the Commonwealth of Puerto Rico, Amer-  
11          ican Samoa, Guam, the United States Virgin Is-  
12          lands, the Commonwealth of the Northern Mariana  
13          Islands, and the Freely Associated States.

14          “(6) TRIBAL COLLEGE OR UNIVERSITY.—The  
15          term ‘Tribal College or University’ has the meaning  
16          given the term in section 316(b)(3).

17          “(j) APPROPRIATION.—In addition to amounts other-  
18          wise available, there is appropriated for fiscal year 2022,  
19          out of any money in the Treasury not otherwise appro-  
20          priated—

21                 “(1) \$310,000,000 to remain available until  
22                 September 30, 2030, to award competitive grants to  
23                 eligible entities that are not Tribal Colleges and Uni-  
24                 versities to carry out the approved activities de-

1       scribed in the applications submitted under sub-  
2       section (b);

3               “(2) \$37,500,000 to remain available until Sep-  
4       tember 30, 2030, to award competitive grants to  
5       Tribal Colleges and Universities to carry out the ap-  
6       proved activities described in the applications sub-  
7       mitted under subsection (b);

8               “(3) \$95,000,000 to remain available until Sep-  
9       tember 30, 2030, to supplement the competitive  
10       grant amounts awarded to eligible entities with  
11       funds available under paragraph (1) and (2) to im-  
12       plement reforms or practices that meet evidence tier  
13       1;

14               “(4) \$47,500,000 to remain available until Sep-  
15       tember 30, 2030, to supplement the competitive  
16       grant amounts awarded to eligible entities with  
17       funds available under paragraphs (1) and (2) to im-  
18       plement reforms or practices that meet evidence tier  
19       1 or evidence tier 2, or a combination of such re-  
20       forms or practices; and

21               “(5) \$10,000,000 to remain available until Sep-  
22       tember 30, 2030, to evaluate the effectiveness of the  
23       activities carried out under this section.

1 “(k) SUNSET.—The authority to make grants under  
2 this section shall expire at the end of award year 2026–  
3 2027.

4 “(l) INAPPLICABILITY OF GEPA CONTINGENT EX-  
5 TENSION OF PROGRAMS.—Section 422 of the General  
6 Education Provisions Act shall not apply to this part.”.

7 **SEC. 20025. INSTITUTIONAL AID.**

8 (a) IN GENERAL.—In addition to amounts otherwise  
9 available, there is appropriated for fiscal year 2022, out  
10 of any money in the Treasury not otherwise appro-  
11 priated—

12 (1) \$470,640,000, to remain available until  
13 September 30, 2028, for carrying out section  
14 371(b)(2)(B) of the Higher Education Act of 1965  
15 in fiscal year 2022;

16 (2) \$470,640,000, to remain available until  
17 September 30, 2028, for carrying out section  
18 371(b)(2)(B) of the Higher Education Act of 1965  
19 in fiscal year 2023;

20 (3) \$470,640,000, to remain available until  
21 September 30, 2028, for carrying out section  
22 371(b)(2)(B) of the Higher Education Act of 1965  
23 in fiscal year 2024;

24 (4) \$470,640,000, to remain available until  
25 September 30, 2028, for carrying out section

1       371(b)(2)(B) of the Higher Education Act of 1965  
2       in fiscal year 2025;

3             (5) \$470,640,000, to remain available until  
4       September 30, 2028, for carrying out section  
5       371(b)(2)(B) of the Higher Education Act of 1965  
6       in fiscal year 2026;

7             (6) \$470,640,000, to remain available until  
8       September 30, 2028, for carrying out section  
9       371(b)(2)(C) of the Higher Education Act of 1965  
10       in fiscal year 2022;

11            (7) \$470,640,000, to remain available until  
12       September 30, 2028, for carrying out section  
13       371(b)(2)(C) of the Higher Education Act of 1965  
14       in fiscal year 2023;

15            (8) \$470,640,000, to remain available until  
16       September 30, 2028, for carrying out section  
17       371(b)(2)(C) of the Higher Education Act of 1965  
18       in fiscal year 2024;

19            (9) \$470,640,000, to remain available until  
20       September 30, 2028, for carrying out section  
21       371(b)(2)(C) of the Higher Education Act of 1965  
22       in fiscal year 2025;

23            (10) \$470,640,000, to remain available until  
24       September 30, 2028, for carrying out section



1 371(b)(2)(C) of the Higher Education Act of 1965  
2 in fiscal year 2026;

3 (11) \$141,120,000, to remain available until  
4 September 30, 2028, for carrying out section  
5 371(b)(2)(D)(i) of the Higher Education Act of  
6 1965 in fiscal year 2022;

7 (12) \$141,120,000, to remain available until  
8 September 30, 2028, for carrying out section  
9 371(b)(2)(D)(i) of the Higher Education Act of  
10 1965 in fiscal year 2023;

11 (13) \$141,120,000, to remain available until  
12 September 30, 2028, for carrying out section  
13 371(b)(2)(D)(i) of the Higher Education Act of  
14 1965 in fiscal year 2024;

15 (14) \$141,120,000, to remain available until  
16 September 30, 2028, for carrying out section  
17 371(b)(2)(D)(i) of the Higher Education Act of  
18 1965 in fiscal year 2025;

19 (15) \$141,120,000, to remain available until  
20 September 30, 2028, for carrying out section  
21 371(b)(2)(D)(i) of the Higher Education Act of  
22 1965 in fiscal year 2026;

23 (16) \$70,560,000, to remain available until  
24 September 30, 2028, for carrying out section

1 371(b)(2)(D)(ii) of the Higher Education Act of  
2 1965 in fiscal year 2022;

3 (17) \$70,560,000, to remain available until  
4 September 30, 2028, for carrying out section  
5 371(b)(2)(D)(ii) of the Higher Education Act of  
6 1965 in fiscal year 2023;

7 (18) \$70,560,000, to remain available until  
8 September 30, 2028, for carrying out section  
9 371(b)(2)(D)(ii) of the Higher Education Act of  
10 1965 in fiscal year 2024;

11 (19) \$70,560,000, to remain available until  
12 September 30, 2028, for carrying out section  
13 371(b)(2)(D)(ii) of the Higher Education Act of  
14 1965 in fiscal year 2025;

15 (20) \$70,560,000, to remain available until  
16 September 30, 2028, for carrying out section  
17 371(b)(2)(D)(ii) of the Higher Education Act of  
18 1965 in fiscal year 2026;

19 (21) \$23,520,000, to remain available until  
20 September 30, 2028, for carrying out section  
21 371(b)(2)(D)(iii) of the Higher Education Act of  
22 1965 in fiscal year 2022;

23 (22) \$23,520,000, to remain available until  
24 September 30, 2028, for carrying out section

1 371(b)(2)(D)(iii) of the Higher Education Act of  
2 1965 in fiscal year 2023;

3 (23) \$23,520,000, to remain available until  
4 September 30, 2028, for carrying out section  
5 371(b)(2)(D)(iii) of the Higher Education Act of  
6 1965 in fiscal year 2024;

7 (24) \$23,520,000, to remain available until  
8 September 30, 2028, for carrying out section  
9 371(b)(2)(D)(iii) of the Higher Education Act of  
10 1965 in fiscal year 2025;

11 (25) \$23,520,000, to remain available until  
12 September 30, 2028, for carrying out section  
13 371(b)(2)(D)(iii) of the Higher Education Act of  
14 1965 in fiscal year 2026;

15 (26) \$23,520,000, to remain available until  
16 September 30, 2028, for carrying out section  
17 371(b)(2)(D)(iv) of the Higher Education Act of  
18 1965 in fiscal year 2022;

19 (27) \$23,520,000, to remain available until  
20 September 30, 2028, for carrying out section  
21 371(b)(2)(D)(iv) of the Higher Education Act of  
22 1965 in fiscal year 2023;

23 (28) \$23,520,000, to remain available until  
24 September 30, 2028, for carrying out section

1 371(b)(2)(D)(iv) of the Higher Education Act of  
2 1965 in fiscal year 2024;

3 (29) \$23,520,000, to remain available until  
4 September 30, 2028, for carrying out section  
5 371(b)(2)(D)(iv) of the Higher Education Act of  
6 1965 in fiscal year 2025; and

7 (30) \$23,520,000, to remain available until  
8 September 30, 2028, for carrying out section  
9 371(b)(2)(D)(iv) of the Higher Education Act of  
10 1965 in fiscal year 2026.

11 (b) USE OF FUNDS.—

12 (1) IN GENERAL.—An institution of higher edu-  
13 cation receiving funds made available under this sec-  
14 tion shall use such funds in accordance with the uses  
15 of funds described under subparagraphs (B), (C),  
16 and clauses (i) through (iv) of subparagraph (D) of  
17 section 371(b)(2) of the Higher Education Act of  
18 1965, as applicable, and to award need-based finan-  
19 cial aid (including emergency financial aid grants) to  
20 low-income students enrolled in an eligible program  
21 (as defined in section 481(b) of the Higher Edu-  
22 cation Act of 1965) at such institution.

23 (2) DISTRIBUTION REQUIREMENTS.—The Sec-  
24 retary of Education shall distribute each of the  
25 amounts appropriated under paragraphs (6) through

1 (10) of subsection (a) in accordance with section  
2 371(b)(2)(C), except that in clause (ii) of such sec-  
3 tion, “25” and “of \$600,000 annually” shall not  
4 apply.

5 (c) NO ADDITIONAL ELIGIBILITY REQUIREMENTS.—  
6 No individual shall be determined by the Secretary of  
7 Education to be ineligible for benefits provided under sub-  
8 section (b)(1) except on the basis of not being a low-in-  
9 come student enrolled in an eligible program (as defined  
10 in section 481(b) of the Higher Education Act of 1965).

11 **SEC. 20026. RESEARCH AND DEVELOPMENT INFRASTRUC-**  
12 **TURE COMPETITIVE GRANT PROGRAM.**

13 Title III of the Higher Education Act of 1965 is  
14 amended—

- 15 (1) by redesignating part G as part H; and  
16 (2) by inserting after section 371 the following:

1 **“PART G—IMPROVING RESEARCH & DEVELOP-**  
2 **MENT INFRASTRUCTURE FOR HISTORI-**  
3 **CALLY BLACK COLLEGES AND UNIVER-**  
4 **SITIES, TRIBAL COLLEGES AND UNIVER-**  
5 **SITIES, AND MINORITY-SERVING INSTITU-**  
6 **TIONS**

7 **“SEC. 381. IMPROVING RESEARCH & DEVELOPMENT INFRA-**  
8 **STRUCTURE FOR HISTORICALLY BLACK COL-**  
9 **LEGES AND UNIVERSITIES, TRIBAL COL-**  
10 **LEGES AND UNIVERSITIES, AND MINORITY-**  
11 **SERVING INSTITUTIONS.**

12 “(a) **ELIGIBLE INSTITUTION.**—In this section, the  
13 term ‘eligible institution’ means—

14 “(1) an institution that—

15 “(A) is described in section 371(a);

16 “(B) is a 4-year institution; and

17 “(C) is not an institution classified as ‘very  
18 high research activity’ by the Carnegie Classi-  
19 fication of Institutions of Higher Education; or

20 “(2) an institution described in paragraph (1)  
21 acting on behalf of a consortium, which may include  
22 institutions classified as ‘very high research activity’  
23 by the Carnegie Classification of Institutions of  
24 Higher Education, 2-year institutions of higher edu-  
25 cation (as defined in section 101), institutions of  
26 higher education (as defined in section 101 or sec-

1       tion 102(a)(1)(B) of the Higher Education Act of  
2       1965), non-profit organizations, philanthropic orga-  
3       nizations, and industry partners, provided that the  
4       eligible institution is the lead member and fiscal  
5       agent of the consortium.

6       “(b) AUTHORIZATION OF GRANT PROGRAMS.—For  
7       the purpose of supporting research and development infra-  
8       structure at eligible institutions, the Secretary shall  
9       award, on a competitive basis, to eligible institutions—

10           “(1) planning grants for a period of not more  
11           than 2 years; and

12           “(2) implementation grants for a period of not  
13           more than 5 years.

14       “(c) APPLICATIONS.—

15           “(1) IN GENERAL.—An eligible institution that  
16           desires to receive a planning grant under subsection  
17           (b)(1) or an implementation grant under subsection  
18           (b)(2) shall submit an application to the Secretary  
19           that includes a description of the activities that will  
20           be carried out with grant funds.

21           “(2) NO COMPREHENSIVE DEVELOPMENT  
22           PLAN.—The requirement under section 391(b)(1)  
23           shall not apply to grants awarded under this section.

24       “(d) PRIORITY IN AWARDS.—

1           “(1) IN GENERAL.—In awarding planning and  
2 implementation grants under this section, the Sec-  
3 retary shall administer separate competitions for  
4 each of the categories of institutions listed in para-  
5 graphs (1) through (7) of section 371(a).

6           “(2) PRIORITY.—In awarding implementation  
7 grants under this section, the Secretary shall give  
8 priority to eligible institutions that have received a  
9 planning grant under this section.

10          “(e) USE OF FUNDS.—

11           “(1) PLANNING GRANTS.—An eligible institu-  
12 tion that receives a planning grant under subsection  
13 (b)(1) shall use the grant funds to develop a stra-  
14 tegic plan for improving institutional research and  
15 development infrastructure that includes—

16           “(A) an assessment of the existing institu-  
17 tional research capacity and research and devel-  
18 opment infrastructure; and

19           “(B) a detailed description of how the in-  
20 stitution would use research and development  
21 infrastructure funds provided by an implemen-  
22 tation grant under this section to increase the  
23 institution’s research capacity and support re-  
24 search and development infrastructure.



1           “(2) IMPLEMENTATION GRANTS.—An eligible  
2 institution that receives an implementation grant  
3 under subsection (b)(2) shall use the grant funds to  
4 support research and development infrastructure,  
5 which shall include carrying out at least one of the  
6 following activities:

7           “(A) Providing for the improvement of in-  
8 frastructure existing on the date of the grant  
9 award, including deferred maintenance, or the  
10 establishment of new physical infrastructure,  
11 including instructional program spaces, labora-  
12 tories, research facilities or furniture, fixtures,  
13 and instructional research-related equipment  
14 and technology.

15           “(B) Hiring and retaining faculty, stu-  
16 dents, research-related staff, or other personnel,  
17 including research personnel skilled in oper-  
18 ating, using, or applying technology, equipment,  
19 or devices used to conduct or support research.

20           “(C) Creating and supporting inter- and  
21 intra-institutional research centers (including  
22 formal and informal communities of practice) in  
23 fields of research for which research and devel-  
24 opment infrastructure funds have been awarded

1           under this section, including hiring staff and  
2           purchasing supplies and equipment.

3           “(f) SUPPLEMENT NOT SUPPLANT.—Funds made  
4 available under this section shall be used to supplement,  
5 and not supplant, other Federal, State, tribal, and local  
6 funds that would otherwise be expended to carry out the  
7 activities described in this section.

8           “(g) SUNSET.—

9           “(1) IN GENERAL.—The authority to make—  
10           “(A) planning grants under subsection  
11           (b)(1) shall expire at the end of fiscal year  
12           2025; and

13           “(B) implementation grants under sub-  
14           section (b)(2) shall expire at the end of fiscal  
15           year 2027.

16           “(2) INAPPLICABILITY OF GEPA CONTINGENT  
17           EXTENSION OF PROGRAMS.—Section 422 of the  
18           General Education Provisions Act shall not apply to  
19           this section.

20           “(h) APPROPRIATIONS.—In addition to amounts oth-  
21           erwise available, there is appropriated for fiscal year 2022,  
22           out of any money in the Treasury not otherwise appro-  
23           priated, \$3,000,000,000, to remain available until Sep-  
24           tember 30, 2028, for carrying out this section.”.

1 **SEC. 20027. NORTHERN MARIANA ISLANDS, AMERICAN**  
2 **SAMOA, UNITED STATES VIRGIN ISLANDS,**  
3 **GUAM, AND FREELY ASSOCIATED STATES**  
4 **COLLEGE ACCESS.**

5 Title VII of the Higher Education Act of 1965, as  
6 amended by this Act, is further amended by adding at the  
7 end the following:

8 **“PART G—COLLEGE ACCESS FOR STUDENTS IN**  
9 **OUTLYING AREAS**

10 **“SEC. 792. NORTHERN MARIANA ISLANDS, AMERICAN**  
11 **SAMOA, UNITED STATES VIRGIN ISLANDS,**  
12 **GUAM, AND FREELY ASSOCIATED STATES**  
13 **COLLEGE ACCESS GRANTS.**

14 “(a) GRANTS.—

15 “(1) GRANT AMOUNTS.—

16 “(A) IN GENERAL.—Beginning with award  
17 year 2023–2024, from amounts appropriated to  
18 carry out this section, the Secretary shall award  
19 grants to the Governors of each outlying area  
20 for such Governors to award grants to eligible  
21 institutions that enroll eligible students to pay  
22 the difference between the tuition and fees  
23 charged for in-State students and the tuition  
24 and fees charged for out-of-State students on  
25 behalf of each eligible student enrolled in the el-  
26 igible institution.

1           “(B) MAXIMUM STUDENT AMOUNTS.—The  
2 amount paid on behalf of an eligible student  
3 under this section shall be—

4                   “(i) not more than \$15,000 for any  
5 one award year (as defined in section  
6 481(a)(1)); and

7                   “(ii) not more than \$75,000 in the  
8 aggregate.

9           “(C) PRORATION.—The Governor shall  
10 prorate payments under this section with re-  
11 spect to eligible students who attend an eligible  
12 institution on less than a full-time basis.

13           “(2) AGREEMENT.—Each Governor desiring a  
14 grant under this section shall enter into an agree-  
15 ment with the Secretary for the purposes of admin-  
16 istering the grant program.

17           “(3) GRANT AUTHORITY.—The authority to  
18 make grants under this section shall expire at the  
19 end of award year 2029–2030.

20           “(b) INAPPLICABILITY OF GEPA CONTINGENT EX-  
21 TENSION OF PROGRAMS.—Section 422 of the General  
22 Education Provisions Act shall not apply to this section.

23           “(c) NO ADDITIONAL ELIGIBILITY REQUIRE-  
24 MENTS.—No individual shall be determined, by a Gov-  
25 ernor, an eligible institution, or the Secretary, to be ineli-

1 gible for benefits provided under this section except on the  
2 basis of eligibility requirements under this section.

3 “(d) DEFINITIONS.—In this section:

4 “(1) ELIGIBLE INSTITUTION.—The term ‘eligi-  
5 ble institution’ means an institution that—

6 “(A) is a public four-year institution of  
7 higher education located in one of the several  
8 States of the United States, the District of Co-  
9 lumbia, the Commonwealth of Puerto Rico, or  
10 an outlying area;

11 “(B) enters into an agreement with the  
12 Governor of an outlying area, or with two or  
13 more of such Governors (except that such insti-  
14 tution may not enter into an agreement with  
15 the Governor of the outlying area in which such  
16 institution is located), to carry out the grant  
17 program under this section; and

18 “(C) submits an assurance to the Governor  
19 and to the Secretary that the institution shall  
20 use funds made available under this section to  
21 supplement, and not supplant, assistance that  
22 otherwise would be provided to eligible students  
23 from outlying areas.

24 “(2) ELIGIBLE STUDENT.—The term ‘eligible  
25 student’ means a student who—

1           “(A) was domiciled in an outlying area for  
2           not less than 12 consecutive months preceding  
3           the commencement of the freshman year at an  
4           institution of higher education supported by a  
5           grant awarded under this section;

6           “(B) has not completed an undergraduate  
7           baccalaureate course of study; and

8           “(C) is enrolled as an undergraduate stu-  
9           dent in an eligible program (as defined in sec-  
10          tion 481(b)) on at least a half-time basis.

11          “(3) INSTITUTION OF HIGHER EDUCATION.—  
12          The term ‘institution of higher education’ has the  
13          meaning given the term in section 101.

14          “(4) GOVERNOR.—The term ‘Governor’ means  
15          the chief executive of an outlying area.

16          “(5) OUTLYING AREA.—The term ‘outlying  
17          area’ means the Northern Mariana Islands, Amer-  
18          ican Samoa, the United States Virgin Islands,  
19          Guam, and the Freely Associated States.

20          “(e) APPROPRIATIONS.—In addition to amounts oth-  
21          erwise available, there is appropriated, out of any money  
22          in the Treasury not otherwise appropriated, such sums as  
23          may be necessary, to remain available until September 30,  
24          2030, for carrying out this section.”.

1           **PART 3—DEPARTMENT OF EDUCATION**  
2                           **IMPLEMENTATION**

3 **SEC. 20031. PROGRAM ADMINISTRATION.**

4           In addition to amounts otherwise available, there is  
5 appropriated to the Department of Education for fiscal  
6 year 2022, out of any money in the Treasury not otherwise  
7 appropriated, \$91,742,000, to remain available until ex-  
8 pended, for necessary administrative expenses associated  
9 with carrying out this subtitle and sections 22101 and  
10 22102.

11 **SEC. 20032. STUDENT AID ADMINISTRATION.**

12           In addition to amounts otherwise available, there is  
13 appropriated to the Department of Education for fiscal  
14 year 2022, out of any money in the Treasury not otherwise  
15 appropriated, \$85,000,000, to remain available through  
16 September 30, 2030, for Student Aid Administration with-  
17 in the Department of Education for necessary administra-  
18 tive expenses associated with carrying out this subtitle and  
19 for additional Federal administrative expenses.

20 **SEC. 20033. OFFICE OF INSPECTOR GENERAL.**

21           In addition to amounts otherwise available, there is  
22 appropriated to the Department of Education for fiscal  
23 year 2022, out of any money in the Treasury not otherwise  
24 appropriated, \$10,000,000, to remain available until ex-  
25 pended, for the Office of Inspector General of the Depart-  
26 ment of Education, for salaries and expenses necessary for

1 oversight, investigations, and audits of programs, grants,  
2 and projects funded under this subtitle and sections 22101  
3 and 22102 carried out by the Office of Inspector General.

## 4 **Subtitle B—Labor Matters**

### 5 **SEC. 21001. DEPARTMENT OF LABOR.**

6 In addition to amounts otherwise available, out of any  
7 money in the Treasury not otherwise appropriated, there  
8 are appropriated to the Department of Labor for fiscal  
9 year 2022, to remain available until September 30, 2026,  
10 the following amounts:

11 (1) \$195,000,000 to the Employee Benefits Se-  
12 curity Administration for carrying out enforcement  
13 activities.

14 (2) \$707,000,000 to the Occupational Safety  
15 and Health Administration for carrying out enforce-  
16 ment, standards development, whistleblower inves-  
17 tigation, compliance assistance, funding for State  
18 plans, and related activities within the Occupational  
19 Safety and Health Administration.

20 (3) \$133,000,000 to the Mine Safety and  
21 Health Administration for carrying out enforcement,  
22 standard setting, technical assistance, and related  
23 activities.

24 (4) \$405,000,000 to the Wage and Hour Divi-  
25 sion for carrying out activities of the Division.





1 Commission for fiscal year 2022, \$321,000,000, to remain  
2 available until September 30, 2026, for carrying out inves-  
3 tigation, enforcement, outreach, and related activities.

4 **SEC. 21004. ADJUSTMENT OF CIVIL PENALTIES.**

5 (a) OCCUPATIONAL SAFETY AND HEALTH ACT OF  
6 1970.—Section 17 of the Occupational Safety and Health  
7 Act of 1970 (29 U.S.C. 666) is amended—

8 (1) in subsection (a)—

9 (A) by striking “\$70,000” and inserting  
10 “\$700,000”; and

11 (B) by striking “\$5,000” and inserting  
12 “\$50,000”;

13 (2) in subsection (b), by striking “\$7,000” and  
14 inserting “\$70,000”; and

15 (3) in subsection (d), by striking “\$7,000” and  
16 inserting “\$70,000”.

17 (b) FAIR LABOR STANDARDS ACT OF 1938.—Section  
18 16(e) of the Fair Labor Standards Act of 1938 (29 U.S.C.  
19 216(e)) is amended—

20 (1) in paragraph (1)(A)—

21 (A) in clause (i), by striking “\$11,000”  
22 and inserting “\$132,270”; and

23 (B) in clause (ii), by striking “\$50,000”  
24 and inserting “\$601,150”; and

25 (2) in paragraph (2)—

1 (A) in the first sentence, by striking  
2 “\$1,100” and inserting “\$20,740”; and

3 (B) in the second sentence, by striking  
4 “\$1,100” and inserting “\$11,620”.

5 (c) MIGRANT AND SEASONAL AGRICULTURAL WORK-  
6 ER PROTECTION ACT.—Section 503(a)(1) of the Migrant  
7 and Seasonal Agricultural Worker Protection Act (29  
8 U.S.C. 1853(a)(1)) is amended by striking “\$1,000” and  
9 inserting “\$25,790”.

10 (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall take effect on January 1, 2022.

12 **SEC. 21005. CIVIL MONETARY PENALTIES FOR PARITY VIO-**  
13 **LATIONS.**

14 (a) CIVIL MONETARY PENALTIES RELATING TO PAR-  
15 ITY IN MENTAL HEALTH AND SUBSTANCE USE DIS-  
16 ORDERS.—Section 502(c)(10) of the Employee Retirement  
17 Income Security Act of 1974 (29 U.S.C. 1132(c)(10)(A))  
18 is amended—

19 (1) in the heading, by striking “USE OF GE-  
20 NETIC INFORMATION” and inserting “USE OF GE-  
21 NETIC INFORMATION AND PARITY IN MENTAL  
22 HEALTH AND SUBSTANCE USE DISORDER BENE-  
23 FITS”; and

24 (2) in subparagraph (A)—

1 (A) by striking “any plan sponsor of a  
2 group health plan” and inserting “any plan  
3 sponsor or plan administrator of a group health  
4 plan”; and

5 (B) by striking “for any failure” and all  
6 that follows through “in connection with the  
7 plan.” and inserting “for any failure by such  
8 sponsor, administrator, or issuer, in connection  
9 with the plan—

10 “(i) to meet the requirements of sub-  
11 section (a)(1)(F), (b)(3), (c), or (d) of sec-  
12 tion 702 or section 701 or 702(b)(1) with  
13 respect to genetic information; or

14 “(ii) to meet the requirements of sub-  
15 section (a) of section 712 with respect to  
16 parity in mental health and substance use  
17 disorder benefits.”.

18 (b) EXCEPTION TO THE GENERAL PROHIBITION ON  
19 ENFORCEMENT.—Section 502 of such Act (29 U.S.C.  
20 1132) is amended—

21 (1) in subsection (a)(6), by striking “or (9)”  
22 and inserting “(9), or (10)”; and

23 (2) in subsection (b)(3)—

1 (A) by striking “subsections (c)(9) and  
2 (a)(6)” and inserting “subsections (c)(9),  
3 (c)(10), and (a)(6)”;

4 (B) by striking “under subsection (c)(9)”  
5 and inserting “under subsections (c)(9) and  
6 (c)(10)), and except with respect to enforce-  
7 ment by the Secretary of section 712”; and

8 (C) by striking “706(a)(1)” and inserting  
9 “733(a)(1)”.

10 (c) EFFECTIVE DATE.—The amendments made by  
11 subsection (a) shall apply with respect to group health  
12 plans, or any health insurance issuer offering health insur-  
13 ance coverage in connection with such plan, for plan years  
14 beginning after the date that is 1 year after the date of  
15 enactment of this Act.

16 **SEC. 21006. PENALTIES UNDER THE NATIONAL LABOR RE-**  
17 **LATIONS ACT.**

18 (a) IN GENERAL.—Section 12 of the National Labor  
19 Relations Act (29 U.S.C. 162) is amended—

20 (1) by striking “**SEC. 12.** Any person” and in-  
21 serting the following:

22 **“SEC. 12. PENALTIES.**

23 **“(a) VIOLATIONS FOR INTERFERENCE WITH**  
24 **BOARD.—Any person”;** and

25 (2) by adding at the end the following:

1       “(b) CIVIL PENALTIES FOR UNFAIR LABOR PRAC-  
2 TICES.—Any employer who commits an unfair labor prac-  
3 tice within the meaning of section 8(a) affecting commerce  
4 shall be subject to a civil penalty in an amount not to  
5 exceed \$50,000 for each such violation, except that, with  
6 respect to such an unfair labor practice within the mean-  
7 ing of paragraph (3) or (4) of section 8(a) or such a viola-  
8 tion of section 8(a) that results in the discharge of an em-  
9 ployee or other serious economic harm to an employee, the  
10 Board shall double the amount of such penalty, to an  
11 amount not to exceed \$100,000, in any case where the  
12 employer has within the preceding 5 years committed an-  
13 other such violation of such paragraph (3) or (4) or such  
14 violation of section 8(a) that results in such discharge or  
15 other serious economic harm. A civil penalty under this  
16 paragraph shall be in addition to any other remedy or-  
17 dered by the Board.

18       “(c) CONSIDERATIONS.—In determining the amount  
19 of any civil penalty under this section, the Board shall con-  
20 sider—

21               “(1) the gravity of the actions of the employer  
22               resulting in the penalty, including the impact of such  
23               actions on the charging party or on other persons  
24               seeking to exercise rights guaranteed by this Act;

25               “(2) the size of the employer;

1           “(3) the history of previous unfair labor prac-  
2           tices or other actions by the employer resulting in a  
3           penalty; and

4           “(4) the public interest.

5           “(d) DIRECTOR AND OFFICER LIABILITY.—If the  
6 Board determines, based on the particular facts and cir-  
7 cumstances presented, that a director or officer’s personal  
8 liability is warranted, a civil penalty for a violation de-  
9 scribed in this section may also be assessed against any  
10 director or officer of the employer who directed or com-  
11 mitted the violation, had established a policy that led to  
12 such a violation, or had actual or constructive knowledge  
13 of and the authority to prevent the violation and failed  
14 to prevent the violation.”.

15           (b) EFFECTIVE DATE.—The amendments made by  
16 this section shall take effect on January 1, 2022.

17                           **Subtitle C—Workforce**  
18                           **Development Matters**

19                           **PART 1—DEPARTMENT OF LABOR**

20           **SEC. 22001. DISLOCATED WORKER EMPLOYMENT AND**  
21                           **TRAINING ACTIVITIES.**

22           (a) APPROPRIATION.—In addition to amounts other-  
23 wise available, there is appropriated to the Department  
24 of Labor for fiscal year 2022, out of any money in the  
25 Treasury not otherwise appropriated, \$2,000,000,000, to

1 remain available until September 30, 2026, which shall be  
2 allotted in accordance with subsection (b)(2) of section  
3 132 and reserved under subsection (a) of section 133 of  
4 the Workforce Innovation and Opportunity Act, and allo-  
5 cated under subsection (b)(1)(B) of section 133 of such  
6 Act for each local area to provide—

7           (1) career services authorized under subsection  
8           (c)(2) of section 134 of the Workforce Innovation  
9           and Opportunity Act, including individualized career  
10          services described in section 134(c)(2)(A)(xii) of  
11          such Act;

12          (2) supportive services and needs-related pay-  
13          ments authorized under paragraphs (2) and (3) of  
14          section 134(d) of the Workforce Innovation and Op-  
15          portunity Act, except that the requirements of sub-  
16          paragraphs (B) and (C) of paragraph (3) of such  
17          section shall not apply; and

18          (3) training services, including through indi-  
19          vidual training accounts, authorized under section  
20          134(c)(3) of the Workforce Innovation and Oppor-  
21          tunity Act, except that for purposes of providing  
22          transitional jobs as part of those services under this  
23          section, section 134(d)(5) of such Act shall be ap-  
24          plied by substituting “40 percent” for “10 percent”.



1 (b) SUPPLEMENT NOT SUPPLANT.—Amounts made  
2 available to carry out this section shall be used to supple-  
3 ment and not supplant other Federal, State, and local  
4 public funds expended to provide employment and training  
5 activities for dislocated workers, including funds provided  
6 under the Workforce Innovation and Opportunity Act.

7 **SEC. 22002. ADULT WORKER EMPLOYMENT AND TRAINING**  
8 **ACTIVITIES.**

9 (a) APPROPRIATION.—In addition to amounts other-  
10 wise available, there is appropriated to the Department  
11 of Labor for fiscal year 2022, out of any money in the  
12 Treasury not otherwise appropriated, \$1,000,000,000, to  
13 remain available until September 30, 2026, which shall be  
14 allotted in accordance with subsection (b)(1) of section  
15 132 and reserved under subsection (a) of section 133 of  
16 the Workforce Innovation and Opportunity Act, and allo-  
17 cated under subsection (b)(1)(A) of section 133 of such  
18 Act for each local area to provide—

19 (1) career services authorized under subsection  
20 (c)(2) of section 134 of the Workforce Innovation  
21 and Opportunity Act, including individualized career  
22 services described in section 134(c)(2)(A)(xii) of  
23 such Act;

24 (2) supportive services and needs-related pay-  
25 ments authorized under paragraphs (2) and (3) of

1 section 134(d) of the Workforce Innovation and Op-  
2 portunity Act, except that the requirements of sub-  
3 paragraphs (B) and (C) of paragraph (3) of such  
4 section shall not apply; and

5 (3) training services, including through indi-  
6 vidual training accounts, authorized under section  
7 134(c)(3) of the Workforce Innovation and Oppor-  
8 tunity Act, except that for purposes of providing in-  
9 cumbent worker training as part of those services  
10 under this section, if such training is provided to  
11 low-wage workers, section 134(d)(4)(A)(i) of such  
12 Act shall be applied by substituting “40 percent” for  
13 “20 percent”.

14 (b) SUPPLEMENT NOT SUPPLANT.—Amounts made  
15 available to carry out this section shall be used to supple-  
16 ment and not supplant other Federal, State, and local  
17 public funds expended to provide adult employment and  
18 training activities, including funds provided under the  
19 Workforce Innovation and Opportunity Act.

20 **SEC. 22003. YOUTH WORKFORCE INVESTMENT ACTIVITIES.**

21 (a) APPROPRIATION.—In addition to amounts other-  
22 wise available, there is appropriated to the Department  
23 of Labor for fiscal year 2022, out of any money in the  
24 Treasury not otherwise appropriated, \$1,500,000,000, to  
25 remain available until September 30, 2026, which shall be

1 allotted in accordance with subparagraphs (B) and (C) of  
2 section 127(b)(1) and reserved under subsection (a) of  
3 section 128 of the Workforce Innovation and Opportunity  
4 Act, and allocated under subsection (b) of section 128 of  
5 such Act for each local area to—

6           (1) carry out the youth workforce investment  
7           activities authorized under section 129 of the Work-  
8           force Innovation and Opportunity Act;

9           (2) provide opportunities for in-school youth  
10          and out-of-school youth to participate in paid work  
11          experiences described in subsection (c)(2)(C) of sec-  
12          tion 129 of the Workforce Innovation and Oppor-  
13          tunity Act; and

14          (3) partner with community-based organizations  
15          to support out-of-school youth, including those resid-  
16          ing in high-crime or high-poverty areas.

17          (b) SUPPLEMENT NOT SUPPLANT.—Amounts made  
18          available to carry out this section shall be used to supple-  
19          ment and not supplant other Federal, State, and local  
20          public funds expended for youth workforce investment ac-  
21          tivities, including funds provided under the Workforce In-  
22          novation and Opportunity Act.

23 **SEC. 22004. EMPLOYMENT SERVICE.**

24          In addition to amounts otherwise available, there is  
25          appropriated to the Department of Labor for fiscal year

1 2022, out of any money in the Treasury not otherwise ap-  
2 propriated, the following amounts, to remain available  
3 until September 30, 2026:

4           (1) \$400,000,000 for carrying out the State  
5 grant activities authorized under section 7 of the  
6 Wagner-Peyser Act, which shall be allotted in ac-  
7 cordance with section 6 of such Act, except that, for  
8 purposes of this section, funds shall also be reserved  
9 and used for the Commonwealth of the Northern  
10 Mariana Islands and American Samoa in amounts  
11 the Secretary determines appropriate prior to the al-  
12 lotments being made in accordance with section 6 of  
13 such Act.

14           (2) \$100,000,000 for carrying out improve-  
15 ments to State workforce and labor market informa-  
16 tion systems.

17 **SEC. 22005. RE-ENTRY EMPLOYMENT OPPORTUNITIES.**

18       In addition to amounts otherwise available, there is  
19 appropriated to the Department of Labor for fiscal year  
20 2022, out of any money in the Treasury not otherwise ap-  
21 propriated, the following amounts, to remain available  
22 until September 30, 2026:

23           (1) \$375,000,000, for carrying out the Reentry  
24 Employment Opportunities program.

1           (2) \$125,000,000, for competitive grants to na-  
2           tional and regional intermediaries to carry out Re-  
3           entry Employment Opportunity programs that pre-  
4           pare for employment young adults with criminal  
5           records, young adults who have been justice system-  
6           involved, or young adults who have dropped out of  
7           school or other educational programs, made with a  
8           priority for projects serving high-crime, high-poverty  
9           areas.

10 **SEC. 22006. REGISTERED APPRENTICESHIPS, YOUTH AP-**  
11                           **PRENTICESHIPS, AND PRE-APPRENTICE-**  
12                           **SHIPS.**

13           In addition to amounts otherwise available, there is  
14           appropriated to the Department of Labor for fiscal year  
15           2022, out of any amounts in the Treasury not otherwise  
16           appropriated, the following amounts, to remain available  
17           until September 30, 2026:

18           (1) \$500,000,000 for carrying out activities  
19           through grants, cooperative agreements, contracts,  
20           or other arrangements, including arrangements with  
21           States and outlying areas (as such terms are defined  
22           in paragraphs (45) and (56), respectively, of section  
23           3 of the Workforce Innovation and Opportunity  
24           Act), equity intermediaries, and business and labor

1 industry partner intermediaries, to create or expand  
2 only—

3 (A) registered apprenticeship programs;

4 (B) pre-apprenticeship programs that ar-  
5 tificate to registered apprenticeship programs;

6 and

7 (C) youth apprenticeship programs that—

8 (i) provide participants with high-  
9 quality, classroom-based related instruction  
10 and training, and employment opportuni-  
11 ties with progressively increasing wages;  
12 and

13 (ii) prepare participants for enroll-  
14 ment in an institution of higher education  
15 (as defined in section 101 or 102(e) of the  
16 Higher Education Act of 1965), a reg-  
17 istered apprenticeship program, and em-  
18 ployment.

19 (2) \$500,000,000 for carrying out activities  
20 through arrangements described in paragraph (1) to  
21 support programs described in such paragraph that  
22 serve a high number or high percentage of individ-  
23 uals with barriers to employment (as defined in sec-  
24 tion 3(24) of the Workforce Innovation and Oppor-

1 tunity Act), including individuals with disabilities, or  
2 nontraditional apprenticeship populations.

3 **SEC. 22007. INDUSTRY OR SECTOR PARTNERSHIP GRANTS.**

4 (a) APPROPRIATION.—In addition to amounts other-  
5 wise available, there is appropriated to the Department  
6 of Labor for fiscal year 2022, out of any money in the  
7 Treasury not otherwise appropriated, \$4,600,000,000, to  
8 remain available until September 30, 2026, for the Sec-  
9 retary to award, on a competitive basis, grants, contracts,  
10 or cooperative agreements to eligible partnerships for the  
11 purposes of expanding employment and training activities  
12 for high-skill, high-wage, or in-demand industry sectors or  
13 occupations.

14 (b) ELIGIBILITY.—To be eligible to receive funds  
15 under this section, an eligible partnership shall submit to  
16 the Secretary an application that includes a description  
17 of programs to be supported with such funds, the recog-  
18 nized postsecondary credentials participants in such pro-  
19 grams will earn, and related employment opportunities for  
20 which participants in such programs will be prepared.

21 (c) USES OF FUNDS.—An eligible partnership award-  
22 ed funds under this section shall use such funds to—

23 (1) regularly engage and convene stakeholders  
24 to develop, or expand, employment and training ac-  
25 tivities for the high-skill, high-wage, or in-demand

1 industry sector or occupation on which such partner-  
2 ship is focused;

3 (2) directly provide, or arrange for the provision  
4 of, high-quality, evidence-based training that leads  
5 to the attainment of nationally or regionally portable  
6 and stackable recognized postsecondary credentials  
7 for the industry sector or occupation described in  
8 paragraph (1), which shall include—

9 (A)(i) training services described in any  
10 clause of subparagraph (D) of section 134(c)(3)  
11 of the Workforce Innovation and Opportunity  
12 Act provided through contracts that meet the  
13 requirements of that section 134(c)(3); or

14 (ii) training provided through—

15 (I) registered apprenticeship pro-  
16 grams;

17 (II) pre-apprenticeship programs that  
18 articulate to registered apprenticeship pro-  
19 grams;

20 (III) youth apprenticeship programs  
21 that—

22 (aa) provide participants with  
23 high-quality, classroom-based related  
24 instruction and training, and employ-



1                   ment opportunities with progressively  
2                   increasing wages; and

3                   (bb) prepare participants for en-  
4                   rollment in an institution of higher  
5                   education (as defined in section 101  
6                   or 102(c)) of the Higher Education  
7                   Act of 1965), a registered apprentice-  
8                   ship program, and employment; or

9                   (IV) joint labor-management organi-  
10                  zations; and

11                  (B) the provision of information on related  
12                  skills or competencies that may be attained  
13                  through such training or credentials;

14                  (3) directly provide, or arrange for the provision  
15                  of, services to help individuals with barriers to em-  
16                  ployment prepare for, complete, and successfully  
17                  transition out of training described in paragraph (2),  
18                  which services shall include career services, sup-  
19                  portive services, or provision of needs-related pay-  
20                  ments authorized under subsections (c)(2), (d)(2),  
21                  and (d)(3) of section 134 of the Workforce Innova-  
22                  tion and Opportunity Act, except that, for purposes  
23                  of this section, subparagraphs (B) and (C) of section  
24                  134(d)(3) of that Act shall not apply; and

1           (4) establish or implement plans for providers  
2 of programs supported with such funds to meet the  
3 criteria and carry out the procedures to be included  
4 on the eligible training services provider list de-  
5 scribed in section 122(d) of the Workforce Innova-  
6 tion and Opportunity Act.

7           (d) ADMINISTRATION.—In addition to amounts oth-  
8 erwise available, there is appropriated to the Department  
9 of Labor for fiscal year 2022, out of any money in the  
10 Treasury not otherwise appropriated, \$150,000,000, to re-  
11 main available until September 30, 2026, for—

12           (1) targeted outreach and support to eligible  
13 partnerships serving local areas with high unemploy-  
14 ment rates or high percentages of dislocated workers  
15 or individuals with barriers to employment, to pro-  
16 vide guidance and assistance in the application proc-  
17 ess under this section;

18           (2) administration of the program described in  
19 this section, including providing comprehensive tech-  
20 nical assistance and oversight to support eligible  
21 partnerships; and

22           (3) evaluating and reporting on the perform-  
23 ance and impact of programs funded under this sec-  
24 tion.

1           (e) STATE BOARD OR LOCAL BOARD FUNDS.—In ad-  
2 dition to amounts otherwise available, there is appro-  
3 priated to the Department of Labor for fiscal year 2022,  
4 out of any money in the Treasury not otherwise appro-  
5 priated, \$250,000,000, to remain available until Sep-  
6 tember 30, 2026, to provide direct assistance to State  
7 boards or local boards to support the creation or expansion  
8 of industry or sector partnerships in local areas with high  
9 unemployment rates or high percentages of dislocated  
10 workers or individuals with barriers to employment, as  
11 compared to State or national averages for such rates or  
12 percentages.

13           (f) SUPPLEMENT NOT SUPPLANT.—Amounts made  
14 available to carry out this section shall be used to supple-  
15 ment and not supplant other Federal, State, and local  
16 public funds expended to support activities described in  
17 this section.

18 **SEC. 22008. JOB CORPS.**

19           (a) APPROPRIATION.—In addition to amounts other-  
20 wise available, there is appropriated to the Department  
21 of Labor for fiscal year 2022, out of any amounts in the  
22 Treasury not otherwise appropriated, \$500,000,000, to re-  
23 main available until September 30, 2026—

24                   (1) to provide funds to operators and service  
25           providers to—

1 (A) carry out the activities and services de-  
2 scribed in sections 148 and 149 of the Work-  
3 force Innovation and Opportunity Act; and

4 (B) improve and expand access to allow-  
5 ances and services described in section 150 of  
6 such Act; and

7 (2) for the construction, rehabilitation, and ac-  
8 quisition of Job Corps centers, notwithstanding sec-  
9 tion 158(c) of the Workforce Innovation and Oppor-  
10 tunity Act.

11 (b) **ELIGIBILITY OF OPERATORS AND SERVICE PRO-**  
12 **VIDERS.**—For the purposes of carrying out subsection (a),  
13 an entity in a State or outlying area (as such term is de-  
14 fined in section 3(45) of the Workforce Innovation and  
15 Opportunity Act) may be eligible to be selected as an oper-  
16 ator or service provider.

17 **SEC. 22009. NATIVE AMERICAN PROGRAMS.**

18 In addition to amounts otherwise available, there is  
19 appropriated to the Department of Labor for fiscal year  
20 2022, out of any amounts in the Treasury not otherwise  
21 appropriated, \$50,000,000, to remain available until Sep-  
22 tember 30, 2026, to carry out activities described in sec-  
23 tion 166(d)(2)(A) of the Workforce Innovation and Oppor-  
24 tunity Act.

1 **SEC. 22010. MIGRANT AND SEASONAL FARMWORKER PRO-**  
2 **GRAMS.**

3 In addition to amounts otherwise available, there is  
4 appropriated to the Department of Labor for fiscal year  
5 2022, out of any amounts in the Treasury not otherwise  
6 appropriated, \$70,000,000, to remain available until Sep-  
7 tember 30, 2026, to carry out activities described in sec-  
8 tion 167(d) of the Workforce Innovation and Opportunity  
9 Act, except that, for purposes of providing services as part  
10 of such activities to low-income individuals under this sec-  
11 tion, section 3(36)(A)(ii)(I) of such Act shall be applied  
12 by substituting “150 percent of the poverty line” for “the  
13 poverty line”.

14 **SEC. 22011. YOUTHBUILD PROGRAM.**

15 In addition to amounts otherwise available, there is  
16 appropriated to the Department of Labor for fiscal year  
17 2022, out of any amounts in the Treasury not otherwise  
18 appropriated, \$15,000,000, to remain available until Sep-  
19 tember 30, 2026, to carry out activities described in sec-  
20 tion 171(c)(2) of the Workforce Innovation and Oppor-  
21 tunity Act, including for the purposes of improving and  
22 expanding access to services, stipends, wages, and benefits  
23 described in subparagraphs (A)(vii) and (F) of section  
24 171(c)(2) of such Act.

1 **SEC. 22012. SENIOR COMMUNITY SERVICE EMPLOYMENT**  
2 **PROGRAM.**

3 In addition to amounts otherwise available, there is  
4 appropriated to the Department of Labor for fiscal year  
5 2022, out of any amounts in the Treasury not otherwise  
6 appropriated, \$35,000,000, to remain available until Sep-  
7 tember 30, 2026, for the Senior Community Service Em-  
8 ployment program authorized under section 502 of the  
9 Older Americans Act of 1965.

10 **SEC. 22013. PROVISION OF INFORMATION.**

11 For purposes of determinations of the eligibility of  
12 individuals to participate in activities funded under this  
13 subtitle, the provision of information for such determina-  
14 tions by Federal agencies other than the Department of  
15 Labor or the Department of Education shall not be re-  
16 quired.

17 **SEC. 22014. DEFINITIONS.**

18 In this part:

19 (1) **ELIGIBLE PARTNERSHIP.**—The term “eligi-  
20 ble partnership” means—

21 (A) an industry or sector partnership,  
22 which shall include multiple representatives de-  
23 scribed in each of clauses (i) through (iii) of  
24 paragraph (26)(A) of section 3 of the Work-  
25 force Innovation and Opportunity Act; or

1           (B) a State board or local board, a joint  
2           labor-management organization, or an entity el-  
3           igible to be a representative under clause (i),  
4           (ii), or (iii) of paragraph (26)(A) of section 3  
5           of the Workforce Innovation and Opportunity  
6           Act, that is in the process of establishing an in-  
7           dustry or sector partnership described in sub-  
8           paragraph (A), to carry out a grant, contract,  
9           or cooperative agreement under section 22007.

10          (2) EVIDENCE-BASED.—The term “evidence-  
11          based” has the meaning given the term in section  
12          3(23) of the Carl D. Perkins Career and Technical  
13          Education Act of 2006.

14          (3) REGISTERED APPRENTICESHIP PROGRAM.—  
15          The term “registered apprenticeship program”  
16          means an apprenticeship program registered with  
17          the Office of Apprenticeship of the Employment and  
18          Training Administration of the Department of  
19          Labor or a State apprenticeship agency recognized  
20          by the Office of Apprenticeship pursuant to the Act  
21          of August 16, 1937 (commonly known as the “Na-  
22          tional Apprenticeship Act”; 50 Stat. 664, chapter  
23          663).

24          (4) SECRETARY.—The term “Secretary” means  
25          the Secretary of Labor.

1 (5) WIOA DEFINITIONS.—

2 (A) IN GENERAL.—The terms “career  
3 pathway”, “in-demand industry sector or occu-  
4 pation”, “individual with a barrier to employ-  
5 ment”, “industry or sector partnership”, “local  
6 area”, “local board”, “recognized postsecondary  
7 credential”, “State board”, and “supportive  
8 services” have the meanings given the terms in  
9 paragraphs (7), (23), (24), (26), (32), (33),  
10 (52), (57), and (59), respectively, of section 3  
11 of the Workforce Innovation and Opportunity  
12 Act.

13 (B) CAREER SERVICES.—The term “career  
14 services” means services described in section  
15 134(c)(2) of the Workforce Innovation and Op-  
16 portunity Act.

17 **PART 2—DEPARTMENT OF EDUCATION**

18 **SEC. 22101. ADULT EDUCATION AND LITERACY.**

19 (a) APPROPRIATION.—In addition to amounts other-  
20 wise available, there is appropriated to the Department  
21 of Education for fiscal year 2022, out of any money in  
22 the Treasury not otherwise appropriated, \$700,000,000,  
23 to remain available until September 30, 2027, to carry out  
24 the program of adult education and literacy activities au-  
25 thorized under the Workforce Innovation and Opportunity



1 Act, except that, for each fiscal year for which an eligible  
2 agency receives funds appropriated under this section, sec-  
3 tion 222(a)(1) of the Workforce Innovation and Oppor-  
4 tunity Act shall be applied by substituting “not less than  
5 10 percent” for “not more than 20 percent”, and section  
6 222(b) of such Act shall not apply.

7 (b) SUPPLEMENT NOT SUPPLANT.—Amounts made  
8 available to carry out this section shall be used to supple-  
9 ment and not supplant other Federal, State, and local  
10 public funds expended to support adult education and lit-  
11 eracy activities, including funds provided under the Work-  
12 force Innovation and Opportunity Act.

13 **SEC. 22102. CAREER AND TECHNICAL EDUCATION.**

14 (a) APPROPRIATION.—In addition to amounts other-  
15 wise available, there is appropriated to the Department  
16 of Education for fiscal year 2022, out of any money in  
17 the Treasury not otherwise appropriated, the following  
18 amounts, to remain available until September 30, 2027:

19 (1) \$600,000,000 for carrying out career and  
20 technical education programs authorized under sec-  
21 tion 124 and section 135 of the Carl D. Perkins Ca-  
22 reer and Technical Education Act of 2006, which  
23 shall be allotted in accordance with section 111 and  
24 section 112 of such Act, except that subsection (b)  
25 of section 112 shall not apply.



1 tions for the purposes of expanding employment and train-  
2 ing activities for high-skill, high-wage, or in-demand in-  
3 dustry sectors or occupations.

4 (b) ELIGIBILITY.—To be eligible to receive such a  
5 grant, an eligible institution shall submit to the Secretary  
6 an application that includes a description of programs to  
7 be supported with such grant, the recognized postsec-  
8 ondary credentials participants in such programs will  
9 earn, and the related employment opportunities for which  
10 participants in such programs will be prepared.

11 (c) USE OF FUNDS.—An eligible institution awarded  
12 a grant under this section shall use such grant funds to  
13 expand opportunities for attainment of recognized postsec-  
14 ondary credentials that are nationally or regionally port-  
15 able and stackable for high-skill, high-wage, or in-demand  
16 industry sectors or occupations by—

17 (1) establishing, improving, or scaling high-  
18 quality, evidence-based education or career training  
19 programs, career pathway programs, or work-based  
20 learning programs (including registered apprentice-  
21 ship programs or pre-apprenticeships that articulate  
22 to registered apprenticeship programs);

23 (2) providing services to help individuals with  
24 barriers to employment prepare for, complete, and  
25 successfully transition out of programs described in

1 paragraph (1) supported by such grant, which shall  
2 include providing supportive services, career services,  
3 career guidance and academic counseling, or job  
4 placement assistance; and

5 (3) carrying out 1 or more of the following:

6 (A) Creating, developing, or expanding ar-  
7 ticipation agreements (as defined in section  
8 486A(a) of the Higher Education Act of 1965),  
9 credit transfer agreements, corequisite remedi-  
10 ation programs, dual or concurrent enrollment  
11 programs, or policies and processes to award  
12 academic credit for prior learning or for pro-  
13 grams described in paragraph (1) supported by  
14 such grant.

15 (B) Making available information on cur-  
16 ricula and recognized postsecondary credentials,  
17 including those created or developed using such  
18 grant, and information on the related skills or  
19 competencies and related employment and earn-  
20 ings outcomes.

21 (C) Establishing or implementing plans for  
22 providers of programs described in paragraph  
23 (1) supported by such grant to meet the criteria  
24 and carry out the procedures to be included on  
25 the eligible training services provider list de-

1           scribed in section 122(d) of the Workforce In-  
2           novation and Opportunity Act.

3           (D) Purchasing, leasing, or refurbishing  
4           specialized equipment necessary to carry out  
5           such programs.

6           (E) Reducing participants' cost of attend-  
7           ance in such programs.

8           (F) Establishing or expanding industry or  
9           sector partnerships to successfully carry out the  
10          activities supported by such grant under this  
11          paragraph, and paragraphs (1) and (2).

12         (d) ADMINISTRATION.—In addition to amounts oth-  
13         erwise available, there is appropriated to the Department  
14         of Education for fiscal year 2022, out of any money in  
15         the Treasury not otherwise appropriated, \$100,000,000,  
16         to remain available until September 30, 2026, to carry  
17         out, in coordination of the Department of Labor, the fol-  
18         lowing activities:

19                 (1) Targeted outreach to eligible institutions  
20                 serving a high number or high percentage of low-in-  
21                 come individuals or individuals with barriers to em-  
22                 ployment, and rural-serving eligible institutions, to  
23                 provide guidance and assistance in the grant appli-  
24                 cation process under this section.

1           (2) Administration of the program described in  
2 this section, including providing technical assistance  
3 and oversight to support eligible institutions.

4           (3) Evaluating and reporting on the perform-  
5 ance and impact of programs funded under this sec-  
6 tion.

7           (e) SUPPLEMENT NOT SUPPLANT.—Amounts avail-  
8 able to carry out this section shall be used to supplement  
9 and not supplant other Federal, State, and local public  
10 funds expended to support activities described in this sec-  
11 tion.

12           (f) DEFINITIONS.—In this section:

13           (1) COMMUNITY COLLEGE.—The term “commu-  
14 nity college” means—

15           (A) a degree-granting public institution of  
16 higher education (as defined in section 101 of  
17 the Higher Education Act of 1965) at which—

18           (i) the highest degree awarded is an  
19 associate degree; or

20           (ii) an associate degree is the most  
21 frequently awarded degree;

22           (B) a 2-year Tribal College or University  
23 (as defined in section 316(b)(3) of the Higher  
24 Education Act of 1965);

1 (C) a degree-granting Tribal College or  
2 University (as defined in section 316(b)(3) of  
3 the Higher Education Act of 1965) at which—

4 (i) the highest degree awarded is an  
5 associate degree; or

6 (ii) an associate degree is the most  
7 frequently awarded degree; or

8 (D) a branch campus of a 4-year public in-  
9 stitution of higher education (as defined in sec-  
10 tion 101 of the Higher Education Act of 1965),  
11 if, at such branch campus—

12 (i) the highest degree awarded is an  
13 associate degree; or

14 (ii) an associate degree is the most  
15 frequently awarded degree.

16 (2) ELIGIBLE INSTITUTION.—The term “eligi-  
17 ble institution” means a community college, a post-  
18 secondary vocational institution (as defined in sec-  
19 tion 102(c) of the Higher Education Act of 1965),  
20 or a consortium of such colleges or institutions, that  
21 is working directly with an industry or sector part-  
22 nership, or in the process of establishing such part-  
23 nership, to carry out a grant under this section.

24 (3) PERKINS CTE DEFINITIONS.—The terms  
25 “career guidance and academic counseling”, “dual

1 or concurrent enrollment program”, “evidence-  
2 based”, and “work-based learning” have the mean-  
3 ings given the terms in paragraphs (7), (15), (23),  
4 and (55), respectively, of section 3 of the Carl D.  
5 Perkins Career and Technical Education Act of  
6 2006.

7 (4) REGISTERED APPRENTICESHIP PROGRAM.—  
8 The term “registered apprenticeship program”  
9 means an apprenticeship program registered with  
10 the Office of Apprenticeship of the Employment and  
11 Training Administration of the Department of  
12 Labor or a State apprenticeship agency recognized  
13 by the Office of Apprenticeship pursuant to the Act  
14 of August 16, 1937 (commonly known as the “Na-  
15 tional Apprenticeship Act”; 50 Stat. 664, chapter  
16 663).

17 (5) SECRETARY.—The term “Secretary” means  
18 the Secretary of Education.

19 (6) WIOA DEFINITIONS.—

20 (A) IN GENERAL.—The terms “career  
21 pathway”, “in-demand industry sector or occu-  
22 pation”, “individual with a barrier to employ-  
23 ment”, “industry or sector partnership”, “rec-  
24 ognized postsecondary credential”, and “sup-  
25 portive services” have the meanings given the



1 terms in paragraphs (7), (23), (24), (26), (52),  
2 and (59), respectively, of section 3 of the Work-  
3 force Innovation and Opportunity Act.

4 (B) CAREER SERVICES.—The term “career  
5 services” means services described in section  
6 134(c)(2) of the Workforce Innovation and Op-  
7 portunity Act.

8 **PART 3—COMPETITIVE INTEGRATED EMPLOY-**  
9 **MENT TRANSFORMATION GRANT PROGRAM**

10 **SEC. 22201. COMPETITIVE INTEGRATED EMPLOYMENT**  
11 **TRANSFORMATION GRANT PROGRAM.**

12 (a) APPROPRIATION.—In addition to amounts other-  
13 wise made available, there is appropriated to the Depart-  
14 ment of Labor for fiscal year 2022, out of any money in  
15 the Treasury not otherwise appropriated, the following  
16 amounts, to remain available through fiscal year 2029, for  
17 the Secretary of Labor to award grants to covered States  
18 in accordance with this section to assist employers in such  
19 States who were issued special certificates under section  
20 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C.  
21 214(c)) (referred to in this part as “special certificates”)  
22 in transforming their business and program models from  
23 providing employment using special certificates to busi-  
24 ness and program models that employ and support people  
25 with disabilities in competitive integrated employment:

1 (1) \$189,000,000 for subsection (d)(2)(B).

2 (2) \$81,000,000 for subsection (d)(2)(C).

3 (b) APPLICATIONS.—

4 (1) IN GENERAL.—To be eligible to receive a  
5 grant under this section, a covered State shall sub-  
6 mit an application to the Secretary at such time, in  
7 such manner, and including such information as the  
8 Secretary may reasonably require.

9 (2) CONTENTS.—Each application submitted  
10 under paragraph (1) shall include—

11 (A) a description of the status of the em-  
12 ployers in the covered State providing employ-  
13 ment using special certificates, including—

14 (i) the number of employers in the  
15 covered State using special certificates to  
16 employ and pay people with disabilities;

17 (ii) the number of employees in the  
18 covered State employed under a special  
19 certificate;

20 (iii) the average number of hours such  
21 employees work per week; and

22 (iv) the average hourly wage for such  
23 employees;

24 (B) a description of activities to be funded  
25 under the grant, and the goals of such activi-

1 ties, including the activities of the covered State  
2 with respect to competitive integrated employ-  
3 ment for people with disabilities; and

4 (C) assurances that—

5 (i) the activities carried out under the  
6 grant will result in—

7 (I) each employer in the covered  
8 State that, on the date of enactment  
9 of this Act, provides employment  
10 using special certificates transforming  
11 its business and program models as  
12 described in subsection (c)(1); and

13 (II) each employer in the covered  
14 State ceasing to use special certifi-  
15 cates by the end of the 5-year grant  
16 period and no longer applying for or  
17 renewing such certificates;

18 (ii) each individual in the covered  
19 State who is employed under a special cer-  
20 tificate will, as a result of such a trans-  
21 formation, be employed in competitive inte-  
22 grated employment or a combination of  
23 competitive integrated employment and in-  
24 tegrated services, including by compen-

1 sating all employees of the employer for all  
2 hours worked at a rate that is—

3 (I) not less than the higher of—

4 (aa) the rate specified in  
5 section 6(a)(1) of the Fair Labor  
6 Standards Act of 1938 (29  
7 U.S.C. 206(a)(1));

8 (bb) the rate specified in an  
9 applicable State or local min-  
10 imum wage law; or

11 (cc) in the case of work on  
12 a contract that is subject to  
13 chapter 67 of title 41, United  
14 States Code, the applicable pre-  
15 vailing wage rate under such  
16 chapter; and

17 (II) not less than the rate paid  
18 by the employer for the same or simi-  
19 lar work performed by other employ-  
20 ees who are not people with disabil-  
21 ities, and who are similarly situated in  
22 similar occupations by the same em-  
23 ployer and who have similar training,  
24 experience, and skills; and

1                   (iii) the covered State will establish an  
2                   advisory council to monitor and guide the  
3                   process of transforming business and pro-  
4                   gram models of employers in the covered  
5                   State as described in subsection (e)(1).

6           (c) USE OF FUNDS.—A covered State receiving a  
7 grant under this section shall use the grant funds for each  
8 of the following activities:

9                   (1) Identifying each employer in the State that  
10                  will transform its business and program models from  
11                  employing people with disabilities using special cer-  
12                  tificates to employing people with disabilities in com-  
13                  petitive integrated employment settings, or a setting  
14                  involving a combination of competitive integrated  
15                  employment and integrated services.

16                  (2) Implementing a service delivery infrastruc-  
17                  ture to support people with disabilities who have  
18                  been employed under special certificates through  
19                  such a transformation, including providing enhanced  
20                  integrated services to support people with the most  
21                  significant disabilities.

22                  (3) Expanding competitive integrated employ-  
23                  ment and integrated services to be provided to such  
24                  people as a result of transformations described in  
25                  paragraph (1).

1 (d) ALLOTMENTS.—

2 (1) IN GENERAL.—Not later than 18 months  
3 after the date of enactment of this Act, the Sec-  
4 retary shall—

5 (A) determine the number of covered  
6 States; and

7 (B)(i) in a case in which the Secretary de-  
8 termines that there are 15 or more covered  
9 States, award each covered State a grant under  
10 paragraph (2); or

11 (ii) in a case in which the Secretary deter-  
12 mines that there are 14 or fewer covered  
13 States, award each covered State a grant under  
14 paragraph (3) for the first 5-year grant period  
15 under such paragraph.

16 (2) 15 OR MORE COVERED STATES.—

17 (A) IN GENERAL.—In a case in which the  
18 Secretary determines under paragraph (1) that  
19 there are 15 or more covered States, from the  
20 funds appropriated under subsection (a), the  
21 Secretary shall allot to each covered State a  
22 grant under this section in an amount equal to  
23 the sum of—

1 (i) the allotment made to the covered  
2 State in accordance with subparagraph  
3 (B); and

4 (ii) the allotment made to the covered  
5 State in accordance with subparagraph  
6 (C).

7 (B) ALLOTMENT BASED ON THE NUMBER  
8 OF EMPLOYEES EMPLOYED UNDER SPECIAL  
9 CERTIFICATES.—From the total amount of the  
10 funds appropriated under subsection (a)(1), the  
11 Secretary shall allot to each covered State an  
12 amount that bears the same relationship to  
13 such total amount as the number of people with  
14 disabilities who are employed under a special  
15 certificate in the covered State bears to the  
16 total number of people with disabilities who are  
17 employed under a special certificate in all cov-  
18 ered States.

19 (C) ALLOTMENT BASED ON THE NUMBER  
20 OF EMPLOYERS WITH SPECIAL CERTIFI-  
21 CATES.—From the total amount of the funds  
22 appropriated under subsection (a)(2), the Sec-  
23 retary shall allot to each covered State an  
24 amount that bears the same relationship to  
25 such total amount as the number of employers

1 in the covered State who have in effect a special  
2 certificate bears to the total number of employ-  
3 ers in all covered States who have in effect such  
4 a certificate.

5 (D) DATA.—In determining the number of  
6 people with disabilities who are employed under  
7 a special certificate for purposes of subpara-  
8 graph (B) and the number of employers who  
9 have in effect a special certificate for purposes  
10 of subparagraph (C), the Secretary shall use  
11 the most accurate data available to the Sec-  
12 retary on the date of enactment of this Act.

13 (E) GRANT PERIOD.—A grant under this  
14 paragraph shall be awarded for a period of 5  
15 years.

16 (3) 14 OR FEWER COVERED STATES.—

17 (A) IN GENERAL.—In a case in which the  
18 Secretary determines under paragraph (1) that  
19 there are 14 or fewer covered States, from the  
20 funds appropriated under subsection (a), the  
21 Secretary shall award a grant to each covered  
22 State in an amount that the Secretary deter-  
23 mines necessary for the covered State to accom-  
24 plish the purpose of the grant described in such



1 subsection and for the Secretary to meet the re-  
2 quirements of this paragraph.

3 (B) GRANT PERIODS.—

4 (i) IN GENERAL.—The Secretary shall  
5 award grants under this paragraph for 2  
6 separate, 5-year grant periods.

7 (ii) SECOND 5-YEAR GRANT PERIOD.—  
8 Grants for the second 5-year grant period  
9 shall be awarded—

10 (I) not earlier than the end of  
11 the second year of the first 5-year  
12 grant period described in paragraph  
13 (1)(B)(ii); and

14 (II) not later than September 30,  
15 2025.

16 (C) LIMIT ON NUMBER OF GRANTS.—No  
17 State may receive more than 1 grant under this  
18 paragraph.

19 (e) DEFINITION OF COVERED STATE.—In this sec-  
20 tion, the term “covered State” means a State (as defined  
21 in section 3 of the Fair Labor Standards Act of 1938 (29  
22 U.S.C. 203)) that—

23 (1) as of the date of enactment of this Act, has  
24 not phased out, or is not in the process of phasing  
25 out, the use of special certificates in the State; and

1           (2) submits an application under subsection (b)  
2           that meets the requirements under such subsection.

3 **SEC. 22202. GRANTS FOR STATES TO EXPAND COMPETITIVE**  
4 **INTEGRATED EMPLOYMENT.**

5           (a) APPROPRIATION.—In addition to amounts other-  
6 wise made available, there is appropriated to the Depart-  
7 ment of Labor for fiscal year 2022, out of any money in  
8 the Treasury not otherwise appropriated, \$24,000,000, to  
9 remain available through fiscal year 2029, for the Sec-  
10 retary of Labor to award grants to covered States in ac-  
11 cordance with this section to assist employers in such  
12 States who were issued special certificates in continuing  
13 to transform their business and program models from pro-  
14 viding employment using special certificates to business  
15 and program models that employ and support people with  
16 disabilities in competitive integrated employment.

17           (b) APPLICATIONS.—To be eligible to receive a grant  
18 under this section, a covered State shall submit an appli-  
19 cation to the Secretary at such time, in such manner, and  
20 include such information as the Secretary may reasonably  
21 require, including a description of activities to be funded  
22 under the grant and the activities of the covered State  
23 with respect to competitive integrated employment for peo-  
24 ple with disabilities.

1 (c) USE OF FUNDS.—A covered State that receives  
2 a grant under this section shall use the grant funds for  
3 activities to expand competitive integrated employment  
4 and integrated services to be provided to people with dis-  
5 abilities.

6 (d) GRANT AWARD.—Not later than 18 months after  
7 the date of enactment of this Act, the Secretary shall  
8 award each covered State a grant in an amount that bears  
9 the same relationship to the total amount appropriated  
10 under subsection (a) as the population of the covered State  
11 bears to the total population of all covered States.

12 (e) GRANT PERIOD.—A grant under this section shall  
13 be awarded for a period of 5 years.

14 (f) DEFINITION OF COVERED STATE.—In this sec-  
15 tion, the term “covered State” means a State (as defined  
16 in section 3 of the Fair Labor Standards Act of 1938 (29  
17 U.S.C. 203)) that—

18 (1) as of the date of enactment of this Act, has  
19 phased out, or is the process of phasing out, the use  
20 of special certificates in the State; and

21 (2) submits an application under subsection (b)  
22 that meets the requirements under such subsection.

23 **SEC. 22203. TECHNICAL ASSISTANCE.**

24 In addition to amounts otherwise made available,  
25 there is appropriated to the Department of Labor for fis-

1 cal year 2022, out of any money in the Treasury not other-  
2 wise appropriated, \$6,000,000, to remain available  
3 through fiscal year 2029, for the Secretary to, in partner-  
4 ship with the Office of Special Education and Rehabilita-  
5 tive Services of the Department of Education, establish,  
6 either directly or through grants, contracts, or cooperative  
7 agreements, a national technical assistance center to—

8           (1) provide technical assistance to employers  
9           who are transforming from employing people with  
10           disabilities using special certificates to employing  
11           people with disabilities in competitive integrated em-  
12           ployment settings; and

13           (2) collect and disseminate information on evi-  
14           dence-based practices for such transformations and  
15           for providing competitive integrated employment and  
16           integrated services.

17 **SEC. 22204. SUPPLEMENT AND NOT SUPPLANT.**

18           Any funds made available to a State under this part  
19 shall be used to supplement and not supplant any Federal,  
20 State, or local public funds expended—

21           (1) to assist employers in such State who were  
22           issued a special certificate in transforming (or con-  
23           tinuing to transform) their business and program  
24           models from providing employment using special cer-  
25           tificates to business and program models that em-

1 employ and support people with disabilities in competi-  
2 tive integrated employment; or

3 (2) to support the employment of people with  
4 disabilities in competitive integrated employment.

5 **SEC. 22205. DEFINITIONS.**

6 In this part:

7 (1) **COMPETITIVE INTEGRATED EMPLOY-**  
8 **MENT.**—The term “competitive integrated employ-  
9 ment” has the meaning given such term in section  
10 7(5) of the Rehabilitation Act of 1973 (29 U.S.C.  
11 705(5)).

12 (2) **EMPLOYEE.**—The term “employee” means  
13 any individual employed by an employer.

14 (3) **EMPLOYER.**—The term “employer” means  
15 any person acting directly or indirectly in the inter-  
16 est of an employer in relation to an employee, but  
17 does not include any labor organization (other than  
18 when acting as an employer) or anyone acting in the  
19 capacity of officer or agent of such labor organiza-  
20 tion.

21 (4) **INTEGRATED SERVICES.**—The term “inte-  
22 grated services” means services for people with dis-  
23 abilities that are—

1 (A) designed to assist such people in devel-  
2 oping skills and abilities to reside successfully  
3 in home and community-based settings;

4 (B) provided in accordance with a person-  
5 centered written plan of care;

6 (C) created using evidence-based practices  
7 that lead to such people—

8 (i) maintaining competitive integrated  
9 employment;

10 (ii) achieving independent living; or

11 (iii) maximizing socioeconomic self-  
12 sufficiency, optimal independence, and full  
13 participation in the community;

14 (D) provided in a community location that  
15 is not specifically intended for people with dis-  
16 abilities;

17 (E) provided in a location that—

18 (i) allows the people receiving the  
19 services to interact with people without dis-  
20 abilities to the fullest extent possible; and

21 (ii) makes it possible for the people  
22 receiving the services to access community  
23 resources that are not specifically intended  
24 for people with disabilities and to have the  
25 same opportunity to participate in the

1 community as people who do not have a  
2 disability; and

3 (F) provided in multiple locations to allow  
4 the individual receiving the services to have op-  
5 tions, thereby—

6 (i) optimizing individual initiative, au-  
7 tonomy, and independence; and

8 (ii) facilitating choice regarding serv-  
9 ices and supports, and choice regarding the  
10 provider of such services.

11 (5) PEOPLE WITH DISABILITIES.—The term  
12 “people with disabilities” includes individuals de-  
13 scribed in section 14(c)(1) of the Fair Labor Stand-  
14 ards Act of 1938 (29 U.S.C. 214(c)(1)).

15 (6) SECRETARY.—The term “Secretary” means  
16 the Secretary of Labor.

17 **PART 4—RECRUITMENT, EDUCATION AND TRAIN-**  
18 **ING, RETENTION, AND CAREER ADVANCE-**  
19 **MENTS FOR THE DIRECT CARE WORKFORCE**

20 **SEC. 22301. DEFINITIONS.**

21 In this part:

22 (1) CTE DEFINITIONS.—The terms “area ca-  
23 reer and technical education school”, “evidence-  
24 based”, and “work-based learning” have the mean-  
25 ings given such terms in paragraphs (3), (23), and

1 (55), respectively, of section 3 of the Carl D. Per-  
2 kins Career and Technical Education Act of 2006  
3 (20 U.S.C. 2302).

4 (2) WIOA DEFINITIONS.—The terms “career  
5 pathway”, “career planning”, “individual with a bar-  
6 rier to employment”, “local board”, “older indi-  
7 vidual”, “on-the-job training”, “recognized postsec-  
8 ondary credential”, and “State board” have the  
9 meanings given such terms paragraphs (7), (8),  
10 (24), (33), (39), (44), (52), and (57), respectively,  
11 of section 3 of the Workforce Innovation and Oppor-  
12 tunity Act (29 U.S.C. 3102).

13 (3) OTHER DEFINITIONS.—

14 (A) DIRECT SUPPORT WORKER.—The term  
15 “direct support worker” means—

- 16 (i) a direct support professional;
- 17 (ii) a worker providing direct care  
18 services, which may include palliative care,  
19 in a home or community-based setting;
- 20 (iii) a respite care provider who pro-  
21 vides short-term support and care to an in-  
22 dividual in order to provide relief to a fam-  
23 ily caregiver;



1 (iv) a direct care worker, as defined in  
2 section 799B of the Public Health Service  
3 Act (42 U.S.C. 295p); or

4 (v) an individual in any other position  
5 or job related to those described in clauses  
6 (i) through (iv), as determined by the Sec-  
7 retary in consultation with the Secretary of  
8 Health and Human Services acting  
9 through the Administrator for the Admin-  
10 istration for Community Living.

11 (B) ELIGIBLE ENTITY.—The term “eligible  
12 entity” means an entity that is—

13 (i) a State;

14 (ii) a labor organization or a joint  
15 labor-management organization;

16 (iii) a nonprofit organization with ex-  
17 perience in aging, disability, supporting the  
18 rights and interests of direct support work-  
19 ers, or training or educating direct support  
20 workers;

21 (iv) an Indian Tribe or Tribal organi-  
22 zation;

23 (v) an urban Indian organization;

24 (vi) a State board or local board;

1 (vii) an area agency on aging (as de-  
2 fined in section 102 of the Older Ameri-  
3 cans Act of 1965 (42 U.S.C. 3002));

4 (viii) when in partnership with an en-  
5 tity described in any of clauses (i) through  
6 (vii) or with a consortium described in  
7 clause (ix)—

8 (I) an institution of higher edu-  
9 cation (as defined in section 101 of  
10 the Higher Education Act of 1965 (20  
11 U.S.C. 1001) or section 102(a)(1)(B)  
12 of such Act (20 U.S.C.  
13 1002(a)(1)(B))); or

14 (II) an area career and technical  
15 education school; or

16 (ix) a consortium of entities listed in  
17 any of clauses (i) through (vii).

18 (C) FAMILY CAREGIVER.—The term “fam-  
19 ily caregiver” means a paid or unpaid adult  
20 family member or other individual who has a  
21 significant relationship with, and who provides  
22 a broad range of assistance to, an individual  
23 with a chronic or other health condition, dis-  
24 ability, or functional limitation.

1 (D) HOME AND COMMUNITY-BASED SERV-  
2 ICES.—The term “home and community-based  
3 services” has the meaning given such term in  
4 section 9817(a)(2) of the American Rescue  
5 Plan Act of 2021 (Public Law 117–2).

6 (E) PERSON WITH A DISABILITY.—The  
7 term “person with a disability” means an indi-  
8 vidual with a disability as defined in section 3  
9 of the Americans with Disabilities Act of 1990  
10 (42 U.S.C. 12102).

11 (F) PRE-APPRENTICESHIP PROGRAM.—The  
12 term “pre-apprenticeship program” means a  
13 program that articulates to a registered appren-  
14 ticeship program.

15 (G) REGISTERED APPRENTICESHIP PRO-  
16 GRAM.—The term “registered apprenticeship  
17 program” means an apprenticeship program  
18 registered with the Office of Apprenticeship of  
19 the Employment Training Administration of the  
20 Department of Labor or a State apprenticeship  
21 agency recognized by the Office of Appren-  
22 ticeship pursuant to the Act of August 16, 1937  
23 (commonly known as the “National Appren-  
24 ticeship Act”; 50 Stat. 664, chapter 663).

1 (H) SECRETARY.—The term “Secretary”  
2 means the Secretary of Labor.

3 (I) STATE.—The term “State” means each  
4 of the 50 States of the United States, the Dis-  
5 trict of Columbia, the Commonwealth of Puerto  
6 Rico, American Samoa, Guam, the United  
7 States Virgin Islands, and the Commonwealth  
8 of the Northern Mariana Islands.

9 **SEC. 22302. GRANTS TO SUPPORT THE DIRECT CARE WORK-**  
10 **FORCE.**

11 (a) GRANTS AUTHORIZED.—In addition to amounts  
12 otherwise available, there is appropriated to the Secretary  
13 for fiscal year 2022, out of any money in the Treasury  
14 not otherwise appropriated, \$1,000,000,000, to remain  
15 available until September 30, 2031, for awarding, on a  
16 competitive basis, grants to eligible entities to carry out  
17 the activities described in subsection (c) with respect to  
18 direct support workers.

19 (b) APPLICATIONS; AWARD BASIS.—

20 (1) APPLICATIONS.—

21 (A) IN GENERAL.—An eligible entity seek-  
22 ing a grant under subsection (a) shall submit to  
23 the Secretary an application at such time, in  
24 such manner, and containing such information  
25 as the Secretary, in coordination with the Sec-

1           retary of Health and Human Services acting  
2           through the Administrator of the Administra-  
3           tion for Community Living, may require.

4           (B) CONTENTS.—Each application under  
5           subparagraph (A) shall include—

6                   (i) a description of the type or types  
7                   of direct support workers the entity plans  
8                   to serve through the activities supported by  
9                   the grant;

10                   (ii) a description of the one or more  
11                   eligible entities collaborating to carry out  
12                   the activities described in subsection (c);  
13                   and

14                   (iii) an assurance that—

15                           (I) the eligible entity will consult  
16                           on the development and implementa-  
17                           tion of the grant, with direct support  
18                           workers, their representatives, and re-  
19                           cipients of direct care services and  
20                           their families; and

21                           (II) the eligible entity will consult  
22                           on the implementation of the grant, or  
23                           coordinate the activities of the grant,  
24                           with the agencies in the State that are  
25                           responsible for developmental dis-

1 ability services, aging, education,  
2 workforce development, and Medicaid,  
3 to the extent that each such entity is  
4 not the eligible entity.

5 (2) DURATION OF GRANTS.—A grant awarded  
6 under this section shall be for a period of 3 years,  
7 and may be renewed. The Secretary, in coordination  
8 with the Secretary of Health and Human Services  
9 acting through the Administrator of the Administra-  
10 tion for Community Living, shall award grants (in-  
11 cluding any renewals) under this section in 3-year  
12 cycles subject to the limits set forth in subsection  
13 (a).

14 (c) USE OF FUNDS.—

15 (1) REQUIRED USE OF FUNDS.—Each eligible  
16 entity receiving a grant under subsection (a) shall  
17 use the grant funds to provide competitive wages,  
18 benefits, and other supportive services, including  
19 transportation, child care, dependent care, workplace  
20 accommodations, and workplace health and safety  
21 protections, to the direct support workers served by  
22 the grant that are necessary to enable such workers  
23 to participate in the activities supported by the  
24 grant.

1           (2) ADDITIONAL ACTIVITIES.—In addition to  
2 the requirement described in paragraph (1), each eli-  
3 gible entity receiving a grant under subsection (a)  
4 shall use the grant funds for one or more of the fol-  
5 lowing activities:

6                   (A) Developing and implementing a strat-  
7 egy for the recruitment of direct support work-  
8 ers.

9                   (B) Developing and implementing a strat-  
10 egy for the retention of direct support workers  
11 using evidence-based best practices, such as  
12 providing mentoring to such workers, including  
13 a strategy that can also support family care-  
14 givers.

15                  (C) Developing or implementing an edu-  
16 cation and training program for the direct sup-  
17 port workers served by the grant, which shall  
18 include—

19                           (i) education and training on—

20                                   (I) the rights of direct support  
21 workers under applicable Federal,  
22 State, or local employment law on—

23   (aa) safe working conditions,  
24 including under section 5 of the  
25 Occupational Safety and Health

1 Act of 1970 (29 U.S.C. 654);  
2 and

3 (bb) forming, joining, or as-  
4 sisting a labor organization, in-  
5 cluding under sections 7 and 8 of  
6 the National Labor Relations Act  
7 (29 U.S.C. 157, 158); and

8 (II) relevant Federal and State  
9 laws (including regulations) on the  
10 provision of home and community-  
11 based services; and

12 (ii) providing a progressively increas-  
13 ing, clearly defined schedule of hourly  
14 wages to be paid to each direct support  
15 worker served by the grant for each hour  
16 the worker spends on education or training  
17 provided through the program described in  
18 this subparagraph, with a schedule of  
19 hourly wages that—

20 (I) is consistent with measurable  
21 skill gains or attainment of a recog-  
22 nized postsecondary credential re-  
23 ceived as a result of participation in  
24 or completion of such education or  
25 training program; and



1 (II) ensures that each such work-  
2 er is compensated for each hour the  
3 worker spends on education or train-  
4 ing through such program at an entry  
5 rate that is not less than the greater  
6 of the applicable minimum wage re-  
7 quired by other applicable Federal,  
8 State, or local law, or a collective bar-  
9 gaining agreement;

10 (iii) developing and implementing a  
11 strategy for the retention and career ad-  
12 vancement of the direct support workers  
13 served by the grant, including providing  
14 career planning for the direct support  
15 workers served by the grant to support the  
16 identification of advancement opportuni-  
17 ties, and career pathways in the direct care  
18 or home care sectors; and

19 (iv) using evidence-based models and  
20 standards for achievement for the attain-  
21 ment of any associated recognized postsec-  
22 ondary credentials, which include—

23 (I) supporting opportunities to  
24 participate in pre-apprenticeship or  
25 registered apprenticeship programs,

1 work-based learning, or on-the-job  
2 training;

3 (II) providing on-the-job super-  
4 vision or mentoring to support the de-  
5 velopment of related skills and com-  
6 petencies throughout completion of  
7 such credentials; and

8 (III) training on the in-demand  
9 skills and competencies of direct sup-  
10 port workers served by the grant, in-  
11 cluding the provision of culturally  
12 competent and disability competent  
13 supports and services.

14 (d) SUPPLEMENT AND NOT SUPPLANT.—An eligible  
15 entity receiving a grant under this section shall use such  
16 grant only to supplement, and not supplant, the amount  
17 of funds that, in the absence of such grant, would be avail-  
18 able to the eligible entity to address the recruitment, edu-  
19 cation and training, retention, or career advancement of  
20 direct support workers in the State served by the grant.

1 **PART 5—DEPARTMENT OF LABOR INSPECTOR**  
2 **GENERAL AND PROGRAM ADMINISTRATION**  
3 **FUNDING**

4 **SEC. 22401. DEPARTMENT OF LABOR INSPECTOR GENERAL.**

5 In addition to amounts otherwise available, there is  
6 appropriated to the Office of Inspector General of the De-  
7 partment of Labor for fiscal year 2022, out of any money  
8 in the Treasury not otherwise appropriated, \$40,000,000,  
9 to remain available until expended, for salaries and ex-  
10 penses necessary for oversight, investigations, and audits  
11 of programs, grants, and projects of the Department of  
12 Labor funded under this subtitle and subtitle B of this  
13 title.

14 **SEC. 22402. PROGRAM ADMINISTRATION.**

15 In addition to amounts otherwise available, there is  
16 appropriated to the Department of Labor for fiscal year  
17 2022, out of any money in the Treasury not otherwise ap-  
18 propriated, \$90,000,000, to remain available until Sep-  
19 tember 30, 2029, for program administration within the  
20 Department of Labor for salaries and expenses necessary  
21 to implement part 1 (other than section 22007), and parts  
22 3 and 4, of this subtitle.

1           **Subtitle D—Child Care and**  
2           **Universal Pre-kindergarten**

3   **SEC. 23001. BIRTH THROUGH FIVE CHILD CARE AND EARLY**  
4           **LEARNING ENTITLEMENT.**

5           (a) CHILD CARE DEFINITIONS.—The definitions in  
6 section 658P of the Child Care and Development Block  
7 Grant Act of 1990 (42 U.S.C. 9858n) shall apply to this  
8 section, except as provided in subsection (b) and as other-  
9 wise specified.

10          (b) ADDITIONAL DEFINITIONS.—In this section:

11           (1) CHILD CARE CERTIFICATE.—

12           (A) IN GENERAL.—The term “child care  
13 certificate” means a certificate (that may be a  
14 check or other disbursement) that is issued by  
15 a State, Tribal, territorial, or local government  
16 under this section directly to a parent who shall  
17 use such certificate only as payment for child  
18 care services or as a deposit for child care serv-  
19 ices if such a deposit is required of other chil-  
20 dren being cared for by the provider.

21           (B) RULE.—Nothing in this section shall  
22 preclude the use of such certificates for sec-  
23 tarian child care services if freely chosen by the  
24 parent. For the purposes of this section, child

1 care certificates shall be considered Federal fi-  
2 nancial assistance to the provider.

3 (2) CHILD EXPERIENCING HOMELESSNESS.—

4 The term “child experiencing homelessness” means  
5 an individual who is a homeless child or youth under  
6 section 725 of the McKinney-Vento Homeless Assist-  
7 ance Act (42 U.S.C. 11434a).

8 (3) ELIGIBLE ACTIVITY.—The term “eligible  
9 activity”, with respect to a parent, shall include, at  
10 minimum, activities consisting of—

11 (A) full-time or part-time employment;

12 (B) self-employment;

13 (C) job search activities;

14 (D) job training;

15 (E) secondary, postsecondary, or adult  
16 education, including education through a pro-  
17 gram of high school classes, a course of study  
18 at an institution of higher education, classes to-  
19 wards an equivalent of a high school diploma  
20 recognized by State law, or English as a second  
21 language classes;

22 (F) health treatment (including mental  
23 health and substance use treatment) for a con-  
24 dition that prevents the parent from partici-  
25 pating in other eligible activities;

1           (G) activities to prevent child abuse and  
2 neglect, or family violence prevention or inter-  
3 vention activities;

4           (H) employment and training activities  
5 under the supplemental nutrition assistance  
6 program established under section 6(d)(4) the  
7 Food and Nutrition Act of 2008 (7 U.S.C.  
8 2015(d)(4));

9           (I) employment and training activities  
10 under the Workforce Innovation and Oppor-  
11 tunity Act;

12           (J) a work activity described in subsection  
13 (d) of section 407 of the Social Security Act  
14 (42 U.S.C. 607) for which, consistent with  
15 clauses (ii) and (iii) of section 402(a)(1)(A) of  
16 such Act (42 U.S.C. 602(a)(1)(A)), a parent or  
17 caretaker is treated as being engaged in work  
18 for a month in a fiscal year for purposes of the  
19 program of block grants to States for tem-  
20 porary assistance for needy families established  
21 under part A of title IV of the Social Security  
22 Act; and

23           (K) taking leave under the Family and  
24 Medical Leave Act of 1993 (or equivalent provi-  
25 sions for Federal employees), a State or local

1           paid or unpaid leave law, or a program of em-  
2           ployer-provided leave.

3           (4) ELIGIBLE CHILD.—

4           (A) IN GENERAL.—The term “eligible  
5           child” means an individual, subject to sub-  
6           section (g)(1)(C)(i)(III)—

7                   (i) who is less than 6 years of age;

8                   (ii) who is not yet in kindergarten;

9                   (iii) whose family income—

10                   (I) does not exceed 100 percent  
11                   of the State median income for a fam-  
12                   ily of the same size for fiscal year  
13                   2022;

14                   (II) does not exceed 125 percent  
15                   of such State median income for fiscal  
16                   year 2023;

17                   (III) does not exceed 150 percent  
18                   of such State median income for fiscal  
19                   year 2024; and

20                   (IV) does not exceed 250 percent  
21                   of such State median income for each  
22                   of the fiscal years 2025 through 2027;  
23                   and

24                   (iv) who—

1 (I) resides with a parent or par-  
2 ents who are participating in an eligi-  
3 ble activity;

4 (II) is included in a population of  
5 vulnerable children identified by the  
6 lead agency involved, which at a min-  
7 imum shall include children with dis-  
8 abilities, infants and toddlers with dis-  
9 abilities, children experiencing home-  
10 lessness, children in foster care, chil-  
11 dren in kinship care, and children who  
12 are receiving, or need to receive, child  
13 protective services; or

14 (III) resides with a parent who is  
15 more than 65 years of age.

16 (B) EXPANDED ELIGIBILITY RULE FOR  
17 FISCAL YEARS 2022 THROUGH 2024.—

18 (i) IN GENERAL.—A child who is eligi-  
19 ble to receive services under this subpara-  
20 graph shall be treated as an eligible child  
21 for the other provisions of this section.

22 (ii) RULE.—Notwithstanding subpara-  
23 graph (A)(iii), a State may use the pay-  
24 ments under subsection (g)(1) for fiscal  
25 year 2022, 2023, or 2024, to provide di-



1 rect child care services described in sub-  
2 section (h)(1)(A) to children who meet the  
3 requirements of clauses (i), (ii), and (iv) of  
4 subparagraph (A) and whose family income  
5 exceeds the percentage specified in sub-  
6 paragraph (A)(iii) (but does not exceed  
7 250 percent) of State median income for a  
8 family of the same size for a given fiscal  
9 year, if the State has appropriately  
10 prioritized, subject to approval by the Sec-  
11 retary, assistance for such services based  
12 on family income.

13 (iii) VARIATION IN COST OF LIVING.—

14 In determining eligibility under this sub-  
15 paragraph, the State may take into consid-  
16 eration geographic variation in the cost of  
17 living among regions of the State and ex-  
18 pand eligibility for children described in  
19 clause (ii) in a region of the State based  
20 on such variation, subject to approval by  
21 the Secretary.

22 (5) ELIGIBLE CHILD CARE PROVIDER.—

23 (A) IN GENERAL.—The term “eligible child  
24 care provider” means a center-based child care  
25 provider, a family child care provider, or other

1 provider of child care services for compensation  
2 that—

3 (i) is licensed to provide child care  
4 services under State law or, in the case of  
5 an Indian Tribe or Tribal organization,  
6 meets the rules set by the Secretary;

7 (ii) participates in the State’s tiered  
8 system for measuring the quality of eligible  
9 child care providers described in subsection  
10 (f)(4)(B), or, in the case of an Indian  
11 Tribe or Tribal organization, meets the  
12 rules set by the Secretary—

13 (I) not later than the last day of  
14 the third fiscal year for which the  
15 State receives funds under this sec-  
16 tion; and

17 (II) for the remainder of the pe-  
18 riod for which the provider receives  
19 funds under this section; and

20 (iii) satisfies the State and local re-  
21 quirements, including those requirements  
22 described in section 658E(c)(2)(I) of the  
23 Child Care and Development Block Grant  
24 Act of 1990 (42 U.S.C. 9858c(c)(2)(I)).

1           (B) SPECIAL RULE.—A child care provider  
2           who is eligible to provide child care services in  
3           a State for children receiving assistance under  
4           the Child Care and Development Block Grant  
5           Act of 1990 on the date the State submits an  
6           application for funds under this section, and re-  
7           mains in compliance with any licensing or reg-  
8           istration standards, or regulations, of the State,  
9           shall be deemed to be an eligible child care pro-  
10          vider under this section for 3.5 years after the  
11          State first receives funding under this section.

12          (6) FMAP.—The term “FMAP” has the mean-  
13          ing given the term “Federal medical assistance per-  
14          centage” in the first sentence of section 1905(b) of  
15          the Social Security Act (42 U.S.C. 1396d(b)).

16          (7) FAMILY CHILD CARE PROVIDER.—The term  
17          “family child care provider” means one or more indi-  
18          viduals who provide child care services, in a private  
19          residence other than the residences of the children  
20          involved, for less than 24 hours per day per child,  
21          or for 24 hours per day per child due to the nature  
22          of the work of the parent involved.

23          (8) INCLUSIVE CARE.—The term “inclusive”,  
24          with respect to care (including child care), means  
25          care provided by an eligible child care provider—

1 (A) for whom the percentage of children  
2 served by the provider who are children with  
3 disabilities or infants or toddlers with disabili-  
4 ties reflects the prevalence of children with dis-  
5 abilities and infants and toddlers with disabili-  
6 ties (whichever the provider serves) among chil-  
7 dren within the State involved; and

8 (B) that provides care and full participa-  
9 tion for children with disabilities and infants  
10 and toddlers with disabilities (whichever the  
11 provider serves) alongside children who are—

12 (i) not children with disabilities; and

13 (ii) not infants and toddlers with dis-  
14 abilities.

15 (9) INFANT OR TODDLER.—The term “infant  
16 or toddler” means an individual who is less than 3  
17 years of age.

18 (10) INFANT OR TODDLER WITH A DIS-  
19 ABILITY.—The term “infant or toddler with a dis-  
20 ability” has the meaning given the term in section  
21 632 of the Individuals with Disabilities Education  
22 Act (20 U.S.C. 1432).

23 (11) LEAD AGENCY.—The term “lead agency”  
24 means the agency designated under subsection (e).

1           (12) STATE.—The term “State” means any of  
2 the 50 States and the District of Columbia.

3           (13) TERRITORY.—The term “territory” means  
4 the Commonwealth of Puerto Rico, the Virgin Is-  
5 lands of the United States, Guam, American Samoa,  
6 and the Commonwealth of the Northern Mariana Is-  
7 lands.

8           (c) APPROPRIATIONS.—

9           (1) STATES.—

10           (A) STATE APPROPRIATIONS.—In addition  
11 to amounts otherwise available, there is appro-  
12 priated to the Department of Health and  
13 Human Services for fiscal year 2022, out of any  
14 money in the Treasury not otherwise appro-  
15 priated—

16           (i)(I) \$11,460,000,000, to remain  
17 available until September 30, 2027, for  
18 States and the Commonwealth of Puerto  
19 Rico, to carry out the activities described  
20 in subsection (h)(1)(A) in fiscal year 2022;

21           (ii)(II) \$5,730,000,000, to remain avail-  
22 able until September 30, 2027, for States  
23 and the Commonwealth of Puerto Rico, to  
24 carry out the activities described in sub-  
25 section (h)(1)(B) in fiscal year 2022;

1 (III) \$4,125,600,000, to remain avail-  
2 able until September 30, 2027, for States  
3 and the Commonwealth of Puerto Rico, to  
4 carry out the activities described in sub-  
5 paragraph (A) or (B) of subsection (h)(1),  
6 as determined by the State or Common-  
7 wealth, in fiscal year 2022; and

8 (IV) \$1,604,400,000, to remain avail-  
9 able until September 30, 2027, for States  
10 and the Commonwealth of Puerto Rico, to  
11 carry out the activities described in sub-  
12 paragraph (A), (B), or (C) of subsection  
13 (h)(1), as determined by the State or Com-  
14 monwealth, in fiscal year 2022;

15 (ii)(I) \$16,235,000,000, to remain  
16 available until September 30, 2027, for  
17 States and the Commonwealth of Puerto  
18 Rico, to carry out the activities described  
19 in subsection (h)(1)(A) in fiscal year 2023;

20 (II) \$8,117,500,000, to remain avail-  
21 able until September 30, 2027, for States  
22 and the Commonwealth of Puerto Rico, to  
23 carry out the activities described in sub-  
24 section (h)(1)(B) in fiscal year 2023;

1 (III) \$5,844,600,000, to remain avail-  
2 able until September 30, 2027, for States  
3 and the Commonwealth of Puerto Rico, to  
4 carry out the activities described in sub-  
5 paragraph (A) or (B) of subsection (h)(1),  
6 as determined by the State or Common-  
7 wealth, in fiscal year 2023; and

8 (IV) \$2,272,900,000, to remain avail-  
9 able until September 30, 2027, for States  
10 and the Commonwealth of Puerto Rico, to  
11 carry out the activities described in sub-  
12 paragraph (A), (B), or (C) of subsection  
13 (h)(1), as determined by the State or Com-  
14 monwealth, in fiscal year 2023; and

15 (iii)(I) \$20,055,000,000, to remain  
16 available until September 30, 2027, for  
17 States and the Commonwealth of Puerto  
18 Rico, to carry out the activities described  
19 in subsection (h)(1)(A) in fiscal year 2024;

20 (II) \$10,027,500,000, to remain avail-  
21 able until September 30, 2027, for States  
22 and the Commonwealth of Puerto Rico, to  
23 carry out the activities described in sub-  
24 section (h)(1)(B) in fiscal year 2024;

1 (III) \$7,219,800,000, to remain avail-  
2 able until September 30, 2027, for States  
3 and the Commonwealth of Puerto Rico, to  
4 carry out the activities described in sub-  
5 paragraph (A) or (B) of subsection (h)(1),  
6 as determined by the State or Common-  
7 wealth, in fiscal year 2024; and

8 (IV) \$2,807,700,000, to remain avail-  
9 able until September 30, 2027, for States  
10 and the Commonwealth of Puerto Rico, to  
11 carry out the activities described in sub-  
12 paragraph (A), (B), or (C) of subsection  
13 (h)(1), as determined by the State or Com-  
14 monwealth, in fiscal year 2024.

15 (B) STATE ENTITLEMENT.—In addition to  
16 amounts otherwise available, there is appro-  
17 priated to the Department of Health and  
18 Human Services, out of any money in the  
19 Treasury not otherwise appropriated, such sums  
20 as may be necessary for each of fiscal years  
21 2025 through 2027, for payments to States, for  
22 carrying out this section (other than carrying  
23 out activities described in paragraph (4), (5), or  
24 (6)).



1           (2) INDIAN TRIBES AND TRIBAL ORGANIZA-  
2           TIONS.—

3           (A) INDIAN TRIBE AND TRIBAL ORGANIZA-  
4           TION APPROPRIATIONS.—In addition to  
5           amounts otherwise available, there is appro-  
6           priated to the Department of Health and  
7           Human Services for fiscal year 2022, out of any  
8           money in the Treasury not otherwise appro-  
9           priated, for grants to Indian Tribes and Tribal  
10          organizations for the purpose of carrying out  
11          the child care program described in this section  
12          (other than carrying out activities described in  
13          paragraph (4), (5), or (6)), consistent, to the  
14          extent practicable as determined by the Sec-  
15          retary, with the requirements applicable to  
16          States—

17                   (i) \$960,000,000, to remain available  
18                   until September 30, 2027, to carry out the  
19                   child care program in fiscal year 2022;

20                   (ii) \$1,360,000,000, to remain avail-  
21                   able until September 30, 2027, to carry  
22                   out the child care program in fiscal year  
23                   2023; and

24                   (iii) \$1,680,000,000 to remain avail-  
25                   able until September 30, 2027, to carry

1 out the child care program in fiscal year  
2 2024.

3 (B) INDIAN TRIBE AND TRIBAL ORGANIZA-  
4 TION ENTITLEMENT.—In addition to amounts  
5 otherwise available, there is appropriated to the  
6 Department of Health and Human Services,  
7 out of any money in the Treasury not otherwise  
8 appropriated, such sums as may be necessary  
9 for each of fiscal years 2025 through 2027, for  
10 payments to Indian Tribes and Tribal organiza-  
11 tions, for the purpose of carrying out the child  
12 care program described in this section (other  
13 than carrying out activities described in para-  
14 graph (4), (5), or (6)), consistent, to the extent  
15 practicable as determined by the Secretary,  
16 with the requirements applicable to States.

17 (3) TERRITORIES.—

18 (A) TERRITORY APPROPRIATIONS.—In ad-  
19 dition to amounts otherwise available, there is  
20 appropriated to the Department of Health and  
21 Human Services for fiscal year 2022, out of any  
22 money in the Treasury not otherwise appro-  
23 priated, for grants to Guam, American Samoa,  
24 the Commonwealth of the Northern Mariana Is-  
25 lands, and the United States Virgin Islands for

1 the purpose of carrying out the child care pro-  
2 gram described in this section (other than car-  
3 rying out activities described in paragraph (4),  
4 (5), or (6)), consistent, to the extent practicable  
5 as determined by the Secretary, with the re-  
6 quirements applicable to States—

7 (i) \$120,000,000, to remain available  
8 until September 30, 2027, to carry out the  
9 child care program in fiscal year 2022;

10 (ii) \$170,000,000, to remain available  
11 until September 30, 2027, to carry out the  
12 child care program in fiscal year 2023; and

13 (iii) \$210,000,000, to remain available  
14 until September 30, 2027, to carry out the  
15 child care program in fiscal year 2024.

16 (B) TERRITORY ENTITLEMENT.—In addi-  
17 tion to amounts otherwise available, there is ap-  
18 propriated to the Department of Health and  
19 Human Services, out of any money in the  
20 Treasury not otherwise appropriated, such sums  
21 as may be necessary for each of fiscal years  
22 2025 through 2027, for payments to territories,  
23 for the purpose of carrying out the child care  
24 program described in this section (other than  
25 carrying out activities described in paragraph

1 (4), (5), or (6)), consistent, to the extent prac-  
2 ticable as determined by the Secretary, with the  
3 requirements applicable to States.

4 (4) GRANTS TO LOCALITIES.—In addition to  
5 amounts otherwise available, there is appropriated to  
6 the Department of Health and Human Services for  
7 fiscal year 2022, out of any money in the Treasury  
8 not otherwise appropriated—

9 (A) \$950,000,000, to remain available  
10 until September 30, 2027, to carry out the pro-  
11 gram of grants to localities described in sub-  
12 section (i)(2) in fiscal year 2023;

13 (B) \$950,000,000, to remain available  
14 until September 30, 2027, to carry out the pro-  
15 gram of grants to localities described in sub-  
16 section (i)(2) in fiscal year 2024;

17 (C) \$950,000,000, to remain available  
18 until September 30, 2027, to carry out the pro-  
19 gram of grants to localities described in sub-  
20 section (i)(2) in fiscal year 2025;

21 (D) \$950,000,000, to remain available  
22 until September 30, 2027, to carry out the pro-  
23 gram of grants to localities described in sub-  
24 section (i)(2) in fiscal year 2026; and

1           (E) \$950,000,000, to remain available  
2           until September 30, 2027, to carry out the pro-  
3           gram of grants to localities described in sub-  
4           section (i)(2) in fiscal year 2027.

5           (5) HEAD START EXPANSION IN NONPARTICI-  
6           PATING STATES.—In addition to amounts otherwise  
7           available, there is appropriated to the Department of  
8           Health and Human Services for fiscal year 2022,  
9           out of any money in the Treasury not otherwise ap-  
10          propriated—

11           (A) \$2,850,000,000, to remain available  
12           until September 30, 2027, to carry out the pro-  
13           gram of awards to Head Start agencies de-  
14           scribed in subsection (i)(3) in fiscal year 2023;

15           (B) \$2,850,000,000, to remain available  
16           until September 30, 2027, to carry out the pro-  
17           gram of awards to Head Start agencies de-  
18           scribed in subsection (i)(3) in fiscal year 2024;

19           (C) \$2,850,000,000, to remain available  
20           until September 30, 2027, to carry out the pro-  
21           gram of awards to Head Start agencies de-  
22           scribed in subsection (i)(3) in fiscal year 2025;

23           (D) \$2,850,000,000, to remain available  
24           until September 30, 2027, to carry out the pro-  
25           gram of awards to Head Start agencies de-

1 scribed in subsection (i)(3) in fiscal year 2026;  
2 and

3 (E) \$2,850,000,000, to remain available  
4 until September 30, 2027, to carry out the pro-  
5 gram of awards to Head Start agencies de-  
6 scribed in subsection (i)(3) in fiscal year 2027.

7 (6) FEDERAL ADMINISTRATION.—

8 (A) FISCAL YEARS 2022 THROUGH 2025.—

9 In addition to amounts otherwise available,  
10 there is appropriated to the Department of  
11 Health and Human Services for fiscal year  
12 2022, out of any money in the Treasury not  
13 otherwise appropriated—

14 (i) \$130,000,000, to remain available  
15 until September 30, 2027, to carry out  
16 subsections (k) and (l) in fiscal year 2022;

17 (ii) \$130,000,000, to remain available  
18 until September 30, 2027, to carry out  
19 subsections (k) and (l) in fiscal year 2023;

20 (iii) \$130,000,000, to remain available  
21 until September 30, 2027, to carry out  
22 subsections (k) and (l) in fiscal year 2024;

23 and

1 (iv) \$130,000,000, to remain available  
2 until September 30, 2027, to carry out  
3 subsections (k) and (l) in fiscal year 2025.

4 (B) FISCAL YEARS 2026 THROUGH 2027.—

5 In addition to amounts otherwise available,  
6 there is appropriated to the Department of  
7 Health and Human Services, out of any money  
8 in the Treasury not otherwise appropriated, for  
9 each of fiscal years 2026 and 2027, an amount  
10 equal to 1.06 percent of the prior year's appro-  
11 priation under paragraph (1)(B), to carry out  
12 subsections (k) and (l).

13 (d) ESTABLISHMENT OF BIRTH THROUGH FIVE  
14 CHILD CARE AND EARLY LEARNING ENTITLEMENT PRO-  
15 GRAM.—

16 (1) IN GENERAL.—The Secretary is authorized  
17 to administer a child care and early learning entitle-  
18 ment program under which an eligible child, in a  
19 State, territory, or Indian Tribe, or served by a  
20 Tribal organization, with an approved application  
21 under subsection (f) or (g), shall be provided an op-  
22 portunity to obtain high-quality child care services,  
23 subject to the requirements of this section.

24 (2) ASSISTANCE FOR EVERY ELIGIBLE  
25 CHILD.—Beginning on October 1, 2024, every child

1 who applies for assistance under this section, who is  
2 in a State with an approved application under sub-  
3 section (g), or in a territory or Indian Tribe or  
4 served by a Tribal organization with an approved  
5 application under subsection (f), and who is deter-  
6 mined, by a lead agency (or other entity designated  
7 by a lead agency) for the State, territory, Indian  
8 Tribe, or Tribal organization involved, following  
9 standards and procedures established by the Sec-  
10 retary by rule, to be an eligible child, shall be offered  
11 assistance for direct child care services in accordance  
12 with and subject to the requirements and limitations  
13 of this section.

14 (e) LEAD AGENCY.—The Governor of a State or the  
15 head of a territory or Indian Tribe, desiring for the State,  
16 territory, or Indian tribe or a related tribal organization  
17 to receive a payment under this section, shall designate  
18 a lead agency (such as a State agency or joint interagency  
19 office) to administer the child care program carried out  
20 under this section.

21 (f) APPLICATIONS AND STATE PLANS.—

22 (1) APPLICATION.—To be eligible to receive as-  
23 sistance under this section, a State shall prepare  
24 and submit to the Secretary for approval an applica-  
25 tion containing a State plan that—



1 (A) for a transitional State plan, meets the  
2 requirements under paragraph (3) and contains  
3 such information as the Secretary may require,  
4 to demonstrate the State will meet the require-  
5 ments of this section; and

6 (B) for a full State plan, meets the re-  
7 quirements under paragraph (4) and contains  
8 that information.

9 (2) PERIOD COVERED BY PLAN.—A State plan  
10 contained in the application shall be designed to be  
11 implemented—

12 (A) for a transitional State plan, during a  
13 period of not more than 3 years; and

14 (B) for a full State plan, during a period  
15 of not more than 3 years.

16 (3) REQUIREMENTS FOR TRANSITIONAL STATE  
17 PLANS.—For a period of not more than 3 years fol-  
18 lowing the date of enactment of this Act, the Sec-  
19 retary shall award funds under this section to States  
20 with an approved application that contains a transi-  
21 tional State plan, submitted under paragraph (1)(A)  
22 at such time, in such manner, and containing such  
23 information as the Secretary shall require, including,  
24 at a minimum—

1 (A) an assurance that the State will sub-  
2 mit a State plan under paragraph (4); and

3 (B) a description of how the funds received  
4 by the State under this section will be spent to  
5 expand access to assistance for direct child care  
6 services and increase the supply and quality of  
7 child care providers within the State, in align-  
8 ment with the requirements of this section.

9 (4) REQUIREMENTS FOR FULL STATE PLANS.—

10 The Secretary shall award funds under this section  
11 to States with an approved application that contains  
12 a full State plan, submitted under paragraph (1)(B),  
13 at such time, in such manner, and containing such  
14 information as the Secretary shall by rule require,  
15 including, at a minimum, the following:

16 (A) PAYMENT RATES AND COST ESTI-  
17 MATION.—

18 (i) PAYMENT RATES.—The State plan  
19 shall certify that payment rates for the  
20 provision of direct child care services for  
21 which assistance is provided in accordance  
22 with this section for the period covered by  
23 the plan, within 3 years after the State  
24 first receives funds under this section—

1 (I) will be sufficient to meet the  
2 cost of child care, and set in accord-  
3 ance with a cost estimation model or  
4 cost study described in clause (ii) that  
5 is approved by the Secretary; and

6 (II) will correspond to differences  
7 in quality (including improved quality)  
8 based on the State's tiered system for  
9 measuring the quality of eligible child  
10 care providers described in subpara-  
11 graph (B).

12 (ii) COST ESTIMATION.—Such State  
13 plan shall—

14 (I) demonstrate that the State  
15 has, after consulting with relevant en-  
16 tities and stakeholders, developed and  
17 uses a statistically valid and reliable  
18 cost estimation model or cost study  
19 for the payment rates for direct child  
20 care services in the State that reflect  
21 rates for providers at each of the tiers  
22 of the State's tiered system for meas-  
23 uring the quality of eligible child care  
24 providers described in subparagraph  
25 (B), and variations in the cost of di-

1           rect child care services by geographic  
2           area, type of provider, and age of  
3           child, and the additional costs associ-  
4           ated with providing inclusive care;

5           (II) certify that the State’s pay-  
6           ment rates for direct child care serv-  
7           ices for which assistance is provided  
8           in accordance with this section—

9                   (aa) are set in accordance  
10                   with the most recent estimates  
11                   from the most recent cost esti-  
12                   mation model or cost study under  
13                   subclause (I), so that providers  
14                   at each tier of the tiered system  
15                   for measuring provider quality  
16                   described in subparagraph (B)  
17                   receive a payment that is suffi-  
18                   cient to meet the requirements of  
19                   such tier;

20                   (bb) are set so as to provide  
21                   payments to providers not at the  
22                   top tier of the tiered system that  
23                   are sufficient to enable the pro-  
24                   viders to increase quality to meet

1 the requirements for the next  
2 tier;

3 (cc) ensure adequate wages  
4 for staff of child care providers  
5 providing such direct child care  
6 services that—

7 (AA) at a minimum,  
8 provide a living wage for all  
9 staff of such child care pro-  
10 viders; and

11 (BB) are equivalent to  
12 wages for elementary edu-  
13 cators with similar creden-  
14 tials and experience in the  
15 State; and

16 (dd) are adjusted on an an-  
17 nual basis for cost of living in-  
18 creases to ensure those payment  
19 rates remain sufficient to meet  
20 the requirements of this section;  
21 and

22 (III) certify that the State will  
23 update, not less often than once every  
24 3 years, the cost estimation model or  
25 cost study described in subclause (I).

1                   (iii) PAYMENT PRACTICES.—Such  
2                   State plan shall include an assurance that  
3                   the State will implement payment practices  
4                   that support the fixed costs of providing  
5                   direct child care services.

6                   (B) TIERED SYSTEM FOR MEASURING THE  
7                   QUALITY OF ELIGIBLE CHILD CARE PRO-  
8                   VIDERS.—Such State plan shall certify that the  
9                   State has implemented, or assure that the State  
10                  will implement within 3 years after first receiv-  
11                  ing funds under this section, a tiered system for  
12                  measuring the quality of eligible child care pro-  
13                  viders who provide child care services for which  
14                  assistance is made available under this section.  
15                  Such tiered system shall—

16                         (i) include a set of standards, for de-  
17                         termining the tier of quality of a child care  
18                         provider, that—

19                                 (I) uses standards for a highest  
20                                 tier that at a minimum are equivalent  
21                                 to Head Start program performance  
22                                 standards described in section  
23                                 641A(a)(1)(B) of the Head Start Act  
24                                 (42 U.S.C. 9836a(a)(1)(B)) or other

1 equivalent evidence-based standards  
2 approved by the Secretary; and

3 (II) includes quality indicators  
4 and thresholds that are appropriate  
5 for child development in different  
6 types of child care provider settings,  
7 including child care centers and the  
8 settings of family child care providers,  
9 and are appropriate for providers  
10 serving different age groups (includ-  
11 ing mixed age groups) of children;

12 (ii) include a different set of stand-  
13 ards that includes indicators, when appro-  
14 priate, for care during nontraditional hours  
15 of operation; and

16 (iii) provide for sufficient resources  
17 and supports for child care providers at  
18 tiers lower than the highest tier to facili-  
19 tate progression toward meeting higher  
20 quality standards.

21 (C) ACHIEVING HIGH QUALITY FOR ALL  
22 CHILDREN.—Such State plan shall certify the  
23 State has implemented, or will implement with-  
24 in 3 years after first receiving funds under this  
25 section, policies and financing practices that

1 will ensure all eligible children can choose to at-  
2 tend child care at the highest quality tier within  
3 6 years after the date of enactment of this Act.

4 (D) COMPENSATION.—Such plan shall pro-  
5 vide a certification that the State has or will  
6 have within 3 years after first receiving funds  
7 under this section, a wage ladder for staff of el-  
8 igible child care providers receiving assistance  
9 under this section, including a certification that  
10 wages for such staff, at a minimum, will meet  
11 the requirements of subparagraph  
12 (A)(ii)(II)(cc).

13 (E) SLIDING FEE SCALE FOR COPAY-  
14 MENTS.—

15 (i) IN GENERAL.—Except as provided  
16 in clause (ii)(I), the State plan shall pro-  
17 vide an assurance that the State will for  
18 the period covered by the plan use a slid-  
19 ing fee scale described in clause (ii) to de-  
20 termine a copayment for a family receiving  
21 assistance under this section (or, for a  
22 family receiving part-time care, a reduced  
23 copayment that is the proportionate  
24 amount of the full copayment).



1           (ii) SLIDING FEE SCALE.—A full co-  
2           payment described in clause (i) shall use a  
3           sliding fee scale that provides that, for a  
4           family with a family income—

5                   (I) of not more than 75 percent  
6                   of State median income for a family  
7                   of the same size, the family shall not  
8                   pay a copayment, toward the cost of  
9                   the child care involved for all eligible  
10                  children in the family;

11                  (II) of more than 75 percent but  
12                  not more than 100 percent of State  
13                  median income for a family of the  
14                  same size, the copayment shall be  
15                  more than 0 but not more than 2 per-  
16                  cent of that family income, toward  
17                  such cost for all such children;

18                  (III) of more than 100 percent  
19                  but not more than 125 percent of  
20                  State median income for a family of  
21                  the same size, the copayment shall be  
22                  more than 2 but not more than 4 per-  
23                  cent of that family income, toward  
24                  such cost for all such children;

1 (IV) of more than 125 percent  
2 but not more than 150 percent of  
3 State median income for a family of  
4 the same size, the copayment shall be  
5 more than 4 but not more than 7 per-  
6 cent of that family income, toward  
7 such cost for all such children; and

8 (V) of more than 150 percent but  
9 not more than 250 percent of the  
10 State median income for a family of  
11 the same size, the copayment shall be  
12 7 percent of that family income, to-  
13 ward such cost for all such children.

14 (F) PROHIBITION ON CHARGING MORE  
15 THAN COPAYMENT.—The State plan shall cer-  
16 tify that the State will not permit a child care  
17 provider receiving financial assistance under  
18 this section to charge, for child care for an eli-  
19 gible child, more than the total of—

20 (i) the financial assistance provided  
21 for the child under this section; and

22 (ii) any applicable copayment pursu-  
23 ant to subparagraph (E).

24 (G) ELIGIBILITY.—The State plan shall  
25 assure that each child who receives assistance

1 under this section will be considered to meet all  
2 eligibility requirements for such assistance, and  
3 will receive such assistance, for not less than 12  
4 months unless the child has aged out of the  
5 program, and the child's eligibility determina-  
6 tion and redetermination, including any deter-  
7 mination based on the State's definition of eligi-  
8 ble activities, shall be implemented in a manner  
9 that supports child well-being and reduces bar-  
10 riers to enrollment, including continuity of serv-  
11 ices.

12 (H) POLICIES TO SUPPORT ACCESS TO  
13 CHILD CARE FOR UNDERSERVED POPU-  
14 LATIONS.—The State plan shall demonstrate  
15 that the State will prioritize increasing access  
16 to, and the quality and the supply of, child care  
17 in the State for underserved populations, in-  
18 cluding at a minimum, low-income children,  
19 children in underserved areas, infants and tod-  
20 dlers, children with disabilities and infants and  
21 toddlers with disabilities, children who are dual  
22 language learners, children experiencing home-  
23 lessness, children in foster or kinship care, chil-  
24 dren who receive care during nontraditional  
25 hours, and vulnerable children as defined by the

1 lead agency pursuant to subsection  
2 (b)(4)(A)(iv)(II).

3 (I) POLICIES.—The State plan shall in-  
4 clude a certification that the State will apply,  
5 under this section, the policies and procedures  
6 described in subparagraphs (A), (B), (I), (J),  
7 (K)(i), (R), and (U) of section 658E(c)(2) of  
8 the Child Care and Development Block Grant  
9 Act of 1990 (42 U.S.C. 9858c(c)(2)), and the  
10 policies and procedures described in section  
11 658H of such Act (42 U.S.C. 9858f), to child  
12 care services provided under this section.

13 (J) LICENSING.—The State plan shall  
14 demonstrate that the State has consulted or will  
15 consult with organizations (including labor or-  
16 ganizations) representing child care directors,  
17 teachers, or other staff, early childhood edu-  
18 cation and development experts, and families to  
19 develop, within 2.5 years after first receiving  
20 funds under this section, licensing standards  
21 appropriate for child care providers and a path-  
22 way to such licensure that is available to and  
23 appropriate for child care providers in a variety  
24 of settings, that will offer providers eligible  
25 under the Child Care and Development Block

1 Grant Act of 1990 a reasonable pathway to be-  
2 come eligible providers under this section, and  
3 that will assure an adequate supply of child  
4 care. Such plan shall describe the timeline the  
5 State will use to ensure sufficient time for pro-  
6 viders described in subsection (b)(5)(B) to com-  
7 ply with such licensing standards in order to re-  
8 main eligible providers after 3.5 years after the  
9 State first receives funding under this section.

10 (g) PAYMENTS.—

11 (1) PAYMENTS FOR FISCAL YEARS 2022  
12 THROUGH 2024.—

13 (A) DEFINITIONS.—For purposes of this  
14 paragraph—

15 (i) the term “State” means the 50  
16 States, the District of Columbia, and the  
17 Commonwealth of Puerto Rico; and

18 (ii) the term “territory” means Guam,  
19 American Samoa, the Commonwealth of  
20 the Northern Mariana Islands, and the  
21 United States Virgin Islands.

22 (B) ALLOTMENTS.—For each of fiscal  
23 years 2022 through 2024, the Secretary shall,  
24 from the amount appropriated under subsection  
25 (c)(1)(A) for such fiscal year, make allotments

1 to each State with an application approved  
2 under subsection (f) in the same manner as the  
3 Secretary makes such allotments using the for-  
4 mula under section 6580(b) of the Child Care  
5 and Development Block Grant Act of 1990 (42  
6 U.S.C. 9858m(b)).

7 (C) PAYMENTS.—

8 (i) INDIAN TRIBES AND TRIBAL ORGA-  
9 NIZATIONS.—

10 (I) IN GENERAL.—For each of  
11 fiscal years 2022 through 2024, from  
12 the amount appropriated for Indian  
13 Tribes and Tribal organizations under  
14 subsection (e)(2)(A), the Secretary  
15 shall make payments to Indian Tribes  
16 and Tribal organizations with an ap-  
17 plication approved under subclause  
18 (II), and the Tribes and Tribal orga-  
19 nizations shall be entitled to such pay-  
20 ments for the purpose of carrying out  
21 the child care program described in  
22 this section, consistent, to the extent  
23 practicable as determined by the Sec-  
24 retary, with the requirements applica-  
25 ble to States.

1 (II) APPLICATIONS.—An Indian  
2 Tribe or Tribal organization seeking a  
3 payment under this clause shall sub-  
4 mit an application to the Secretary at  
5 such time, in such manner, and con-  
6 taining such information as the Sec-  
7 retary may specify, including an  
8 agreement to provide reports under  
9 subsection (j)(7).

10 (III) SPECIAL RULE.—The Sec-  
11 retary shall determine eligibility cri-  
12 teria for children from Indian tribes  
13 who are less than 6 years of age and  
14 not yet in kindergarten, which eligi-  
15 bility criteria shall not be more strin-  
16 gent than the eligibility criteria under  
17 subsection (b)(4)(A).

18 (ii) TERRITORIES.—

19 (I) IN GENERAL.—For each of  
20 fiscal years 2022 through 2024, from  
21 the amount appropriated for terri-  
22 tories under subsection (c)(3)(A), the  
23 Secretary shall make payments to the  
24 territories with an application ap-  
25 proved under subclause (II), and the

1 territories shall be entitled to such  
2 payments, for the purpose of carrying  
3 out the child care program described  
4 in this section, consistent, to the ex-  
5 tent practicable as determined by the  
6 Secretary, with the requirements ap-  
7 plicable to States.

8 (II) APPLICATIONS.—A territory  
9 seeking a payment under this clause  
10 shall submit an application to the Sec-  
11 retary at such time, in such manner,  
12 and containing such information as  
13 the Secretary may specify, including  
14 an agreement to provide reports under  
15 subsection (j)(7).

16 (iii) STATES.—For each of fiscal years  
17 2022 through 2024, each State that has  
18 an application approved under subsection  
19 (f) shall be entitled to a payment under  
20 this clause in the amount equal to its allot-  
21 ment under subparagraph (B) for such fis-  
22 cal year.

23 (D) AUTHORITIES.—

24 (i) FISCAL YEARS 2022 THROUGH  
25 2024.—Notwithstanding any other provi-



1                   sion of this paragraph, for each of fiscal  
2                   years 2022 through 2024, the Secretary  
3                   shall have the authority—

4                   (I) to reallocate funds that were al-  
5                   located under subparagraph (B) from  
6                   any State without an approved appli-  
7                   cation under subsection (f) by the  
8                   date required by the Secretary, to  
9                   States with an approved application  
10                  under that subsection; and

11                  (II) to reallocate any amounts avail-  
12                  able for payments under subpara-  
13                  graph (C) that the Secretary elected  
14                  to allocate for—

15                  (aa) an Indian Tribe or  
16                  Tribal organization without an  
17                  approved application under sub-  
18                  paragraph (C)(i)(II) by the date  
19                  required by the Secretary, to  
20                  Tribes or Tribal organizations  
21                  with such an approved applica-  
22                  tion; and

23                  (bb) any territory without  
24                  an approved application under  
25                  subparagraph (C)(ii)(II) by the

1 date required by the Secretary, to  
2 territories with such an approved  
3 application.

4 (ii) FISCAL YEAR 2025.—Notwith-  
5 standing any other provision of this sec-  
6 tion, on October 1, 2024, the Secretary  
7 shall have the authority to reallocate funds  
8 from payments made under subparagraph  
9 (C) that are unobligated on such date, to  
10 any entity without such unobligated funds  
11 that is a State with an approved applica-  
12 tion under subsection (f), an Indian Tribe  
13 or Tribal organization with an approved  
14 application under subparagraph (C)(i)(II),  
15 or a territory with an approved application  
16 under subparagraph (C)(ii)(II), to carry  
17 out the purposes of this section.

18 (2) PAYMENTS FOR FISCAL YEARS 2025  
19 THROUGH 2027.—

20 (A) IN GENERAL.—For each of fiscal years  
21 2025 through 2027:

22 (i) CHILD CARE ASSISTANCE FOR ELI-  
23 GIBLE CHILDREN.—

24 (I) IN GENERAL.—The Secretary  
25 shall pay to each State with an ap-

1 proved application under subsection  
2 (f), and that State shall be entitled to,  
3 an amount for each quarter equal to  
4 95.440 percent of expenditures (which  
5 shall be the Federal share of such ex-  
6 penditures) in the quarter for direct  
7 child care services described under  
8 subsection (h)(2)(B) for eligible chil-  
9 dren.

10 (II) EXCEPTION.—Funds re-  
11 served from the total under subsection  
12 (h)(2)(C) shall be subject to clause  
13 (ii).

14 (III) PROHIBITION.—Activities  
15 described in clause (ii) and clause (iii)  
16 may not be included in the cost of di-  
17 rect child care services described in  
18 this clause.

19 (ii) ACTIVITIES TO IMPROVE THE  
20 QUALITY AND SUPPLY OF CHILD CARE  
21 SERVICES.—The Secretary shall pay to  
22 each State with such an approved applica-  
23 tion, and that State shall be entitled to, an  
24 amount equal to the product of 1.06045  
25 and the FMAP of expenditures (which

1 product shall be the Federal share of such  
2 expenditures) to carry out activities to im-  
3 prove the quality and supply of child care  
4 services under subsection (h)(2)(C) subject  
5 to the limit specified in clause (i) of such  
6 subsection.

7 (iii) ADMINISTRATION.—The Sec-  
8 retary shall pay to each State with such an  
9 approved application, and that State shall  
10 be entitled to, an amount equal to 53.022  
11 percent of expenditures (which shall be the  
12 Federal share of such expenditures) for the  
13 costs of administration incurred by the  
14 State—

15 (I) which shall include costs in-  
16 curred by the State in carrying out  
17 the child care program established in  
18 this section; and

19 (II) which may include, at the  
20 option of the State, costs associated  
21 with carrying out requirements, poli-  
22 cies, and procedures described in sec-  
23 tion 658H of the Child Care and De-  
24 velopment Block Grant Act of 1990  
25 (42 U.S.C. 9858f).

1           (B) ADVANCE PAYMENT; RETROSPECTIVE  
2           ADJUSTMENT.—For each of fiscal years 2025  
3           through 2027, the Secretary shall make pay-  
4           ments under this paragraph for a period on the  
5           basis of advance estimates of expenditures sub-  
6           mitted by the State and such other investiga-  
7           tion as the Secretary may find necessary, and  
8           shall reduce or increase the payments as nec-  
9           essary to adjust for any overpayment or under-  
10          payment for previous periods. No interest shall  
11          be charged or paid on any amount due because  
12          of an overpayment or underpayment for pre-  
13          vious periods.

14          (C) TERRITORIES AND TRIBES.—For each  
15          of fiscal years 2025 through 2027, from the  
16          amounts appropriated under paragraph (2)(B)  
17          or (3)(B) of subsection (c) the Secretary shall  
18          make payments to territories, and Indian  
19          Tribes and Tribal organizations, as the case  
20          may be, with applications submitted as de-  
21          scribed in paragraph (1), and approved by the  
22          Secretary for the purpose of carrying out the  
23          child care program described in this section,  
24          consistent, to the extent practicable as deter-  
25          mined by the Secretary (subject to subsection

1 (d)(2)), with the requirements applicable to  
2 States. The Secretary shall make the payments  
3 to such territories, Indian Tribes, and Tribal  
4 organizations on the basis of their relative need.  
5 Each entity that is such a territory, Indian  
6 Tribe, or Tribal organization shall be entitled to  
7 such a payment as may be necessary to carry  
8 out the activities described in subsection (h)(2),  
9 and to pay for the costs of administration in-  
10 curred by the entity, which shall include costs  
11 incurred by the entity in carrying out the child  
12 care program, and which may include, at the  
13 option of the entity, costs associated with car-  
14 rying out requirements, policies, and procedures  
15 described in section 658H of the Child Care  
16 and Development Block Grant Act of 1990.

17 (h) USE OF FUNDS.—

18 (1) USE OF FUNDS FOR FISCAL YEARS 2022  
19 THROUGH 2024.—For each of fiscal years 2022  
20 through 2024, a State (as defined in subsection  
21 (g)(1)) that receives a payment under subsection  
22 (g)(1) shall use such payment for—

23 (A) assistance for direct child care serv-  
24 ices, which shall consist only of—

- 1 (i) assistance for direct child care  
2 services for eligible children through grants  
3 and contracts, and child care certificates;
- 4 (ii) increasing child care provider pay-  
5 ment rates to support the cost of providing  
6 high-quality direct child care services, in-  
7 cluding rates sufficient to support in-  
8 creased wages for staff of eligible child  
9 care providers; and
- 10 (iii) waiving or reducing copayments,  
11 to ensure that the families of children re-  
12 ceiving assistance under this section do not  
13 pay more than 7 percent of family income  
14 toward the cost of the child care involved  
15 for all eligible children in the family;
- 16 (B) activities described in paragraph  
17 (2)(C), without regard to the requirement in  
18 clause (i)(I) of such paragraph or to the ref-  
19 erences to a quality child care amount in such  
20 paragraph; and
- 21 (C) costs of administration incurred by the  
22 State, which shall include the costs described in  
23 subclause (I) of subsection (g)(2)(A)(iii) and  
24 may, at the option of the State, include the

1 costs described in subclause (II) of such sub-  
2 section.

3 (2) USE OF FUNDS FOR FISCAL YEARS 2025  
4 THROUGH 2027.—

5 (A) IN GENERAL.—Starting on October 1,  
6 2024, a State shall use amounts provided to the  
7 State under subsection (g)(2) for direct child  
8 care services (provided on a sliding fee scale  
9 basis), activities to improve the quality and sup-  
10 ply of child care services consistent with para-  
11 graph (C), and State administration consistent  
12 with subsection (g)(2)(A)(iii).

13 (B) CHILD CARE ASSISTANCE FOR ELIGI-  
14 BLE CHILDREN.—

15 (i) IN GENERAL.—For each of fiscal  
16 years 2025 through 2027, from payments  
17 made to the State under subsection (g)(2)  
18 for that particular fiscal year, the State  
19 shall ensure that parents of eligible chil-  
20 dren can access direct child care services  
21 provided by an eligible child care provider  
22 under this section through a grant or con-  
23 tract as described in clause (ii) or a certifi-  
24 cate as described in clause (iii).



1 (ii) GRANTS AND CONTRACTS.—The  
2 State shall award grants or contracts to el-  
3 igible child care providers, consistent with  
4 the requirements under this section, for  
5 the provision of child care services for eli-  
6 gible children under this section that, at a  
7 minimum—

8 (I) support providers' operating  
9 expenses to meet and sustain health,  
10 safety, quality, and wage standards  
11 required under this section; and

12 (II) address underserved popu-  
13 lations described in subsection  
14 (f)(4)(H).

15 (iii) CERTIFICATES.—The State shall  
16 issue a child care certificate directly to a  
17 parent who shall use such certificate only  
18 as payment for direct child care services or  
19 as a deposit for direct child care services if  
20 such a deposit is required of other children  
21 being cared for by the provider, consistent  
22 with the requirements under this section.

23 (C) ACTIVITIES TO IMPROVE THE QUALITY  
24 AND SUPPLY OF CHILD CARE SERVICES.—

1 (i) QUALITY CHILD CARE ACTIVI-  
2 TIES.—

3 (I) AMOUNT.—For each of fiscal  
4 years 2025 through 2027, from the  
5 total of the payments made to the  
6 State for a particular fiscal year, the  
7 State shall reserve and use a quality  
8 child care amount equal to not less  
9 than 5 percent and not more than 10  
10 percent of the amount made available  
11 to the State through such payments  
12 for the previous fiscal year.

13 (II) USE OF QUALITY CHILD  
14 CARE AMOUNT.—Each State shall use  
15 the quality child care amount de-  
16 scribed in subclause (I) to implement  
17 activities described in this subpara-  
18 graph to improve the quality and sup-  
19 ply of child care services by eligible  
20 child care providers, and increase the  
21 number of available slots in the State  
22 for child care services funded under  
23 this section, prioritizing assistance for  
24 child care providers who are in under-  
25 served communities and who are pro-

1           viding, or are seeking to provide, child  
2           care services for underserved popu-  
3           lations identified in subsection  
4           (f)(4)(H).

5           (III) ADMINISTRATION.—Activi-  
6           ties funded under this subparagraph  
7           may be administered—

8                   (aa) directly by the lead  
9                   agency; or

10                   (bb) through other State  
11                   government agencies, local or re-  
12                   gional child care resource and re-  
13                   ferral organizations, community  
14                   development financial institu-  
15                   tions, other intermediaries with  
16                   experience supporting child care  
17                   providers, or other appropriate  
18                   entities that enter into a contract  
19                   with the State to provide such  
20                   assistance.

21           (ii) QUALITY AND SUPPLY ACTIVI-  
22           TIES.—Activities funded under the quality  
23           child care amount described in clause (i)  
24           shall include each of the following:

1 (I) STARTUP GRANTS AND SUP-  
2 PLY EXPANSION GRANTS.—

3 (aa) IN GENERAL.—From a  
4 portion of the quality child care  
5 amount, a State shall make start-  
6 up and supply expansion grants  
7 to support child care providers  
8 who are providing, or seeking to  
9 provide, child care services to  
10 children receiving assistance  
11 under this section, with priority  
12 for providers providing or seeking  
13 to provide child care in under-  
14 served communities and for un-  
15 derserved populations identified  
16 in subsection (f)(4)(H), to—

17 (AA) support startup  
18 and expansion costs; and

19 (BB) assist such pro-  
20 viders in meeting health and  
21 safety requirements, achiev-  
22 ing licensure, and meeting  
23 requirements in the State's  
24 tiered system for measuring

1                   the quality of eligible child  
2                   care providers.

3                   (bb) REQUIREMENT.—As a  
4                   condition of receiving a startup  
5                   or supply expansion grant under  
6                   this subclause, a child care pro-  
7                   vider shall commit to meeting the  
8                   requirements of an eligible pro-  
9                   vider under this section, and pro-  
10                  viding child care services to chil-  
11                  dren receiving assistance under  
12                  this section on an ongoing basis.

13                  (II) QUALITY GRANTS.—From a  
14                  portion of the quality child care  
15                  amount, a State shall provide quality  
16                  grants to support eligible child care  
17                  providers in providing child care serv-  
18                  ices to children receiving assistance  
19                  under this section to improve the  
20                  quality of such providers, including—

21                         (aa) supporting such pro-  
22                         viders in meeting or making  
23                         progress toward the requirements  
24                         for the highest tier of the State’s  
25                         tiered system for measuring the

1 quality of eligible child care pro-  
2 viders under subsection (f)(4)(B);  
3 and

4 (bb) supporting such pro-  
5 viders in sustaining child care  
6 quality, including supporting in-  
7 creased wages for staff and sup-  
8 porting payment of fixed costs.

9 (III) FACILITIES GRANTS.—

10 (aa) IN GENERAL.—From a  
11 portion of the quality child care  
12 amount, a State shall provide  
13 support, including through  
14 awarding facilities grants, for re-  
15 modeling, renovation, or repair of  
16 a building or facility to the ex-  
17 tent permitted under section  
18 658F(b) of the Child Care and  
19 Development Block Grant Act of  
20 1990 (42 U.S.C. 9858).

21 (bb) ADDITIONAL USES.—  
22 For fiscal years 2022 through  
23 2024, and in subsequent years  
24 with approval from the Secretary,  
25 a State may award such facilities

1 grants for construction, perma-  
2 nent improvement, or major ren-  
3 ovation of a building or facility  
4 primarily used for providing di-  
5 rect child care services, in ac-  
6 cordance with the following:

7 (AA) Federal interest  
8 provisions will not apply to  
9 the renovation or rebuilding  
10 of privately-owned family  
11 child care homes under this  
12 subclause.

13 (BB) Eligible child care  
14 providers may not use funds  
15 for buildings or facilities  
16 that are used primarily for  
17 sectarian instruction or reli-  
18 gious worship.

19 (CC) The Secretary  
20 shall develop parameters on  
21 the use of funds under this  
22 subclause for family child  
23 care homes.

24 (DD) The Secretary  
25 shall not retain Federal in-

1                   terest after a period of 10  
2                   years in any facility built,  
3                   renovated, or repaired with  
4                   funds awarded under this  
5                   subclause.

6                   (IV) LIMITATION.—For purposes  
7                   of subclause (III), the Secretary shall  
8                   not—

9                   (aa) enter into any agree-  
10                  ment related to funds for activi-  
11                  ties carried out under subclause  
12                  (III)—

13                  (AA) that is for a term  
14                  extending beyond September  
15                  30, 2031; and

16                  (BB) under which any  
17                  payment could be outlaid  
18                  after September 30, 2031;  
19                  or

20                  (bb) use any other funds  
21                  available to the Secretary, other  
22                  than funds provided under this  
23                  section, to satisfy obligations ini-  
24                  tially made for activities carried  
25                  out under subclause (III).



1 (V) STATE ACTIVITIES TO IM-  
2 PROVE THE QUALITY OF CHILD CARE  
3 SERVICES.—A State shall use a por-  
4 tion of the quality child care amount  
5 to improve the quality of child care  
6 services available for this program,  
7 which shall include—

8 (aa) supporting the training  
9 and professional development of  
10 the early childhood workforce, in-  
11 cluding supporting degree attain-  
12 ment and credentialing for early  
13 childhood educators;

14 (bb) developing, imple-  
15 menting, or enhancing the  
16 State’s tiered system for meas-  
17 uring the quality of eligible child  
18 care providers under subsection  
19 (f)(4)(B);

20 (cc) improving the supply  
21 and quality of developmentally  
22 appropriate and inclusive child  
23 care programs and services for  
24 underserved populations de-  
25 scribed in subsection (f)(4)(H);

1 (dd) improving access to  
2 child care services for vulnerable  
3 children as defined by the lead  
4 agency pursuant to subsection  
5 (b)(4)(A)(iv)(II); and

6 (ee) providing outreach and  
7 enrollment support for families of  
8 eligible children.

9 (VI) TECHNICAL ASSISTANCE.—

10 From a portion of the quality child  
11 care amount, the State shall provide  
12 technical assistance to increase the  
13 supply and quality of eligible child  
14 care providers who are providing, or  
15 seeking to provide, child care services  
16 to children receiving assistance under  
17 this section, including providing sup-  
18 port to enable providers to achieve li-  
19 censure.

20 (i) GRANTS TO LOCALITIES AND AWARDS TO HEAD  
21 START PROGRAMS.—

22 (1) ELIGIBLE LOCALITY DEFINED.—In this  
23 subsection, the term “eligible locality” means a city,  
24 county, or other unit of general local government.

25 (2) GRANTS TO LOCALITIES.—

1           (A) IN GENERAL.—The Secretary shall use  
2 funds appropriated under subsection (c)(4) to  
3 award local Birth Through Five Child Care and  
4 Early Learning Grants, in accordance with  
5 rules established by the Secretary, to eligible lo-  
6 calities located in States that have not received  
7 payments under subsection (g). The Secretary  
8 shall award the grants to eligible localities in  
9 such a State from the allotment made for that  
10 State under subparagraph (B).

11           (B) ALLOTMENTS.—

12           (i) POVERTY LINE DEFINED.—In this  
13 subparagraph, the term “poverty line”  
14 means the poverty line defined and revised  
15 as described in section 673 of the Commu-  
16 nity Services Block Grant Act (42 U.S.C.  
17 9902).

18           (ii) GENERAL AUTHORITY.—For each  
19 State described in subparagraph (A), the  
20 Secretary shall allot for the State for a fis-  
21 cal year an amount that bears the same re-  
22 lationship to the funds appropriated under  
23 subsection (c)(4) for the fiscal year as the  
24 number of children from families with fam-  
25 ily incomes that are below 200 percent of

1           the poverty line, and who are under the  
2           age of 6, in the State bears to the total  
3           number of all such children in all States  
4           described in subparagraph (A).

5           (C) APPLICATION.—To receive a grant  
6           from the corresponding State allotment under  
7           subparagraph (B), an eligible locality shall sub-  
8           mit an application to the Secretary at such  
9           time, in such manner, and containing such in-  
10          formation as the Secretary may require. The re-  
11          quirements for the application shall, to the  
12          greatest extent practicable, be consistent with  
13          the State plan requirements applicable to States  
14          under subsection (f).

15          (D) REQUIREMENTS.—The Secretary shall  
16          specify the requirements for an eligible locality  
17          to provide access to child care, which child care  
18          requirements shall, to the greatest extent prac-  
19          ticable, be consistent with the requirements ap-  
20          plicable to States under this section.

21          (E) RECOUPMENT OF UNUSED FUNDS.—  
22          Notwithstanding any other provision of this sec-  
23          tion, for each of fiscal years 2023 through  
24          2027, the Secretary shall have the authority to  
25          recoup any unused funds allotted under sub-

1 paragraph (B) for awards under paragraph  
2 (3)(A) to Head Start agencies in accordance  
3 with paragraph (3).

4 (3) HEAD START EXPANSION IN NONPARTICI-  
5 PATING STATES.—

6 (A) IN GENERAL.—The Secretary shall use  
7 funds appropriated under subsection (c)(5) or  
8 recouped under paragraph (2) to make awards  
9 to Head Start agencies in a State described in  
10 paragraph (2)(A) to carry out the purposes of  
11 the Head Start Act in such State.

12 (B) RULE.—For purposes of carrying out  
13 the Head Start Act in circumstances not involv-  
14 ing awards under this paragraph, funds award-  
15 ed under subparagraph (A) shall not be in-  
16 cluded in the calculation of a “base grant” as  
17 such term is defined in section 640(a)(7)(A) of  
18 the Head Start Act (42 U.S.C. 9835(a)(7)(A)).

19 (C) DEFINITION.—In this paragraph, the  
20 term “Head Start agency” means an entity des-  
21 ignated or eligible to be designated as a Head  
22 Start agency under section 641(a)(1) of the  
23 Head Start Act or as an Early Head Start  
24 agency (by receiving a grant) under section  
25 645A(a) of such Act.

1           (4) PRIORITY FOR SERVING UNDERSERVED  
2 POPULATIONS.—In making determinations to award  
3 a grant or make an award under this subsection, the  
4 Secretary shall give priority to entities serving a  
5 high percentage of individuals from underserved  
6 populations described in subsection (f)(4)(H).

7 (j) PROGRAM REQUIREMENTS.—

8           (1) NONDISCRIMINATION.—The following provi-  
9 sions of law shall apply to any program or activity  
10 that receives funds provided under this section:

11                   (A) Title IX of the Education Amendments  
12 of 1972.

13                   (B) Title VI of the Civil Rights Act of  
14 1964.

15                   (C) Section 504 of the Rehabilitation Act  
16 of 1973.

17                   (D) The Americans with Disabilities Act of  
18 1990.

19                   (E) Section 654 of the Head Start Act.

20           (2) PROHIBITION ON ADDITIONAL ELIGIBILITY  
21 REQUIREMENTS.—No individual shall be determined,  
22 by the Secretary, a State, or another recipient of  
23 funds under this section, to be ineligible for child  
24 care services provided under this section, except on

1 the basis of eligibility requirements specified in or  
2 under this section.

3 (3) MAINTENANCE OF EFFORT.—

4 (A) IN GENERAL.—A State that receives  
5 payments under this section for a fiscal year, in  
6 using the funds made available through the  
7 payments, shall maintain the expenditures of  
8 the State for child care services at the average  
9 level of such expenditures by the State for the  
10 3 preceding fiscal years.

11 (B) COUNTING RULE.—State expenditures  
12 counted for purposes of meeting the require-  
13 ment in subparagraph (A) may also be counted  
14 for purposes of meeting the requirement to pro-  
15 vide a non-Federal share under clause (i), (ii),  
16 or (iii), as appropriate, of subsection (g)(2)(A).

17 (4) SUPPLEMENT NOT SUPPLANT.—Funds re-  
18 ceived under this section shall be used to supplement  
19 and not supplant other Federal, State, and local  
20 public funds expended to provide child care services  
21 in the State on the date of enactment of this Act,  
22 calculated as the average amount of such Federal,  
23 State, and local public funds expended for fiscal  
24 years 2019, 2020, and 2021.

1           (5) ALLOWABLE SOURCES OF NON-FEDERAL  
2           SHARE.—For purposes of providing the non-Federal  
3           share required under subsection (g)(2), a State’s  
4           non-Federal share—

5                   (A) for direct child care services described  
6           in subsection (g)(2)(A)(i)—

7                           (i) shall not include contributions  
8                           being used as a non-Federal share or  
9                           match for another Federal award; and

10                           (ii) shall be provided from State or  
11                           local sources, contributions from philan-  
12                           thropy or other private organizations, or a  
13                           combination of such sources and contribu-  
14                           tions; and

15                   (B) for activities to improve the quality  
16           and supply of child care services described in  
17           subsection (g)(2)(A)(ii), and administration de-  
18           scribed in subsection (g)(2)(A)(iii)—

19                           (i) shall not include contributions  
20                           being used as a non-Federal share or  
21                           match for another Federal award;

22                           (ii) shall be provided from State or  
23                           local sources, contributions from philan-  
24                           thropy or other private organizations, or a



1 combination of such sources and contribu-  
2 tions; and

3 (iii) may be in cash or in kind, fairly  
4 evaluated, including facilities or property,  
5 equipment, or services.

6 (6) INFORMATION FOR DETERMINATIONS.—For  
7 purposes of determinations of participation in an eli-  
8 gible activity, the provision of information for such  
9 determinations by Federal agencies other than the  
10 Department of Health and Human Services shall not  
11 be required.

12 (7) REPORTS.—A State, Indian Tribe, Tribal  
13 organization, or territory receiving funds under this  
14 section shall provide to the Secretary such periodic  
15 reports, providing a detailed accounting of the uses  
16 of the funds received under this section, as the Sec-  
17 retary may require for the administration of this  
18 section. The State, Indian Tribe, Tribal organiza-  
19 tion, or territory shall begin to provide the reports  
20 beginning not later than 60 days after its initial re-  
21 ceipt of a payment under subsection (g)(1).

22 (k) MONITORING AND ENFORCEMENT.—

23 (1) REVIEW OF COMPLIANCE WITH REQUIRE-  
24 MENTS AND STATE PLAN.—The Secretary shall re-  
25 view and monitor compliance of States, territories,

1 Tribal entities, and local entities with this section  
2 and State compliance with the plan described in sub-  
3 section (f)(4).

4 (2) ISSUANCE OF RULE.—The Secretary shall  
5 establish by rule procedures for—

6 (A) receiving, processing, and determining  
7 the validity of complaints or findings concerning  
8 any failure of a State to comply with the State  
9 plan or any other requirement of this section;

10 (B) notifying a State when the Secretary  
11 has determined there has been a failure by the  
12 State to comply with a requirement of this sec-  
13 tion; and

14 (C) imposing sanctions under this sub-  
15 section for such a failure.

16 (l) FEDERAL ADMINISTRATION.—Using funds re-  
17 served under subsection (c)(6), the Secretary shall carry  
18 out administration of this section, shall provide (including  
19 through the use of grants or cooperative agreements) tech-  
20 nical assistance to States, territories, Indian Tribes, and  
21 Tribal organizations, and shall carry out research, and  
22 evaluations related to this section.

23 (m) TRANSITION PROVISIONS.—

24 (1) TREATMENT OF CHILD CARE AND DEVEL-  
25 OPMENT BLOCK GRANT FUNDS.—For each of fiscal

1 years 2025, 2026, and 2027, a State receiving as-  
2 sistance under this section shall not use more than  
3 10 percent of any funds received under the Child  
4 Care and Development Block Grant Act of 1990 to  
5 provide assistance for direct child care services to  
6 children who are under the age of 6, are not yet in  
7 kindergarten, and are eligible under that Act.

8 (2) SPECIAL RULES REGARDING ELIGIBILITY.—

9 Any child who is less than 6 years of age, is not yet  
10 in kindergarten, and is receiving assistance under  
11 the Child Care and Development Block Grant Act of  
12 1990 on the date funding is first allocated to the  
13 lead agency for the State, territory, Indian Tribe, or  
14 Tribal organization involved under this section—

15 (A) shall be deemed immediately eligible to  
16 receive assistance under this section; and

17 (B) may continue to use the child care pro-  
18 vider of the family's choice.

19 (3) TRANSITION PROCEDURES.—The Secretary  
20 is authorized to institute procedures for imple-  
21 menting this section, including issuing guidance for  
22 States receiving funds under subsection (g)(1).

23 **SEC. 23002. UNIVERSAL PRESCHOOL.**

24 (a) DEFINITIONS.—In this section:

1           (1) CHILD EXPERIENCING HOMELESSNESS.—  
2           The term “child experiencing homelessness” means  
3           an individual who is a homeless child or youth under  
4           section 725 of the McKinney-Vento Homeless Assist-  
5           ance Act (42 U.S.C. 11434a).

6           (2) CHILD WITH A DISABILITY.—The term  
7           “child with a disability” has the meaning given the  
8           term in section 602 of the Individuals with Disabil-  
9           ities Education Act (20 U.S.C. 1401).

10          (3) COMPREHENSIVE SERVICES.—The term  
11          “comprehensive services” means services that are  
12          provided to low-income children and their families,  
13          and that are health, educational, nutritional, social,  
14          and other services that are determined, based on  
15          family needs assessments, to be necessary, within  
16          the meaning of section 636 of the Head Start Act  
17          (42 U.S.C. 9831).

18          (4) DUAL LANGUAGE LEARNER.—The term  
19          “dual language learner” means a child who is learn-  
20          ing 2 or more languages at the same time, or a child  
21          who is learning a second language while continuing  
22          to develop the child’s first language.

23          (5) ELIGIBLE CHILD.—The term “eligible  
24          child” means a child who is age 3 or 4, on the date

1 established by the applicable local educational agen-  
2 cy for kindergarten entry.

3 (6) ELIGIBLE PROVIDER.—The term “eligible  
4 provider” means—

5 (A) a local educational agency, acting  
6 alone or in a consortium or in collaboration  
7 with an educational service agency (as defined  
8 in section 8101 of the Elementary and Sec-  
9 ondary Education Act of 1965 (20 U.S.C.  
10 7801)), that is licensed by the State or meets  
11 comparable health and safety standards;

12 (B) a Head Start agency or delegate agen-  
13 cy funded under the Head Start Act;

14 (C) a licensed center-based child care pro-  
15 vider, licensed family child care provider, or  
16 community- or neighborhood-based network of  
17 licensed family child care providers; or

18 (D) a consortium of entities described in  
19 any of subparagraphs (A), (B), and (C).

20 (7) HEAD START AGENCY.—The term “Head  
21 Start agency”, as used in paragraph (6)(B), or sub-  
22 section (c)(5)(D) or (f)(1), means an entity des-  
23 ignated as a Head Start agency under section  
24 641(a)(1) of the Head Start Act or as an Early

1 Head Start agency (by receiving a grant) under sec-  
2 tion 645A(a) of such Act.

3 (8) INDIAN TRIBE.—The term “Indian Tribe”  
4 has the meaning given the term in section 4 of the  
5 Indian Self-Determination and Education Assistance  
6 Act (25 U.S.C. 5304).

7 (9) LOCAL EDUCATIONAL AGENCY.—The term  
8 “local educational agency” has the meaning given  
9 the term in section 8101 of the Elementary and Sec-  
10 ondary Education Act of 1965 (20 U.S.C. 7801).

11 (10) POVERTY LINE.—The term “poverty line”  
12 means the poverty line defined and revised as de-  
13 scribed in section 673 of the Community Services  
14 Block Grant Act (42 U.S.C. 9902).

15 (11) SECRETARY.—The term “Secretary”  
16 means the Secretary of Health and Human Services.

17 (12) STATE.—The term “State” means each of  
18 the several States and the District of Columbia.

19 (13) TERRITORY.—The term “territory” means  
20 each of the Commonwealth of Puerto Rico, the  
21 United States Virgin Islands, Guam, American  
22 Samoa, and the Commonwealth of the Northern  
23 Mariana Islands.

24 (14) TRIBAL ORGANIZATION.—The term “Trib-  
25 al organization” has the meaning given the term

1 “tribal organization” in section 658P of the Child  
2 Care and Development Block Grant Act of 1990 (42  
3 U.S.C. 9858n).

4 (b) UNIVERSAL PRESCHOOL.—

5 (1) APPROPRIATIONS FOR STATES.—

6 (A) IN GENERAL.—In addition to amounts  
7 otherwise available, there is appropriated to the  
8 Department of Health and Human Services for  
9 fiscal year 2022, out of any money in the  
10 Treasury not otherwise appropriated—

11 (i) \$4,000,000,000, to remain avail-  
12 able until September 30, 2027, for pay-  
13 ments to States, for carrying out this sec-  
14 tion (except provisions and activities cov-  
15 ered by paragraph (2)) in fiscal year 2022;

16 (ii) \$6,000,000,000, to remain avail-  
17 able until September 30, 2027, for pay-  
18 ments to States, for carrying out this sec-  
19 tion (except provisions and activities cov-  
20 ered by paragraph (2)) in fiscal year 2023;  
21 and

22 (iii) \$8,000,000,000, to remain avail-  
23 able until September 30, 2027, for pay-  
24 ments to States, for carrying out this sec-

1           tion (except provisions and activities cov-  
2           ered by paragraph (2)) in fiscal year 2024.

3           (B) ADDITIONAL APPROPRIATIONS.—In  
4           addition to amounts otherwise available, there  
5           is appropriated to the Department of Health  
6           and Human Services, out of any money in the  
7           Treasury not otherwise appropriated, such sums  
8           as may be necessary for each of fiscal years  
9           2025 through 2027, to remain available for 1  
10          additional fiscal year, for payments to States,  
11          for carrying out this section (except provisions  
12          and activities covered by paragraph (2)).

13          (2) ADDITIONAL APPROPRIATIONS.—In addition  
14          to amounts otherwise available, there is appropriated  
15          to the Department of Health and Human Services  
16          for fiscal year 2022, out of any money in the Treas-  
17          ury not otherwise appropriated—

18                (A) \$2,500,000,000, to remain available  
19                until September 30, 2027, for carrying out pay-  
20                ments to Indian Tribes and Tribal organiza-  
21                tions for activities described in this section;

22                (B) \$1,000,000,000, to remain available  
23                until September 30, 2027, for carrying out pay-  
24                ments to the territories, to be distributed  
25                among the territories on the basis of their rel-



1           ative need, as determined by the Secretary in  
2           accordance with the objectives of this section,  
3           for activities described in this section;

4           (C) \$300,000,000, to remain available  
5           until September 30, 2027, for carrying out pay-  
6           ments to eligible local entities that serve chil-  
7           dren in families who are engaged in migrant or  
8           seasonal agricultural labor, for activities de-  
9           scribed in this section;

10          (D)(i) \$165,000,000, to remain available  
11          until September 30, 2027, for carrying out  
12          Federal activities to support the activities fund-  
13          ed under this section, including administration,  
14          monitoring, technical assistance, and research,  
15          in fiscal year 2022;

16          (ii) \$200,000,000 to remain available until  
17          September 30, 2027, for carrying out Federal  
18          activities to support the activities funded under  
19          this section, including administration, moni-  
20          toring, technical assistance, and research, in fis-  
21          cal year 2023;

22          (iii) \$200,000,000, to remain available  
23          until September 30, 2027, for carrying out  
24          Federal activities to support the activities fund-  
25          ed under this section, including administration,

1 monitoring, technical assistance, and research,  
2 in fiscal year 2024;

3 (iv) \$208,000,000, to remain available  
4 until September 30, 2027, for carrying out  
5 Federal activities to support the activities fund-  
6 ed under this section, including administration,  
7 monitoring, technical assistance, and research,  
8 in fiscal year 2025;

9 (v) \$212,000,000, to remain available until  
10 September 30, 2027, for carrying out Federal  
11 activities to support the activities funded under  
12 this section, including administration, moni-  
13 toring, technical assistance, and research, in fis-  
14 cal year 2026; and

15 (vi) \$216,000,000, to remain available  
16 until September 30, 2027, for carrying out  
17 Federal activities to support the activities fund-  
18 ed under this section, including administration,  
19 monitoring, technical assistance, and research,  
20 in fiscal year 2027;

21 (E)(i) \$2,500,000,000, to remain available  
22 until September 30, 2027, to improve com-  
23 pensation of Head Start staff consistent with  
24 subparagraphs (A)(i) and (B)(viii) of section  
25 640(a)(5) of the Head Start Act (42 U.S.C.

1 9835(a)(5)), notwithstanding section 653(a) of  
2 such Act (42 U.S.C. 9848(a)), in fiscal year  
3 2022;

4 (ii) \$2,500,000,000, to remain available  
5 until September 30, 2027, to improve com-  
6 pensation of Head Start staff consistent with  
7 subparagraphs (A)(i) and (B)(viii) of section  
8 640(a)(5) of the Head Start Act (42 U.S.C.  
9 9835(a)(5)), notwithstanding section 653(a) of  
10 such Act (42 U.S.C. 9848(a)), in fiscal year  
11 2023;

12 (iii) \$2,500,000,000, to remain available  
13 until September 30, 2027, to improve com-  
14 pensation of Head Start staff consistent with  
15 subparagraphs (A)(i) and (B)(viii) of section  
16 640(a)(5) of the Head Start Act (42 U.S.C.  
17 9835(a)(5)), notwithstanding section 653(a) of  
18 such Act (42 U.S.C. 9848(a)), in fiscal year  
19 2024;

20 (iv) \$2,500,000,000, to remain available  
21 until September 30, 2027, to improve com-  
22 pensation of Head Start staff consistent with  
23 subparagraphs (A)(i) and (B)(viii) of section  
24 640(a)(5) of the Head Start Act (42 U.S.C.  
25 9835(a)(5)), notwithstanding section 653(a) of

1 such Act (42 U.S.C. 9848(a)), in fiscal year  
2 2025;

3 (v) \$2,500,000,000, to remain available  
4 until September 30, 2027, to improve com-  
5 pensation of Head Start staff consistent with  
6 subparagraphs (A)(i) and (B)(viii) of section  
7 640(a)(5) of the Head Start Act (42 U.S.C.  
8 9835(a)(5)), notwithstanding section 653(a) of  
9 such Act (42 U.S.C. 9848(a)), in fiscal year  
10 2026; and

11 (vi) \$2,500,000,000, to remain available  
12 until September 30, 2027, to improve com-  
13 pensation of Head Start staff consistent with  
14 subparagraphs (A)(i) and (B)(viii) of section  
15 640(a)(5) of the Head Start Act (42 U.S.C.  
16 9835(a)(5)), notwithstanding section 653(a) of  
17 such Act (42 U.S.C. 9848(a)), in fiscal year  
18 2027;

19 (F)(i) \$1,900,000,000, to remain available  
20 until September 30, 2027, to carry out the pro-  
21 gram of grants to localities described in sub-  
22 section (f)(2) in fiscal year 2023;

23 (ii) \$1,900,000,000, to remain available  
24 until September 30, 2027, to carry out the pro-

1           gram of grants to localities described in sub-  
2           section (f)(2) in fiscal year 2024;

3           (iii) \$1,900,000,000, to remain available  
4           until September 30, 2027, to carry out the pro-  
5           gram of grants to localities described in sub-  
6           section (f)(2) in fiscal year 2025;

7           (iv) \$1,900,000,000, to remain available  
8           until September 30, 2027, to carry out the pro-  
9           gram of grants to localities described in sub-  
10          section (f)(2) in fiscal year 2026; and

11          (v) \$1,900,000,000, to remain available  
12          until September 30, 2027, to carry out the pro-  
13          gram of grants to localities described in sub-  
14          section (f)(2) in fiscal year 2027; and

15          (G)(i) \$1,900,000,000, to remain available  
16          until September 30, 2027, to carry out the pro-  
17          gram of awards to Head Start agencies de-  
18          scribed in subsection (f)(3) in fiscal year 2023;

19          (ii) \$1,900,000,000, to remain available  
20          until September 30, 2027, to carry out the pro-  
21          gram of awards to Head Start agencies de-  
22          scribed in subsection (f)(3) in fiscal year 2024;

23          (iii) \$1,900,000,000, to remain available  
24          until September 30, 2027, to carry out the pro-

1           gram of awards to Head Start agencies de-  
2           scribed in subsection (f)(3) in fiscal year 2025;

3           (iv) \$1,900,000,000, to remain available  
4           until September 30, 2027, to carry out the pro-  
5           gram of awards to Head Start agencies de-  
6           scribed in subsection (f)(3) in fiscal year 2026;  
7           and

8           (v) \$1,900,000,000, to remain available  
9           until September 30, 2027, to carry out the pro-  
10          gram of awards to Head Start agencies de-  
11          scribed in subsection (f)(3) in fiscal year 2027.

12          (c) PAYMENTS FOR STATE UNIVERSAL PRESCHOOL  
13 SERVICES.—

14           (1) IN GENERAL.—A State that has submitted,  
15           and had approved by the Secretary, the State plan  
16           described in paragraph (5) is entitled to a payment  
17           under this subsection.

18           (2) PAYMENTS TO STATES.—

19           (A) PAYMENTS FOR FISCAL YEARS 2022  
20           THROUGH 2024.—From amounts made available  
21           under subsection (b)(1) for any of fiscal years  
22           2022 through 2024, the Secretary, in collabora-  
23           tion with the Secretary of Education, shall allot  
24           for the fiscal year, to each State that has a  
25           State plan under paragraph (5) or transitional

1 State plan under paragraph (7) that is ap-  
2 proved for a period including that fiscal year,  
3 an amount for the purpose of providing grants  
4 to eligible providers to provide high-quality pre-  
5 school, using a formula that considers—

6 (i) the proportion of the number of  
7 children who are below the age of 6 and  
8 whose families have a family income at or  
9 below 200 percent of the poverty line for  
10 the most recent year for which satisfactory  
11 data are available, residing in the State, as  
12 compared to the number of such children,  
13 who reside in all States with approved  
14 plans for the fiscal year for which the al-  
15 lotment is being made; and

16 (ii) the existing Federal preschool in-  
17 vestments in the State under the Head  
18 Start Act, as of the date of the allotment.

19 (B) PAYMENTS FOR FISCAL YEARS 2025  
20 THROUGH 2027.—

21 (i) PRESCHOOL SERVICES.—For each  
22 of fiscal years 2025 through 2027, the  
23 Secretary shall pay to each State with an  
24 approved State plan under paragraph (5),  
25 an amount for that year equal to—

1 (I) 95.440 percent of the State's  
2 expenditures in the year for preschool  
3 services provided under subsection  
4 (d), for fiscal year 2025;

5 (II) 79.534 percent of the State's  
6 expenditures in the year for such pre-  
7 school services, for fiscal year 2026;  
8 and

9 (III) 63.627 percent of the  
10 State's expenditures in the year for  
11 such preschool services, for fiscal year  
12 2027.

13 (ii) STATE ACTIVITIES.—The Sec-  
14 retary shall pay to each State with an ap-  
15 proved State plan under paragraph (5) an  
16 amount for a fiscal year equal to 53.022  
17 percent of the amount of the State's ex-  
18 penditures for the activities described in  
19 paragraph (3), except that in no case shall  
20 a payment for a fiscal year under this  
21 clause exceed the amount equal to 10 per-  
22 cent of the State's expenditures described  
23 in clause (i) for such fiscal year.

24 (iii) NON-FEDERAL SHARE.—The re-  
25 mainder of the cost paid by the State for



1 preschool services, that is not provided  
2 under clause (i), shall be considered the  
3 non-Federal share of the cost of those  
4 services. The remainder of the cost paid by  
5 the State for State activities, that is not  
6 provided under clause (ii), shall be consid-  
7 ered the non-Federal share of the cost of  
8 those activities.

9 (iv) ADVANCE PAYMENT; RETROSPEC-  
10 TIVE ADJUSTMENT.—The Secretary shall  
11 make a payment under clause (i) or (ii) for  
12 a year on the basis of advance estimates of  
13 expenditures submitted by the State and  
14 such other investigation as the Secretary  
15 may find necessary, and shall reduce or in-  
16 crease the payment as necessary to adjust  
17 for any overpayment or underpayment for  
18 a previous year.

19 (C) AUTHORITIES.—

20 (i) FISCAL YEARS 2022 THROUGH  
21 2024.—Notwithstanding any other provi-  
22 sion of this paragraph, for each of fiscal  
23 years 2022 through 2024, the Secretary  
24 shall have the authority to reallocate funds  
25 that were allotted under subparagraph (A)

1 from any State without an approved appli-  
2 cation under paragraph (5) by the date re-  
3 quired by the Secretary, to States with an  
4 approved application under that sub-  
5 section.

6 (ii) FISCAL YEAR 2025.—Notwith-  
7 standing any other provision of this sec-  
8 tion, on October 1, 2024, the Secretary  
9 shall have the authority to reallocate funds  
10 from payments made from allotments  
11 under subparagraph (A) that are unobli-  
12 gated on such date, to any State without  
13 such unobligated funds that is a State with  
14 an approved application under paragraph  
15 (5), to carry out the purposes of this sec-  
16 tion.

17 (3) STATE ACTIVITIES.—A State that receives a  
18 payment under paragraph (2) shall carry out all of  
19 the following activities:

20 (A) State administration of the State pre-  
21 school program described in this section.

22 (B) Supporting a continuous quality im-  
23 provement system for providers of preschool  
24 services participating, or seeking to participate,  
25 in the State preschool program, through the use

1 of data, researching, monitoring, training, tech-  
2 nical assistance, professional development, and  
3 coaching.

4 (C) Providing outreach and enrollment  
5 support for families of eligible children.

6 (D) Supporting data systems building.

7 (E) Supporting staff of eligible providers  
8 in pursuing credentials and degrees, including  
9 baccalaureate degrees.

10 (F) Supporting activities that ensure ac-  
11 cess to inclusive preschool programs for chil-  
12 dren with disabilities.

13 (G) Providing age-appropriate transpor-  
14 tation services for children, which at a min-  
15 imum shall include transportation services for  
16 children experiencing homelessness and children  
17 in foster care.

18 (H) Conducting or updating a statewide  
19 needs assessment of access to high-quality pre-  
20 school services.

21 (4) LEAD AGENCY.—The Governor of a State  
22 desiring for the State to receive a payment under  
23 this subsection shall designate a lead agency (such  
24 as a State agency or joint interagency office) for the

1 administration of the State's preschool program  
2 under this section.

3 (5) STATE PLAN.—In order to be eligible for  
4 payments under this section, the Governor of a State  
5 shall submit a State plan to the Secretary for ap-  
6 proval by the Secretary, in collaboration with the  
7 Secretary of Education, at such time, in such man-  
8 ner, and containing such information as the Sec-  
9 retary shall by rule require, that includes a plan for  
10 achieving universal, high-quality, free, inclusive, and  
11 mixed-delivery preschool services. Such plan shall in-  
12 clude, at a minimum, each of the following:

13 (A) A certification that—

14 (i) the State has in place develop-  
15 mentally appropriate, evidence-based pre-  
16 school standards that, at a minimum, are  
17 as rigorous as the standards specified in  
18 subparagraph (B) of section 641A(a)(1) of  
19 the Head Start Act (42 U.S.C.  
20 9836a(a)(1)) and include program stand-  
21 ards for class sizes and ratios; and

22 (ii) the State will coordinate such  
23 standards with other early learning stand-  
24 ards in the State.

1 (B) An assurance that the State will en-  
2 sure—

3 (i) all preschool services in the State  
4 funded under this section will—

5 (I) be universally available to all  
6 children in the State without any ad-  
7 ditional eligibility requirements;

8 (II) be high-quality, free, and in-  
9 clusive; and

10 (III) by not later than 1 year  
11 after the State receives such funding,  
12 meet the State’s preschool education  
13 standards described in subparagraph  
14 (A); and

15 (ii) that the local preschool programs  
16 in the State funded under this section  
17 will—

18 (I) offer programming that meets  
19 the duration requirements of at least  
20 1,020 annual hours;

21 (II) adopt policies and practices  
22 to conduct outreach and provide expe-  
23 dited enrollment, including  
24 prioritization, to—

- 1 (aa) children experiencing  
2 homelessness (which, in the case  
3 of a child attending a program  
4 provided by an eligible provider  
5 described in subsection (a)(6)(A),  
6 shall include immediate enroll-  
7 ment for the child);
- 8 (bb) children in foster care  
9 or kinship care;
- 10 (cc) children in families who  
11 are engaged in migrant or sea-  
12 sonal agricultural labor;
- 13 (dd) children with disabil-  
14 ities, including eligible children  
15 who are served under part C of  
16 the Individuals with Disabilities  
17 Education Act; and
- 18 (ee) dual language learners;
- 19 (III) provide for salaries, and set  
20 schedules for salaries, for staff of pro-  
21 viders in the State preschool program  
22 that are equivalent to salaries of ele-  
23 mentary school staff with similar cre-  
24 dentials and experience;

1 (IV) at a minimum, provide a liv-  
2 ing wage for all staff of such pro-  
3 viders; and

4 (V) require educational qualifica-  
5 tions for teachers in the preschool  
6 program including, at a minimum, re-  
7 quiring that lead teachers in the pre-  
8 school program have a baccalaureate  
9 degree in early childhood education or  
10 a related field by not later than 6  
11 years after the date on which the  
12 State first receives funds under this  
13 Act, except that—

14 (aa) subject to item (bb),  
15 the requirements under this sub-  
16 clause shall not apply to individ-  
17 uals who were employed by an el-  
18 igible provider or early education  
19 program for a cumulative 3 of  
20 the 5 years immediately pre-  
21 ceding the date of enactment of  
22 this Act and have the necessary  
23 content knowledge and teaching  
24 skills for early childhood edu-  
25 cators, as demonstrated through

1 measures determined by the  
2 State; and

3 (bb) nothing in this section  
4 shall require the State to lessen  
5 State requirements for edu-  
6 cational qualifications, in exist-  
7 ence on the date of enactment of  
8 this Act, to serve as a teacher in  
9 a State preschool program.

10 (C) For States with existing publicly fund-  
11 ed State preschool programs (as of the date of  
12 submission of the State plan), a description of  
13 how the State plans to use funding provided  
14 under this section to ensure that such existing  
15 programs in the State meet the requirements of  
16 this section for a State preschool program.

17 (D) A description of how the State, in es-  
18 tablishing and operating the State preschool  
19 program supported under this section, will—

20 (i) support a mixed-delivery system  
21 for any new slots funded under this sec-  
22 tion, including by facilitating the participa-  
23 tion of Head Start programs and programs  
24 offered by licensed child care providers;



1           (ii) ensure the State preschool pro-  
2           gram does not disrupt the stability of in-  
3           fant and toddler child care throughout the  
4           State;

5           (iii) ensure adequate consultation with  
6           the State Advisory Council on Early Child-  
7           hood Education and Care designated or es-  
8           tablished in section 642B(b)(1)(A)(i) of  
9           the Head Start Act (42 U.S.C.  
10          9837b(b)(1)(A)(i)) in the development of  
11          its plan, including consultation in how the  
12          State intends to distribute slots under  
13          clause (v);

14          (iv) partner with Head Start agencies  
15          to ensure the full utilization of Head Start  
16          programs within the State; and

17          (v) distribute new preschool slots equi-  
18          tably among child care (including family  
19          child care) providers, Head Start agencies,  
20          and schools within the State.

21          (E) A certification that the State, in oper-  
22          ating the program described in this section for  
23          a fiscal year—

24                 (i) will not reduce the total preschool  
25                 slots provided in State-funded preschool

1 programs from the number of such slots in  
2 the previous fiscal year; or

3 (ii) if the number of eligible children  
4 identified in the State declines from the  
5 previous fiscal year, will maintain at least  
6 the previous year's ratio of the total pre-  
7 school slots described in clause (i) to eligi-  
8 ble children so identified.

9 (F) An assurance that the State will use  
10 funding provided under this section to ensure  
11 children with disabilities have access to and  
12 participate in inclusive preschool programs con-  
13 sistent with provisions in the Individuals with  
14 Disabilities Education Act, and a description of  
15 how the State will collaborate with entities car-  
16 rying out programs under section 619 or part  
17 C of the Individuals with Disabilities Education  
18 Act, to support inclusive preschool programs.

19 (G) A certification that the State will sup-  
20 port the continuous quality improvement of pro-  
21 grams providing preschool services under this  
22 section, including support through technical as-  
23 sistance, monitoring, and research.

24 (H) A certification that the State will en-  
25 sure a highly qualified early childhood work-

1 force to support the requirements of this sec-  
2 tion.

3 (I) An assurance that the State will meet  
4 the requirements of clauses (ii) and (iii) of sec-  
5 tion 658E(c)(2)(T) of the Child Care and De-  
6 velopment Block Grant Act of 1990 (42 U.S.C.  
7 9858c(c)(2)(T)), with respect to funding and  
8 assessments under this section.

9 (J) A certification that subgrant and con-  
10 tract amounts provided as described in sub-  
11 section (d) will be sufficient to enable eligible  
12 providers to meet the requirements of this sec-  
13 tion, and will provide for increased payment  
14 amounts based on the criteria described in sub-  
15 clauses (III) and (IV) of subparagraph (B)(ii).

16 (K) An agreement to provide to the Sec-  
17 retary such periodic reports, providing a de-  
18 tailed accounting of the uses of funding re-  
19 ceived under this section, as the Secretary may  
20 require for the administration of this section.

21 (6) DURATION OF THE PLAN.—Each State plan  
22 shall remain in effect for a period of not more than  
23 3 years. Amendments to the State plan shall remain  
24 in effect for the duration of the plan.

25 (7) TRANSITIONAL STATE PLAN.—

1           (A) IN GENERAL.—The Secretary shall de-  
2           velop parameters for, and allow a State to sub-  
3           mit for purposes of this subsection for a period  
4           of not more than 3 years, a transitional State  
5           plan, at such time, in such manner and con-  
6           taining such information as the Secretary shall  
7           require.

8           (B) CONTENTS.—The transitional plan  
9           shall—

10           (i) demonstrate that the State will  
11           meet the requirements of such plan as de-  
12           termined by the Secretary; and

13           (ii) include, at a minimum—

14           (I) an assurance that the State  
15           will submit a State plan under para-  
16           graph (5);

17           (II) a description of how the  
18           funds received by the State under this  
19           section will be spent to expand access  
20           to universal, high-quality, free, inclu-  
21           sive, and mixed-delivery preschool in  
22           alignment with the requirements of  
23           this section; and

1 (III) such data as the Secretary  
2 may require on the provision of pre-  
3 school services in the State.

4 (d) SUBGRANTS AND CONTRACTS FOR LOCAL PRE-  
5 SCHOOL PROGRAMS.—

6 (1) SUBGRANTS AND CONTRACTS.—

7 (A) IN GENERAL.—A State that receives a  
8 payment under subsection (c)(2) for a fiscal  
9 year shall use amounts provided through the  
10 payment to pay the costs of subgrants to, or  
11 contracts with, eligible providers to operate uni-  
12 versal, high-quality, free, and inclusive pre-  
13 school programs (which State-funded programs  
14 may be referred to in this section as “local pre-  
15 school programs”) through the State preschool  
16 program in accordance with paragraph (3). A  
17 State shall reduce or increase the amounts pro-  
18 vided under such subgrants or contracts if  
19 needed to adjust for any overpayment or under-  
20 payment described in subsection (c)(2)(B)(iv).

21 (B) AMOUNT.—A State shall award a  
22 subgrant or contract under this subsection in a  
23 sufficient amount to enable the eligible provider  
24 to operate a local preschool program that meets  
25 the requirements of subsection (c)(5)(B), which

1 amount shall reflect variations in the cost of  
2 preschool services by geographic area, type of  
3 provider, and age of child, and the additional  
4 costs associated with providing inclusive pre-  
5 school services for children with disabilities.

6 (C) DURATION.—The State shall award a  
7 subgrant or contract under this subsection for  
8 a period of not less than 3 years, unless the  
9 subgrant or contract is terminated or sus-  
10 pended, or the subgrant period is reduced, for  
11 cause.

12 (2) ENHANCED PAYMENTS FOR COMPREHEN-  
13 SIVE SERVICES.—In awarding subgrants or con-  
14 tracts under this subsection and in addition to meet-  
15 ing the requirements of paragraph (1)(B), the State  
16 shall award subgrants or contracts with enhanced  
17 payments to eligible providers that offer local pre-  
18 school programs funded under this subsection to a  
19 high percentage of low-income children to support  
20 comprehensive services.

21 (3) ESTABLISHING AND EXPANDING UNIVERSAL  
22 PRESCHOOL PROGRAMS.—

23 (A) ESTABLISHING AND EXPANDING UNI-  
24 VERSAL PRESCHOOL PROGRAMS IN HIGH-NEED  
25 COMMUNITIES.—In awarding subgrants or con-

1           tracts under this subsection, the State shall  
2           first prioritize establishing and expanding uni-  
3           versal local preschool programs within and  
4           across high-need communities by awarding sub-  
5           grants or contracts to eligible providers oper-  
6           ating within and across, or with capacity to op-  
7           erate within and across, such high-need commu-  
8           nities. The State shall—

9                   (i) use a research-based methodology  
10                   approved by the Secretary to identify such  
11                   high-need communities, as determined  
12                   by—

13                           (I) the rate of poverty in the  
14                           community;

15                           (II) rates of access to high-qual-  
16                           ity preschool within the community;  
17                           and

18                           (III) other indicators of commu-  
19                           nity need as required by the Sec-  
20                           retary; and

21                   (ii) distribute funding for preschool  
22                   services under this section within such a  
23                   high-need community so that a majority of  
24                   children in the community are offered such  
25                   preschool services before the State estab-

1           lishes and expands preschool services in  
2           communities with lower levels of need.

3           (B) USE OF FUNDS.—Subgrants or con-  
4           tracts awarded under subparagraph (A) shall be  
5           used to enroll and serve children in such a local  
6           preschool program involved, including by paying  
7           the costs—

8                   (i) of personnel (including classroom  
9                   and administrative personnel), including  
10                  compensation and benefits;

11                  (ii) associated with implementing the  
12                  State’s preschool standards, providing cur-  
13                  riculum supports, and meeting early learn-  
14                  ing and development standards;

15                  (iii) of professional development,  
16                  teacher supports, and training;

17                  (iv) of implementing and meeting de-  
18                  velopmentally appropriate health and safe-  
19                  ty standards (including licensure, where  
20                  applicable), teacher to child ratios, and  
21                  group size maximums;

22                  (v) of materials, equipment, and sup-  
23                  plies; and



1 (vi) of rent or a mortgage, utilities,  
2 building security, indoor and outdoor  
3 maintenance, and insurance.

4 (4) ESTABLISHING AND EXPANDING UNIVERSAL  
5 PRESCHOOL PROGRAMS IN ADDITIONAL COMMU-  
6 NITIES.—Once a State that receives a payment  
7 under subsection (c)(2) meets the requirements of  
8 paragraph (3) with respect to establishing and ex-  
9 panding local preschool programs within and across  
10 high-need communities, the State shall use funds  
11 from such payment to enroll and serve children in  
12 local preschool programs, as described in such para-  
13 graph, in additional communities in accordance with  
14 the metrics described in paragraph (3)(A)(i). Such  
15 funds shall be used for the activities described in  
16 clauses (i) through (vi) of paragraph (3)(B).

17 (e) PAYMENTS FOR UNIVERSAL PRESCHOOL SERV-  
18 ICES INDIAN TRIBES AND TERRITORIES.—

19 (1) INDIAN TRIBES AND TRIBAL ORGANIZA-  
20 TIONS.—

21 (A) IN GENERAL.—For each of fiscal years  
22 2022 through 2027, from the amount appro-  
23 priated for Indian Tribes and Tribal organiza-  
24 tions under subsection (b)(2)(A), the Secretary  
25 shall make payments to Indian Tribes and

1 Tribal organizations with an application ap-  
2 proved under subparagraph (B), and the Tribes  
3 and Tribal organizations shall be entitled to  
4 such payments for the purpose of carrying out  
5 the preschool program described in this section,  
6 consistent, to the extent practicable as deter-  
7 mined by the Secretary, with the requirements  
8 applicable to States.

9 (B) APPLICATIONS.—An Indian Tribe or  
10 Tribal organization seeking a payment under  
11 this paragraph shall submit an application to  
12 the Secretary at such time, in such manner,  
13 and containing such information as the Sec-  
14 retary may specify.

15 (2) TERRITORIES.—

16 (A) IN GENERAL.—For each of fiscal years  
17 2022 through 2027, from the amount appro-  
18 priated for territories under subsection  
19 (b)(2)(B), the Secretary shall make payments  
20 to the territories with an application approved  
21 under subparagraph (B), and the territories  
22 shall be entitled to such payments, for the pur-  
23 pose of carrying out the preschool program de-  
24 scribed in this section, consistent, to the extent

1           practicable as determined by the Secretary,  
2           with the requirements applicable to States.

3           (B) APPLICATIONS.—A territory seeking a  
4           payment under this paragraph shall submit an  
5           application to the Secretary at such time, in  
6           such manner, and containing such information  
7           as the Secretary may specify.

8           (3) LEAD AGENCY.—The head of an Indian  
9           tribe or territory desiring for the Indian tribe or a  
10          related tribal organization, or territory, to receive a  
11          payment under this subsection shall designate a lead  
12          agency (such as a tribal or territorial agency or joint  
13          interagency office) for the administration of the pre-  
14          school program of the Indian tribe or territory,  
15          under this section.

16          (f) GRANTS TO LOCALITIES AND HEAD START EX-  
17          PANSION IN NONPARTICIPATING STATES.—

18           (1) ELIGIBLE LOCALITY DEFINED.—In this  
19           subsection, the term “eligible locality” means a city,  
20           county, or other unit of general local government, a  
21           local educational agency, or a Head Start agency.

22           (2) GRANTS TO LOCALITIES.—

23           (A) IN GENERAL.—The Secretary, in con-  
24           sultation with the Secretary of Education, shall  
25           use funds reserved in subsection (b)(2)(F) to

1           award local universal preschool grants, in ac-  
2           cordance with rules established by the Secretary  
3           of Health and Human Services, to eligible local-  
4           ities located in States that have not received  
5           payments under subsection (c)(2)(A). The Sec-  
6           retary shall award the grants to eligible local-  
7           ities in a State from the allotment made for  
8           that State under subparagraph (B). The Sec-  
9           retary shall specify the requirements for an eli-  
10          gible locality to conduct a preschool program  
11          under this subsection which shall, to the great-  
12          est extent practicable, be consistent with the re-  
13          quirements applicable to States under this sec-  
14          tion, for a universal, high-quality, free, and in-  
15          clusive preschool program.

16                 (B) ALLOTMENTS.—For each State de-  
17          scribed in subparagraph (A), the Secretary shall  
18          allot for the State for a fiscal year an amount  
19          that bears the same relationship to the funds  
20          appropriated under subsection (b)(2)(F) for the  
21          fiscal year as the number of children from fami-  
22          lies with family incomes at or below 200 per-  
23          cent of the poverty line, and who are under the  
24          age of 6, in the State bears to the total number

1 of all such children in all States described in  
2 subparagraph (A).

3 (C) APPLICATION.—To receive a grant  
4 from the corresponding State allotment under  
5 this subsection, an eligible locality shall submit  
6 an application to the Secretary at such time, in  
7 such manner, and containing such information  
8 as the Secretary may require. The requirements  
9 for the application shall, to the greatest extent  
10 practicable, be consistent with the State plan  
11 requirements applicable to States under this  
12 section.

13 (D) RECOUPMENT OF UNUSED FUNDS.—  
14 Notwithstanding any other provision of this sec-  
15 tion, for each of fiscal years 2023 through  
16 2027, the Secretary shall have the authority to  
17 recoup any unused funds allotted under sub-  
18 paragraph (B) for awards under paragraph  
19 (3)(A) to Head Start agencies in accordance  
20 with paragraph (3).

21 (3) HEAD START EXPANSION IN NONPARTICI-  
22 PATING STATES.—

23 (A) IN GENERAL.—The Secretary shall use  
24 funds appropriated under subsection (b)(2)(G)  
25 or recouped under paragraph (2) to make

1           awards to Head Start agencies in a State de-  
2           scribed in paragraph (2)(A) to carry out the  
3           purposes of the Head Start Act in such State.

4           (B) RULE.—For purposes of carrying out  
5           the Head Start Act in circumstances not involv-  
6           ing awards under this paragraph, funds award-  
7           ed under subparagraph (A) shall not be in-  
8           cluded in the calculation of a “base grant” as  
9           such term is defined in section 640(a)(7)(A) of  
10          the Head Start Act (42 U.S.C. 9835(a)(7)(A)).

11          (C) DEFINITION.—In this paragraph, the  
12          term “Head Start agency” means an entity des-  
13          ignated or eligible to be designated as a Head  
14          Start agency under section 641(a)(1) of the  
15          Head Start Act or as an Early Head Start  
16          agency (by receiving a grant) under section  
17          645A(a) of such Act.

18          (4) PRIORITY FOR SERVING UNDERSERVED  
19          COMMUNITIES.—In making determinations to award  
20          a grant or make an award under this subsection, the  
21          Secretary shall give priority to entities serving com-  
22          munities with a high percentage of children from  
23          families with family incomes at or below 200 percent  
24          of the poverty line.

1 (g) ALLOWABLE SOURCES OF NON-FEDERAL  
2 SHARE.—For purposes of calculating the amount of the  
3 non-Federal share, as determined under subsection  
4 (c)(2)(B)(iii), relating to a payment under subsection  
5 (c)(2)(B), a State’s non-Federal share—

6 (1) may be in cash or in kind, fairly evaluated,  
7 including facilities or property, equipment, or serv-  
8 ices;

9 (2) shall include any increase in amounts spent  
10 by the State to expand half-day kindergarten pro-  
11 grams in the State, as of the day before the date of  
12 enactment of this Act, into full-day kindergarten  
13 programs;

14 (3) shall not include contributions being used as  
15 a non-Federal share or match for another Federal  
16 award;

17 (4) shall be provided from State or local  
18 sources, contributions from philanthropy or other  
19 private organizations, or a combination of such  
20 sources and contributions; and

21 (5) shall count not more than 100 percent of  
22 the State’s current spending on prekindergarten pro-  
23 grams, calculated as the average amount of such  
24 spending by the State for fiscal years 2019, 2020,  
25 and 2021, toward the State’s non-Federal share.

1 (h) MAINTENANCE OF EFFORT.—

2 (1) IN GENERAL.—If a State reduces its com-  
3 bined fiscal effort per child for the State preschool  
4 program (whether a publicly funded preschool pro-  
5 gram or a program under this section) or through  
6 State supplemental assistance funds for Head Start  
7 programs assisted under the Head Start Act, or  
8 through any State spending on preschool services for  
9 any fiscal year that a State receives payments under  
10 subsection (c)(2) (referred to in this paragraph as  
11 the “reduction fiscal year”) relative to the previous  
12 fiscal year, the Secretary, in collaboration with the  
13 Secretary of Education, shall reduce support for  
14 such State under such subsection by the same  
15 amount as the total reduction in that State fiscal ef-  
16 fort for such reduction fiscal year.

17 (2) WAIVER.—The Secretary, in collaboration  
18 with the Secretary of Education, may waive the re-  
19 quirements of paragraph (1) if—

20 (A) the Secretaries determine that a waiv-  
21 er would be appropriate due to a precipitous de-  
22 cline in the financial resources of a State as a  
23 result of unforeseen economic hardship, or a  
24 natural disaster, that has necessitated across-  
25 the-board reductions in State services during



1 the 5-year period preceding the date of the de-  
2 termination, including for early childhood edu-  
3 cation programs; or

4 (B) due to the circumstance of a State re-  
5 quiring reductions in specific programs, includ-  
6 ing early childhood education programs, the  
7 State presents to the Secretaries a justification  
8 and demonstration why other programs could  
9 not be reduced and how early childhood edu-  
10 cation programs in the State will not be dis-  
11 proportionately harmed by such State reduc-  
12 tions.

13 (i) SUPPLEMENT NOT SUPPLANT.—Funds received  
14 under this section shall be used to supplement and not  
15 supplant other Federal, State, and local public funds ex-  
16 pended on prekindergarten programs in the State on the  
17 date of enactment of this Act, calculated as the average  
18 amount of such Federal, State, and local public funds ex-  
19 pended for fiscal years 2019, 2020, and 2021.

20 (j) NONDISCRIMINATION PROVISIONS.—The fol-  
21 lowing provisions of law shall apply to any program or ac-  
22 tivity that receives funds provided under this section:

23 (1) Title IX of the Education Amendments of  
24 1972.

25 (2) Title VI of the Civil Rights Act of 1964.

1           (3) Section 504 of the Rehabilitation Act of  
2           1973.

3           (4) The Americans with Disabilities Act of  
4           1990.

5           (5) Section 654 of the Head Start Act.

6           (k) MONITORING AND ENFORCEMENT.—

7           (1) REVIEW OF COMPLIANCE WITH REQUIRE-  
8           MENTS AND STATE PLAN.—The Secretary shall re-  
9           view and monitor compliance of States, territories,  
10          Tribal entities, and local entities with this section  
11          and State compliance with the State plan described  
12          in subsection (c)(5).

13          (2) ISSUANCE OF RULE.—The Secretary shall  
14          establish by rule procedures for—

15                (A) receiving, processing, and determining  
16                the validity of complaints or findings concerning  
17                any failure of a State to comply with the State  
18                plan or any other requirement of this section;

19                (B) notifying a State when the Secretary  
20                has determined there has been a failure by the  
21                State to comply with a requirement of this sec-  
22                tion; and

23                (C) imposing sanctions under this sub-  
24                section for such a failure.

1       **Subtitle E—Child Nutrition and**  
2                   **Related Programs**

3       **SEC. 24001. EXPANDING COMMUNITY ELIGIBILITY.**

4           (a) **MULTIPLIER AND THRESHOLD ADJUSTED.—**

5               (1) **MULTIPLIER.—**Clause (vii) of section  
6           11(a)(1)(F) of the Richard B. Russell National  
7           School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is  
8           amended to read as follows:

9                               “(vii) **MULTIPLIER.—**

10                                       “(I) **IMPLEMENTATION IN 2022—**  
11                                       2027.—For each school year beginning  
12                                       on or after July 1, 2022, and ending  
13                                       before July 1, 2027, the Secretary  
14                                       shall use a multiplier of 2.5.

15                                       “(II) **IMPLEMENTATION AFTER**  
16                                       2027.—For each school year beginning  
17                                       on or after July 1, 2027, the Sec-  
18                                       retary shall use a multiplier of 1.6.”.

19               (2) **THRESHOLD.—**Clause (viii) of section  
20           11(a)(1)(F) of the Richard B. Russell National  
21           School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is  
22           amended to read as follows:

23                               “(viii) **THRESHOLD.—**

24                                       “(I) **IMPLEMENTATION IN 2022—**  
25                                       2027.—For each school year beginning

1 on or after July 1, 2022, and ending  
2 before July 1, 2027, the threshold  
3 shall be not more than 25 percent.

4 “(II) IMPLEMENTATION AFTER  
5 2027.—For each school year beginning  
6 on or after July 1, 2027, the thresh-  
7 old shall be not more than 40 per-  
8 cent.”.

9 (b) STATEWIDE COMMUNITY ELIGIBILITY.—Section  
10 11(a)(1)(F) of the Richard B. Russell National School  
11 Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended by  
12 adding at the end the following:

13 “(xiv) STATEWIDE COMMUNITY ELIGI-  
14 BILITY.—For each school year beginning  
15 on or after July 1, 2022, and ending be-  
16 fore July 1, 2027, the Secretary shall es-  
17 tablish a statewide community eligibility  
18 program under which, in the case of a  
19 State agency that agrees to provide fund-  
20 ing from sources other than Federal funds  
21 to ensure that local educational agencies in  
22 the State receive the free reimbursement  
23 rate for 100 percent of the meals served at  
24 applicable schools—

1 “(I) the multiplier described in  
2 clause (vii) shall apply;

3 “(II) notwithstanding clause  
4 (viii), the threshold shall be zero; and

5 “(III) the percentage of enrolled  
6 students who were identified students  
7 shall be calculated across all applica-  
8 ble schools in the State regardless of  
9 local educational agency.”.

10 **SEC. 24002. SUMMER ELECTRONIC BENEFITS TRANSFER**  
11 **FOR CHILDREN PROGRAM.**

12 The Richard B. Russell National School Lunch Act  
13 is amended by inserting after section 13 (42 U.S.C. 1761)  
14 the following:

15 **“SEC. 13A. SUMMER ELECTRONIC BENEFITS TRANSFER**  
16 **FOR CHILDREN PROGRAM.**

17 “(a) PROGRAM ESTABLISHED.—The Secretary shall  
18 establish a program under which States and covered In-  
19 dian Tribal organizations participating in such program  
20 shall, for summer 2023 and summer 2024 issue to eligible  
21 households summer EBT benefits—

22 “(1) in accordance with this section; and

23 “(2) for the purpose of providing nutrition as-  
24 sistance through electronic benefits transfer during  
25 the summer months for eligible children, to ensure

1 continued access to food when school is not in ses-  
2 sion for the summer.

3 “(b) SUMMER EBT BENEFITS REQUIREMENTS.—

4 “(1) PURCHASE OPTIONS.—

5 “(A) BENEFITS ISSUED BY STATES.—

6 “(i) WIC PARTICIPATION STATES.—In  
7 the case of a State that participated in a  
8 demonstration program under section  
9 749(g) of the Agriculture, Rural Develop-  
10 ment, Food and Drug Administration, and  
11 Related Agencies Appropriations Act, 2010  
12 (Public Law 111–80; 123 Stat. 2132) dur-  
13 ing calendar year 2018 using a WIC  
14 model, summer EBT benefits issued pur-  
15 suant to subsection (a) by such a State  
16 may only be used by the eligible household  
17 that receives such summer EBT benefits to  
18 purchase—

19 “(I) supplemental foods from re-  
20 tailers that have been approved for  
21 participation in—

22 “(aa) the special supple-  
23 mental nutrition program for  
24 women, infants, and children  
25 under section 17 of the Child

1 Nutrition Act of 1966 (42 U.S.C.  
2 1786); or

3 “(bb) the program under  
4 this section; or

5 “(II) food (as defined in section  
6 3(k) of the Food and Nutrition Act of  
7 2008 (7 U.S.C. 2012(k))) from retail  
8 food stores that have been approved  
9 for participation in the supplemental  
10 nutrition assistance program estab-  
11 lished under such Act, in accordance  
12 with section 9 of such Act (7 U.S.C.  
13 2018).

14 “(ii) OTHER STATES.—Summer EBT  
15 benefits issued pursuant to subsection (a)  
16 by a State not described in clause (i) may  
17 only be used by the eligible household that  
18 receives such summer EBT benefits to  
19 purchase food (as defined in section 3(k)  
20 of the Food and Nutrition Act of 2008 (7  
21 U.S.C. 2012(k))) from retail food stores  
22 that have been approved for participation  
23 in the supplemental nutrition assistance  
24 program established under such Act, in ac-  
25 cordance with section 9(b) of such Act (7

1 U.S.C. 2018) or retail food stores that  
2 have been approved for participation in a  
3 Department of Agriculture grant funded  
4 nutrition assistance program in the Com-  
5 monwealth of the Northern Mariana Is-  
6 lands, Puerto Rico, or American Samoa.

7 “(B) BENEFITS ISSUED BY COVERED IN-  
8 DIAN TRIBAL ORGANIZATIONS.—Summer EBT  
9 benefits issued pursuant to subsection (a) by a  
10 covered Indian Tribal organization may only be  
11 used by the eligible household that receives such  
12 summer EBT benefits to purchase supple-  
13 mental foods from retailers that have been ap-  
14 proved for participation in—

15 “(i) the special supplemental nutrition  
16 program for women, infants, and children  
17 under section 17 of the Child Nutrition  
18 Act of 1966 (42 U.S.C. 1786); or

19 “(ii) the program under this section.

20 “(2) AMOUNT.—Summer EBT benefits issued  
21 pursuant to subsection (a)—

22 “(A) shall be—

23 “(i) for calendar year 2023, in an  
24 amount equal to \$65 for each child in the



1 eligible household per month during the  
2 summer; and

3 “(ii) for calendar year 2024, in an  
4 amount equal to the amount described in  
5 clause (i), adjusted to the nearest lower  
6 dollar increment to reflect changes to the  
7 cost of the thrifty food plan (as defined in  
8 section 3(u) of the Food and Nutrition Act  
9 of 2008 (7 U.S.C. 2012(u)) for the 12-  
10 month period ending on November 30 of  
11 the preceding calendar year; and

12 “(B) may be issued—

13 “(i) in the form of an EBT card; or

14 “(ii) through electronic delivery.

15 “(c) ENROLLMENT IN PROGRAM.—

16 “(1) STATE REQUIREMENTS.—States partici-  
17 pating in the program under this section shall—

18 “(A) with respect to a summer, automati-  
19 cally enroll eligible children in the program  
20 under this section without further application;  
21 and

22 “(B) require local educational agencies to  
23 allow eligible households to opt out of participa-  
24 tion in the program under this section and es-

1           tablish procedures for opting out of such par-  
2           ticipation.

3           “(2) COVERED INDIAN TRIBAL ORGANIZATION  
4           REQUIREMENTS.—Covered Indian Tribal organiza-  
5           tions participating in the program under this section  
6           shall, to the maximum extent practicable, meet the  
7           requirements under subparagraphs (A) through (C)  
8           of paragraph (1).

9           “(d) IMPLEMENTATION GRANTS.—On and after Jan-  
10          uary 1, 2022, the Secretary shall carry out a program to  
11          make grants to States and covered Indian Tribal organiza-  
12          tions to build capacity for implementing the program  
13          under this section.

14          “(e) ALTERNATE PLANS IN THE CASE OF CONTIN-  
15          UOUS SCHOOL CALENDAR.—The Secretary shall establish  
16          an alternative method for determining the schedule and  
17          number of days during which summer EBT benefits may  
18          be issued pursuant to subsection (a) in the case of children  
19          who are under a continuous school calendar.

20          “(f) FUNDING.—

21                 “(1) PROGRAM FUNDING.—In addition to  
22                 amounts otherwise available, there is appropriated  
23                 for each of fiscal years 2022 through 2024, out of  
24                 any money in the Treasury not otherwise appro-  
25                 priated, such sums, to remain available for the 2-

1 year period following the date such amounts are  
2 made available, as may be necessary to carry out  
3 this section, including for administrative expenses  
4 incurred by the Secretary, States, covered Indian  
5 Tribal organizations, and local educational agencies.

6 “(2) IMPLEMENTATION GRANT FUNDING.—In  
7 addition to amounts otherwise available, including  
8 under paragraph (1), there is appropriated for fiscal  
9 year 2022, out of any money in the Treasury not  
10 otherwise appropriated, \$50,000,000, to remain  
11 available until expended, to carry out subsection (d).

12 “(g) SUNSET.—The authority under this section shall  
13 terminate on September 30, 2024.

14 “(h) DEFINITIONS.—In this section:

15 “(1) COVERED INDIAN TRIBAL ORGANIZA-  
16 TION.—The term ‘covered Indian Tribal organiza-  
17 tion’ means an Indian Tribal organization that par-  
18 ticipates in the special supplemental nutrition pro-  
19 gram for women, infants, and children under section  
20 17 of the Child Nutrition Act of 1966 (42 U.S.C.  
21 1786).

22 “(2) ELIGIBLE CHILD.—The term ‘eligible  
23 child’ means, with respect to a summer, a child who  
24 was, during the school year immediately preceding  
25 such summer—

1           “(A) certified to receive free or reduced  
2 price lunch under the school lunch program  
3 under this Act;

4           “(B) certified to receive free or reduced  
5 price breakfast under the school breakfast pro-  
6 gram under section 4 of the Child Nutrition Act  
7 of 1966 (42 U.S.C. 1773); or

8           “(C) enrolled in a school described in sub-  
9 paragraph (B), (C), (D), (E), or (F) of section  
10 11(a)(1).

11           “(3) ELIGIBLE HOUSEHOLD.—The term ‘eligi-  
12 ble household’ means a household that includes at  
13 least 1 eligible child.”.

14 **SEC. 24003. HEALTHY FOOD INCENTIVES DEMONSTRATION.**

15           (a) APPROPRIATION.—In addition to amounts other-  
16 wise available, there is appropriated to the Secretary of  
17 Agriculture for fiscal year 2022, out of any money in the  
18 Treasury not otherwise appropriated, \$250,000,000, to re-  
19 main available until expended, to provide—

20           (1) technical assistance and evaluation with re-  
21 spect to the activities described in subparagraphs  
22 (A) through (D) of paragraph (2); and

23           (2) grants and monetary incentives to carry out  
24 1 or more of the following:

1 (A) Improving the nutritional quality of  
2 meals and snacks served under a child nutrition  
3 program.

4 (B) Enhancing the nutrition and wellness  
5 environment of institutions participating in a  
6 child nutrition program, including by reducing  
7 the availability of less healthy foods during the  
8 school day.

9 (C) Increasing the procurement of fresh,  
10 local, regional, and culturally appropriate foods  
11 and foods produced by underserved or limited  
12 resource farmers, as defined by the Secretary of  
13 Agriculture, to be served as part of a child nu-  
14 trition program.

15 (D) Funding a statewide nutrition edu-  
16 cation coordinator—

17 (i) to support individual school food  
18 authority nutrition education efforts; and

19 (ii) to facilitate collaboration with  
20 other nutrition education efforts in the  
21 State.

22 (b) STATE DEFINED.—In this section, the term  
23 “State” has the meaning given the term in section 12(d)  
24 of the Richard B. Russell National School Lunch Act (42  
25 U.S.C. 1760(d)).

1 **SEC. 24004. SCHOOL KITCHEN EQUIPMENT GRANTS.**

2 In addition to amounts otherwise available, there is  
3 appropriated to the Secretary of Agriculture for fiscal year  
4 2022, out of any money in the Treasury not otherwise ap-  
5 propriated, \$30,000,000, to remain available until ex-  
6 pended through fiscal year 2030, for training and tech-  
7 nical assistance to support scratch cooking and to award  
8 grants to States (as defined in section 12(d) of the Rich-  
9 ard B. Russell National School Lunch Act (42 U.S.C.  
10 1760(d))) to make competitive subgrants to local edu-  
11 cational agencies and schools to purchase equipment with  
12 a value of greater than \$1,000 that, with respect to the  
13 school lunch program established under the Richard B.  
14 Russell National School Lunch Act (42 U.S.C. 1751–  
15 1769j) and the school breakfast program established  
16 under section 4 of the Child Nutrition Act of 1966 (42  
17 U.S.C. 1773), is necessary to serve healthier meals, im-  
18 prove food safety, and increase scratch cooking.

19 **Subtitle F—Human Services and**  
20 **Community Supports**

21 **SEC. 25001. ASSISTIVE TECHNOLOGY.**

22 In addition to amounts otherwise available, there is  
23 appropriated for fiscal year 2022, out of any money in  
24 the Treasury not otherwise appropriated, \$10,000,000, to  
25 remain available until expended, for necessary expenses to

1 carry out the Assistive Technology Act of 1998 (29 U.S.C.  
2 3003(a)).

3 **SEC. 25002. FAMILY VIOLENCE PREVENTION AND SERVICES**  
4 **FUNDING.**

5 In addition to amounts otherwise available, there is  
6 appropriated to the Secretary of Health and Human Serv-  
7 ices, for fiscal year 2022, out of any money in the Treas-  
8 ury not otherwise appropriated, \$30,000,000, to remain  
9 available until expended, for necessary administrative ex-  
10 penses to carry out subsections (c) and (d) of section 2204  
11 of the American Rescue Plan Act of 2021 (Public Law  
12 117-2).

13 **SEC. 25003. PREGNANCY ASSISTANCE FUND.**

14 Section 10214 of the Patient Protection and Afford-  
15 able Care Act (42 U.S.C. 18204) is amended by adding  
16 at the end the following new sentence:

17 “In addition, there is appropriated for fiscal year 2022,  
18 out of any money in the Treasury not otherwise appro-  
19 priated—

20 “(1) \$25,000,000, to remain available until ex-  
21 pended, to carry out this part in fiscal year 2022;

22 “(2) \$25,000,000, to remain available until ex-  
23 pended, to carry out this part in fiscal year 2023;

24 and

1           “(3) \$25,000,000, to remain available until ex-  
2           pended, to carry out this part in fiscal year 2024.”.

3 **SEC. 25004. FUNDING FOR THE AGING NETWORK AND IN-**  
4 **FRASTRUCTURE.**

5           (a) APPROPRIATION.—In addition to amounts other-  
6 wise available, there are appropriated for fiscal year 2022,  
7 out of any money in the Treasury not otherwise appro-  
8 priated, to the Department of Health and Human Serv-  
9 ices—

10           (1) \$75,000,000 for the Research, Demonstra-  
11 tion, and Evaluation Center for the Aging Network  
12 for necessary expenses to carry out the activities of  
13 the Center under section 201(g) of the Older Ameri-  
14 cans Act of 1965 (OAA);

15           (2) \$655,000,000 for necessary expenses to  
16 carry out part B of title III of the OAA, including  
17 for—

18           (A) supportive services of the type made  
19 available for fiscal year 2021 and authorized  
20 under such part;

21           (B) investing in the aging services network  
22 for the purposes of improving the availability of  
23 supportive services, including investing in the  
24 aging services network workforce;



1 (C) the acquisition, alteration, or renova-  
2 tion of facilities, including multipurpose senior  
3 centers and mobile units; and

4 (D) construction or modernization of facili-  
5 ties to serve as multipurpose senior centers;

6 (3) \$140,000,000 for necessary expenses to  
7 carry out part C of title III of the OAA, including  
8 to support the modernization of infrastructure and  
9 technology, including kitchen equipment and delivery  
10 vehicles, to support the provision of congregate nu-  
11 trition services and home delivered nutrition services  
12 under such part;

13 (4) \$150,000,000 for necessary expenses to  
14 carry out part E of title III of the OAA, including  
15 section 373(e) of such part;

16 (5) \$50,000,000 for necessary expenses to carry  
17 out title VI of the OAA, including part C of such  
18 title;

19 (6) \$50,000,000 for necessary expenses to carry  
20 out the long-term care ombudsman program under  
21 title VII of the OAA;

22 (7) \$59,000,000 for necessary expenses for  
23 technical assistance centers or national resource cen-  
24 ters supported under the OAA, including all such  
25 centers that received funding under title IV of the

1 OAA for fiscal year 2021, in order to support tech-  
2 nical assistance and resource development related to  
3 culturally appropriate care management and services  
4 for older individuals with the greatest social need,  
5 including racial and ethnic minority individuals;

6 (8) \$15,000,000 for necessary expenses for  
7 technical assistance centers or national resource cen-  
8 ters supported under the OAA that are focused on  
9 providing services for older individuals who are un-  
10 derserved due to their sexual orientation or gender  
11 identity;

12 (9) \$1,000,000 for necessary expenses for ef-  
13 forts of national training and technical assistance  
14 centers supported under the OAA to—

15 (A) support expanding the reach of the  
16 aging services network to more effectively assist  
17 older individuals in remaining socially engaged  
18 and active;

19 (B) provide additional support in technical  
20 assistance and training to the aging services  
21 network to address the social isolation of older  
22 individuals;

23 (C) promote best practices and identify in-  
24 novation in the field; and

1 (D) continue to support a repository for  
2 innovations designed to increase the ability of  
3 the aging services network to tailor social en-  
4 gagement activities to meet the needs of older  
5 individuals; and

6 (10) \$5,000,000 for necessary expenses to carry  
7 out section 417 of the OAA.

8 Amounts appropriated by this subsection shall remain  
9 available until expended.

10 (b) NONAPPLICABILITY OF CERTAIN REQUIRE-  
11 MENTS.—The non-Federal contribution requirements  
12 under sections 304(d)(1)(D) and 431(a) of the Older  
13 Americans Act of 1965, and section 373(h)(2) of such Act,  
14 shall not apply to—

15 (1) any amounts made available under this sec-  
16 tion; or

17 (2) any amounts made available under section  
18 2921 of the American Rescue Plan Act of 2021  
19 (Public Law 117–2).

20 **SEC. 25005. TECHNICAL ASSISTANCE CENTER FOR SUP-**  
21 **PORTING DIRECT CARE AND CAREGIVING.**

22 (a) IN GENERAL.—In addition to amounts otherwise  
23 available, there is appropriated to the Secretary of Health  
24 and Human Services, acting through the Administrator  
25 for the Administration for Community Living, for fiscal

1 year 2022, out of any money in the Treasury not otherwise  
2 appropriated, \$20,000,000, to remain available until Sep-  
3 tember 30, 2031, for necessary expenses to establish, di-  
4 rectly or through grants, contracts, or cooperative agree-  
5 ments, a national technical assistance center (referred to  
6 in this section as the “Center”) to—

7 (1) provide technical assistance for supporting  
8 direct care workforce recruitment, education and  
9 training, retention, career advancement, and for sup-  
10 porting family caregivers and caregiving activities;

11 (2) develop and disseminate a set of replicable  
12 models or evidence-based or evidence-informed strat-  
13 egies or best practices for—

14 (A) recruitment, education and training,  
15 retention, and career advancement of direct  
16 support workers;

17 (B) reducing barriers to accessing direct  
18 care services; and

19 (C) increasing access to alternatives to di-  
20 rect care services, including assistive tech-  
21 nology, that reduce reliance on such services;

22 (3) provide recommendations for education and  
23 training curricula for direct support workers; and

1           (4) provide recommendations for activities to  
2 further support paid and unpaid family caregivers,  
3 including expanding respite care.

4           (b) DIRECT SUPPORT WORKER DEFINED.—The term  
5 “direct support worker” has the meaning given such term  
6 in section 22301.

7 **SEC. 25006. FUNDING TO SUPPORT UNPAID CAREGIVERS.**

8           (a) IN GENERAL.—In addition to amounts otherwise  
9 available, there is appropriated to the Secretary of Health  
10 and Human Services (referred to in this section as the  
11 “Secretary”) for fiscal year 2022, out of any money in  
12 the Treasury not otherwise appropriated, \$40,000,000, to  
13 remain available until expended, for carrying out the pur-  
14 pose described in subsection (b).

15           (b) USE OF FUNDING.—The Secretary, acting  
16 through the Assistant Secretary for Aging, shall use  
17 amounts appropriated by subsection (a) for necessary ex-  
18 penses to make awards, pursuant to section 373(i) of the  
19 Older Americans Act of 1965 (42 U.S.C. 3030s–1(i)), to  
20 States, public agencies, private nonprofit agencies, institu-  
21 tions of higher education, and organizations, including  
22 Tribal organizations, for initiatives to address the behav-  
23 ioral health needs of family caregivers and older relative  
24 caregivers.

1 (c) SUPPLEMENT NOT SUPPLANT.—Amounts appro-  
2 priated by this section shall be used to supplement and  
3 not supplant other Federal, State, or local public funds  
4 to support unpaid caregivers.

5 **SEC. 25007. FUNDING TO SUPPORT INDIVIDUALS WITH IN-**  
6 **TELLECTUAL AND DEVELOPMENTAL DIS-**  
7 **ABILITIES.**

8 (a) IN GENERAL.—In addition to amounts otherwise  
9 available, there is appropriated to the Secretary of Health  
10 and Human Services (referred to in this section as the  
11 “Secretary”), for fiscal year 2022, out of any money in  
12 the Treasury not otherwise appropriated, \$25,000,000, to  
13 remain available until expended, for carrying out the pur-  
14 pose described in subsection (b).

15 (b) USE OF FUNDING.—The Secretary, acting  
16 through the Administrator of the Administration for Com-  
17 munity Living, shall use amounts appropriated by sub-  
18 section (a) for necessary expenses to award grants, con-  
19 tracts, or cooperative agreements to public or private non-  
20 profit entities pursuant to section 162 of the Develop-  
21 mental Disabilities Assistance and Bill of Rights Act of  
22 2000 (42 U.S.C. 15082) for initiatives to address the be-  
23 havioral health needs of individuals with intellectual and  
24 developmental disabilities.

1 (c) SUPPLEMENT NOT SUPPLANT.—Amounts appro-  
2 priated by this section shall be used to supplement and  
3 not supplant other Federal, State, or local public funds  
4 to support individuals with intellectual and developmental  
5 disabilities.

6 **SEC. 25008. OFFICE OF THE INSPECTOR GENERAL OF THE**  
7 **DEPARTMENT OF HEALTH AND HUMAN SERV-**  
8 **ICES.**

9 In addition to amounts otherwise available, there is  
10 appropriated to the Department of Health and Human  
11 Services for fiscal year 2022, out of any money in the  
12 Treasury not otherwise appropriated, \$50,000,000, to re-  
13 main available until expended, for the Office of Inspector  
14 General of the Department of Health and Human Serv-  
15 ices, for salaries and expenses necessary for oversight, in-  
16 vestigations, and audits of programs, grants, and projects  
17 funded under subtitles D and F of this title.

18 **Subtitle G—National Service and**  
19 **Workforce Development in Sup-**  
20 **port of Climate Resilience and**  
21 **Mitigation**

22 **SEC. 26001. CORPORATION FOR NATIONAL AND COMMU-**  
23 **NITY SERVICE AND THE NATIONAL SERVICE**  
24 **TRUST.**

25 (a) AMERICORPS STATE AND NATIONAL.—

1           (1) IN GENERAL.—In addition to amounts oth-  
2           erwise available, there is appropriated for fiscal year  
3           2022, out of any money in the Treasury not other-  
4           wise appropriated, to the Corporation for National  
5           and Community Service, \$3,200,000,000, to remain  
6           available until September 30, 2026, which shall be  
7           used to make funding adjustments to existing (as of  
8           the date of enactment of this Act) awards and make  
9           new awards to entities (whether or not such entities  
10          are already recipients of a grant or other agreement  
11          on the date of enactment of this Act) to support na-  
12          tional service programs described in paragraphs  
13          (1)(A), (2)(A), (3)(A), and (5)(A) of subsection (a),  
14          and subsection (b)(2), of section 122 of the National  
15          and Community Service Act of 1990 and national  
16          service programs carrying out activities described in  
17          clauses (i), (ii), (iii), (v), (vi), and (vii) of paragraph  
18          (4)(B) of subsection (a) of such section, to increase  
19          living allowances and improve benefits of partici-  
20          pants in such programs.

21           (2) REQUIREMENTS.—For the purposes of car-  
22          rying out paragraph (1)—

23                   (A) the Corporation shall waive the re-  
24                   quirements described in section 121(e)(1) of the  
25                   National and Community Service Act of 1990,



1 in whole or in part, if a recipient of a grant or  
2 other agreement for such a national service pro-  
3 gram demonstrates—

4 (i) the recipient will serve underserved  
5 or low-income communities, and a signifi-  
6 cant percentage of participants in such  
7 program are low-income individuals; and

8 (ii) without such waiver, the recipient  
9 cannot meet the requirements of this sec-  
10 tion;

11 (B) section 189(a) of such Act shall be ap-  
12 plied by substituting “125 percent of the  
13 amount of the minimum living allowance of a  
14 full-time participant per full-time equivalent po-  
15 sition” for “\$18,000 per full-time equivalent  
16 position”; and

17 (C) section 140(a)(1) of such Act shall be  
18 applied by substituting “200 percent of the pov-  
19 erty line” for “the average annual subsistence  
20 allowance provided to VISTA volunteers under  
21 section 105 of the Domestic Volunteer Service  
22 Act of 1973 (42 U.S.C. 4955)”.

23 (b) STATE COMMISSIONS.—

24 (1) IN GENERAL.—In addition to amounts oth-  
25 erwise available, there is appropriated for fiscal year

1 2022, out of any money in the Treasury not other-  
2 wise appropriated, to the Corporation for National  
3 and Community Service, \$400,000,000, to remain  
4 available until September 30, 2026, which shall be  
5 used to make funding adjustments to existing (as of  
6 the date of enactment of this Act) awards and make  
7 new awards to States to establish or operate State  
8 Commissions on National and Community Service.

9 (2) MATCH WAIVER.—For the purposes of car-  
10 rying out paragraph (1), the Corporation shall waive  
11 the matching requirement described in section  
12 126(a)(2) of the National and Community Service  
13 Act of 1990, in whole or in part, for a State Com-  
14 mission, if such State Commission demonstrates  
15 need for such waiver.

16 (c) NATIONAL CIVILIAN COMMUNITY CORPS.—In ad-  
17 dition to amounts otherwise available, there is appro-  
18 priated for fiscal year 2022, out of any money in the  
19 Treasury not otherwise appropriated, to the Corporation  
20 for National and Community Service, \$80,000,000, to re-  
21 main available until September 30, 2029, which shall be  
22 used to increase the living allowance and benefits of par-  
23 ticipants in the National Civilian Community Corps au-  
24 thorized under section 152 of the National and Commu-  
25 nity Service Act of 1990.

1 (d) AMERICORPS VISTA.—

2 (1) IN GENERAL.—In addition to amounts oth-  
3 erwise available, there is appropriated for fiscal year  
4 2022, out of any money in the Treasury not other-  
5 wise appropriated, to the Corporation for National  
6 and Community Service, \$600,000,000 to remain  
7 available until September 30, 2029, which shall be  
8 used to increase the subsistence allowances and im-  
9 prove benefits of participants in the Volunteers in  
10 Service to America program authorized under sec-  
11 tion 102 of the Domestic Volunteer Service Act of  
12 1973.

13 (2) REQUIREMENT.—For purposes of carrying  
14 out paragraph (1)—

15 (A) section 105(b)(2)(A) of the Domestic  
16 Volunteer Service Act of 1973 shall be applied  
17 by substituting “200 percent” for “95 percent”;  
18 and

19 (B) section 105(b)(2)(B) of the Domestic  
20 Volunteer Service Act of 1973 shall be applied  
21 by substituting “210 percent” for “105 per-  
22 cent”.

23 (e) NATIONAL SERVICE IN SUPPORT OF CLIMATE  
24 RESILIENCE AND MITIGATION.—

1           (1) IN GENERAL.—In addition to amounts oth-  
2           erwise available, there is appropriated for fiscal year  
3           2022, out of any money in the Treasury not other-  
4           wise appropriated, to the Corporation for National  
5           and Community Service, \$6,915,000,000, which  
6           shall be used for the purposes specified in paragraph  
7           (3).

8           (2) AVAILABILITY OF FUNDS.—Amounts appro-  
9           priated under paragraph (1) shall—

10                   (A) be available until September 30, 2026,  
11                   for national service programs described in para-  
12                   graphs (1)(A), (2)(A), (3)(A), and (5)(A) of  
13                   subsection (a), and subsection (b)(2), of section  
14                   122 of the National and Community Service  
15                   Act of 1990 and national service programs car-  
16                   rying out activities described in clauses (i), (ii),  
17                   (iii), (v), (vi), and (vii) of paragraph (4)(B) of  
18                   subsection (a) of such section; and

19                   (B) be available until September 30, 2029,  
20                   for National Civilian Community Corps pro-  
21                   grams authorized under section 152 of the Na-  
22                   tional and Community Service Act of 1990 and  
23                   Volunteers in Service to America programs au-  
24                   thorized under section 102 of the Domestic Vol-  
25                   unteer Service Act of 1973.

1 (3) USE OF FUNDS.—

2 (A) IN GENERAL.—The Corporation shall  
3 use amounts appropriated under paragraph (1)  
4 to fund programs described in subparagraph  
5 (B) to carry out projects or activities described  
6 in section 122(a)(3)(B) of the National and  
7 Community Service Act of 1990.

8 (B) PROGRAMS.—The programs described  
9 in subparagraph (A) shall include—

10 (i) national service programs de-  
11 scribed in paragraphs (1)(A), (2)(A),  
12 (3)(A), and (5)(A) of subsection (a), and  
13 subsection (b)(2), of section 122 of the Na-  
14 tional and Community Service Act of 1990  
15 and national service programs carrying out  
16 activities described in clauses (i), (ii), (iii),  
17 (v), (vi), and (vii) of paragraph (4)(B) of  
18 subsection (a) of such section;

19 (ii) National Civilian Community  
20 Corps programs authorized under section  
21 152 of the National and Community Serv-  
22 ice Act of 1990; and

23 (iii) Volunteers in Service to America  
24 programs authorized under section 102 of

1 the Domestic Volunteer Service Act of  
2 1973.

3 (C) TERMS.—In funding programs de-  
4 scribed in subparagraph (A), the Corporation  
5 shall ensure—

6 (i) awards are made to entities that  
7 serve, and have representation from, low-  
8 income communities or communities expe-  
9 riencing (or at risk of experiencing) ad-  
10 verse health and environmental conditions;

11 (ii) such programs utilize culturally  
12 competent and multilingual strategies;

13 (iii) projects carried out through such  
14 programs are planned with community  
15 input, and implemented by diverse partici-  
16 pants who are from communities being  
17 served by such programs; and

18 (iv) such programs provide partici-  
19 pants with workforce development opportu-  
20 nities, such as pre-apprenticeships that ar-  
21 ticulate to registered apprenticeship pro-  
22 grams, and pathways to post-service em-  
23 ployment in high-quality jobs, including  
24 registered apprenticeships.

1           (4) REQUIREMENTS.—For the purposes of car-  
2 rying out paragraph (1)—

3           (A) in implementing national service pro-  
4 grams described in paragraph (3)(B)(i) and  
5 funded by the appropriations specified in para-  
6 graph (1)—

7           (i) the Corporation shall waive the re-  
8 quirements described in section 121(e)(1)  
9 of the National and Community Service  
10 Act of 1990, in whole or in part, if a re-  
11 cipient of a grant or other agreement for  
12 the national service program involved dem-  
13 onstrates—

14           (I) the recipient will serve under-  
15 served or low-income communities,  
16 and a significant percentage of par-  
17 ticipants in such program are low-in-  
18 come individuals; and

19           (II) without such waiver, the re-  
20 cipient cannot meet the requirements  
21 of this section;

22           (ii) section 189(a) of the National and  
23 Community Service Act of 1990 shall be  
24 applied by substituting “125 percent of the  
25 amount of the minimum living allowance of

1 a full-time participant per full-time equiva-  
2 lent position” for “\$18,000 per full-time  
3 equivalent position”;

4 (iii) section 140(a)(1) of the National  
5 and Community Service Act of 1990 shall  
6 be applied by substituting “200 percent of  
7 the poverty line” for “the average annual  
8 subsistence allowance provided to VISTA  
9 volunteers under section 105 of the Do-  
10 mestic Volunteer Service Act of 1973 (42  
11 U.S.C. 4955)”;

12 (iv) the Corporation shall waive the  
13 matching requirement described in section  
14 126(a)(2) of the National and Community  
15 Service Act of 1990, in whole or in part,  
16 for a State Commission, if such State  
17 Commission demonstrates need for such  
18 waiver; and

19 (B) in implementing national service pro-  
20 grams described in paragraph (3)(B)(iii) and  
21 funded by the appropriations specified in para-  
22 graph (1)—

23 (i) section 105(b)(2)(A) of the Domes-  
24 tic Volunteer Service Act of 1973 shall be



1 applied by substituting “200 percent” for  
2 “95 percent”; and

3 (ii) section 105(b)(2)(B) of the Do-  
4 mestic Volunteer Service Act of 1973 shall  
5 be applied by substituting “210 percent”  
6 for “105 percent”.

7 (f) ADMINISTRATIVE COSTS.—

8 (1) IN GENERAL.—In addition to amounts oth-  
9 erwise available, there is appropriated for fiscal year  
10 2022, out of any money in the Treasury not oth-  
11 erwise appropriated, to the Corporation for National  
12 and Community Service, \$1,010,400,000, to remain  
13 available until September 30, 2029, which shall be  
14 used for Federal administrative expenses to carry  
15 out programs and activities funded under this sec-  
16 tion, including—

17 (A) corrective actions to address rec-  
18 ommendations arising from audits of the finan-  
19 cial statements of the Corporation and the Na-  
20 tional Service Trust, and, in consultation with  
21 the Inspector General of the Corporation, the  
22 development of fraud prevention and detection  
23 controls and risk-based anti-fraud monitoring  
24 for grants and other financial assistance funded  
25 under this section; and

1 (B) coordination of efforts and activities  
2 with the Departments of Labor and Education  
3 to support the national service programs funded  
4 under subsections (a), (c), (d), and (e) in im-  
5 proving the readiness of participants to transi-  
6 tion to high-quality jobs or further education.

7 (2) FISCAL YEAR 2030 PROGRAM ADMINISTRA-  
8 TION.—In addition to amounts otherwise available,  
9 there is appropriated for fiscal year 2030, out of any  
10 money in the Treasury not otherwise appropriated,  
11 to the Corporation for National and Community  
12 Service, \$79,800,000, to remain available until Sep-  
13 tember 30, 2030, which shall be used, in fiscal year  
14 2030, for Federal administrative expenses to carry  
15 out programs and activities funded under this sec-  
16 tion.

17 (3) PLAN.—In addition to amounts otherwise  
18 available, there is appropriated for fiscal year 2022,  
19 out of any money in the Treasury not otherwise ap-  
20 propriated, to the Corporation, \$300,000, to remain  
21 available until September 30, 2023, which shall be  
22 used by the Chief Executive Officer of the Corpora-  
23 tion to—

24 (A) develop, publish, and implement, not  
25 later than 180 days after the date of enactment

1 of this Act, a project, operations, and manage-  
2 ment plan for funds appropriated under this  
3 section; and

4 (B) consult with the Secretary of Labor  
5 and the Inspector General of the Corporation in  
6 developing the plan under subparagraph (A).

7 (4) OUTREACH.—In addition to amounts other-  
8 wise made available, there is appropriated for fiscal  
9 year 2022, out of any money in the Treasury not  
10 otherwise appropriated, to the Corporation for Na-  
11 tional and Community Service, \$49,500,000, to re-  
12 main available until September 30, 2030, for out-  
13 reach to and recruitment of members from commu-  
14 nities traditionally underrepresented in national  
15 service programs and members of a community expe-  
16 riencing a significant dislocation of workers, includ-  
17 ing energy transition communities.

18 (g) OFFICE OF INSPECTOR GENERAL.—In addition  
19 to amounts otherwise available, there is appropriated for  
20 fiscal year 2022, out of any money in the Treasury not  
21 otherwise appropriated, to the Corporation for National  
22 and Community Service, \$75,000,000, to remain available  
23 until September 30, 2030, which shall be used for the Of-  
24 fice of Inspector General of the Corporation for salaries

1 and expenses necessary for oversight and audit of pro-  
2 grams and activities funded under this section.

3 (h) NATIONAL SERVICE TRUST.—

4 (1) IN GENERAL.—In addition to amounts oth-  
5 erwise available, there is appropriated for fiscal year  
6 2022, out of any money in the Treasury not other-  
7 wise appropriated, to the National Service Trust,  
8 \$1,150,000,000, to remain available until September  
9 30, 2030, for—

10 (A) administration of the National Service  
11 Trust; and

12 (B) payment to the Trust for the provision  
13 of national service educational awards and in-  
14 terest expenses—

15 (i) for participants, for a term of serv-  
16 ice supported by funds made available  
17 under subsection (e); and

18 (ii) pursuant to section 145(a)(1)(A)  
19 of the National and Community Service  
20 Act of 1990.

21 (2) SUPPLEMENTAL EDUCATIONAL AWARDS.—

22 (A) APPROPRIATION.—In addition to  
23 amounts otherwise available, there is appro-  
24 priated for fiscal year 2022, out of any money  
25 in the Treasury not otherwise appropriated, to

1 the National Service Trust, \$1,660,000,000, to  
2 remain available until September 30, 2030, for  
3 payment to the National Service Trust for the  
4 purpose of providing a supplemental national  
5 service educational award to an individual eligi-  
6 ble to receive a national service educational  
7 award pursuant to section 146(a), and the indi-  
8 vidual's transferee pursuant to section 148(f),  
9 of the National and Community Service Act of  
10 1990, for a term of service that began after the  
11 date of enactment of this Act in a national serv-  
12 ice program (including a term of service sup-  
13 ported by funds made available under sub-  
14 section (e)).

15 (B) AWARD AVAILABILITY.—The supple-  
16 mental educational award referred to in sub-  
17 paragraph (A) shall be available to an indi-  
18 vidual or their transferee described in subpara-  
19 graph (A) in accordance with the paragraph  
20 (3).

21 (C) CALCULATION.—The amount of the  
22 supplemental educational award that shall be  
23 available to an individual or their transferee de-  
24 scribed in subparagraph (A) shall be calculated  
25 as follows:

1 (i) AMOUNT FOR FULL-TIME NA-  
2 TIONAL SERVICE.—For an individual who  
3 completes a required term of full-time na-  
4 tional service, or the individual’s trans-  
5 feree—

6 (I) in a case in which the award  
7 year for which the national service po-  
8 sition is approved by the Corporation  
9 is award year 2022-2023, 50 percent  
10 of the maximum amount of a Federal  
11 Pell Grant under section 401 of the  
12 Higher Education Act of 1965 that a  
13 student eligible for such Grant may  
14 receive in the aggregate for such  
15 award year; and

16 (II) in a case in which the award  
17 year for which the national service po-  
18 sition is approved by the Corporation  
19 is award year 2023-2024 or a subse-  
20 quent award year, 50 percent of the  
21 total maximum Federal Pell Grant  
22 under section 401 of the Higher Edu-  
23 cation Act of 1965 that a student eli-  
24 gible for such Grant may receive in  
25 the aggregate for such award year.

1                   (ii) AMOUNT FOR PART-TIME NA-  
2                   TIONAL SERVICE.—For an individual who  
3                   completes a required term of part-time na-  
4                   tional service, or the individual's trans-  
5                   feree, 50 percent of the amount deter-  
6                   mined under clause (i).

7                   (iii) AMOUNT FOR PARTIAL COMPLE-  
8                   TION OF NATIONAL SERVICE.—For an in-  
9                   dividual released from completing the full-  
10                  time or part-time term of service agreed to  
11                  by the individuals, or the individual's  
12                  transferee, the portion of the amount de-  
13                  termined under clause (i) that corresponds  
14                  to the portion of the term of service com-  
15                  pleted by the individual.

16                  (3) PERIOD OF AVAILABILITY FOR NATIONAL  
17                  SERVICE EDUCATIONAL AWARDS.—

18                  (A) IN GENERAL.—Notwithstanding sec-  
19                  tion 146(d) of the National and Community  
20                  Service Act of 1990, relating to a period of time  
21                  for use of a national service educational award,  
22                  or any extensions to such time period granted  
23                  under section 146(d)(2) of such Act, an indi-  
24                  vidual eligible to receive a national service edu-  
25                  cational award for a term of service supported

1 by funds made available under subsection (e),  
2 or the individual's transferee, and an individual  
3 eligible to receive a supplemental educational  
4 award described in paragraph (2) for a term of  
5 service, or the individual's transferee, shall not  
6 use, after September 30, 2030, the national  
7 service educational award or supplemental edu-  
8 cational award for the term of service involved,  
9 and the national service educational award and  
10 supplemental educational award shall be avail-  
11 able for the lengths of time described in sub-  
12 paragraph (B).

13 (B) LENGTHS OF TIME.—The lengths of  
14 time described in this subparagraph are as fol-  
15 lows:

16 (i) For an individual who completes  
17 the term of service involved by September  
18 30, 2023 or the individual's transferee,  
19 until the end of the 7-year period begin-  
20 ning on that date.

21 (ii) For an individual who completes  
22 such term of service by September 30,  
23 2024 or the individual's transferee, until  
24 the end of the 6-year period beginning on  
25 that date.



1 (iii) For an individual who completes  
2 such term of service by September 30,  
3 2025 or the individual's transferee, until  
4 the end of the 5-year period beginning on  
5 that date.

6 (iv) For an individual who completes  
7 such term of service by September 30,  
8 2026 or the individual's transferee, until  
9 the end of the 4-year period beginning on  
10 that date.

11 (v) For an individual who completes  
12 such term of service by September 30,  
13 2027 or the individual's transferee, until  
14 the end of the 3-year period beginning on  
15 that date.

16 (vi) For an individual who completes  
17 such term of service by September 30,  
18 2028 or the individual's transferee, until  
19 the end of the 2-year period beginning on  
20 that date.

21 (vii) For an individual who completes  
22 such term of service by September 30,  
23 2029 or the individual's transferee, until  
24 the end of the 1-year period beginning on  
25 that date.

1 (i) LIMITATION.—The funds made available under  
2 this section are subject to the condition that the Corpora-  
3 tion shall not—

4 (1) use such funds to make any transfer to the  
5 National Service Trust for any use, or enter into any  
6 agreement involving such funds—

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

9 (B) for which or under which any payment  
10 could be outlaid after September 30, 2031; and

11 (2) use any other funds available to the Cor-  
12 poration to liquidate obligations made under this  
13 section.

14 (j) DEFINITION.—For purposes of this section, the  
15 term “registered apprenticeship program” means an ap-  
16 prenticeship program registered with the Office of Appren-  
17 ticeship of the Employment and Training Administration  
18 of the Department of Labor, or a State apprenticeship  
19 agency recognized by the Office of Apprenticeship, pursu-  
20 ant to the Act of August 16, 1937 (commonly known as  
21 the “National Apprenticeship Act”; 50 Stat. 664, chapter  
22 663).

1 **SEC. 26002. WORKFORCE DEVELOPMENT IN SUPPORT OF**  
2 **CLIMATE RESILIENCE AND MITIGATION.**

3 (a) **YOUTHBUILD.**—In addition to amounts otherwise  
4 available, there is appropriated to the Department of  
5 Labor for fiscal year 2022, out of any amounts in the  
6 Treasury not otherwise appropriated, \$450,000,000, to re-  
7 main available until September 30, 2026, to support ac-  
8 tivities aligned with high-quality employment opportuni-  
9 ties in industry sectors or occupations related to climate  
10 resilience or mitigation and aligned with the activities de-  
11 scribed in subsection (e)(3) of section 26001 by—

12 (1) carrying out activities described in section  
13 171(c)(2) of the Workforce Innovation and Oppor-  
14 tunity Act; and

15 (2) improving and expanding access to services,  
16 stipends, wages, and benefits described in subpara-  
17 graphs (A)(vii) and (F) of section 171(c)(2) of such  
18 Act.

19 (b) **JOB CORPS.**—

20 (1) **IN GENERAL.**—In addition to amounts oth-  
21 erwise available, there is appropriated to the Depart-  
22 ment of Labor for fiscal year 2022, out of any  
23 amounts in the Treasury not otherwise appropriated,  
24 \$450,000,000, to remain available until September  
25 30, 2026, to support activities aligned with high-  
26 quality employment opportunities in industry sectors

1 or occupations related to climate resilience or miti-  
2 gation and aligned with the activities described in  
3 subsection (e)(3) of section 26001 by—

4 (A) providing funds to operators and serv-  
5 ice providers to—

6 (i) carry out the activities and services  
7 described in sections 148 and 149 of the  
8 Workforce Innovation and Opportunity  
9 Act; and

10 (ii) improve and expand access to al-  
11 lowances and services described in section  
12 150 of such Act; and

13 (B) notwithstanding section 158(e) of such  
14 Act, constructing, rehabilitating, and acquiring  
15 Job Corps centers to support activities de-  
16 scribed in subparagraph (A).

17 (2) ELIGIBILITY.—For the purposes of carrying  
18 out paragraph (1), an entity in a State or outlying  
19 area may be eligible to be selected as an operator or  
20 service provider.

21 (c) PRE-APPRENTICESHIP, AND REGISTERED AP-  
22 PRENTICESHIP PROGRAMS.—

23 (1) PRE-APPRENTICESHIP PROGRAMS.—In addi-  
24 tion to amounts otherwise available, there is appro-  
25 priated to the Department of Labor for fiscal year

1 2022, out of any amounts in the Treasury not other-  
2 wise appropriated, \$1,000,000,000, to remain avail-  
3 able until September 30, 2026, to carry out activi-  
4 ties through grants, cooperative agreements, con-  
5 tracts, or other arrangements, to create or expand  
6 pre-apprenticeship programs that articulate to reg-  
7 istered apprenticeship programs, are aligned with  
8 high-quality employment opportunities in industry  
9 sectors or occupations related to climate resilience or  
10 mitigation, and are aligned with the activities de-  
11 scribed in subsection (e)(3) of section 26001.

12 (2) PRE-APPRENTICESHIP PARTNERSHIPS.—In  
13 addition to amounts otherwise available, there is ap-  
14 propriated to the Department of Labor for fiscal  
15 year 2022, out of any amounts in the Treasury not  
16 otherwise appropriated, \$150,000,000, to remain  
17 available until September 30, 2026, to support part-  
18 nerships between entities carrying out pre-appren-  
19 ticeship programs that articulate to registered ap-  
20 prenticeship programs and entities funded under  
21 subsection (e) of section 26001 to ensure past and  
22 current participants in programs funded under sub-  
23 section (e)(1) of section 26001 have access to such  
24 pre-apprenticeship programs.

1           (3) REGISTERED APPRENTICESHIP PRO-  
2 GRAMS.—In addition to amounts otherwise available,  
3 there is appropriated to the Department of Labor  
4 for fiscal year 2022, out of any amounts in the  
5 Treasury not otherwise appropriated, \$450,000,000,  
6 to remain available until September 30, 2026, to  
7 carry out activities through grants, cooperative  
8 agreements, contracts, or other arrangements, to  
9 create or expand registered apprenticeship programs  
10 in climate-related nontraditional apprenticeship oc-  
11 cupations.

12           (4) PARTICIPANTS WITH BARRIERS TO EMPLOY-  
13 MENT AND NONTRADITIONAL APPRENTICESHIP POP-  
14 ULATIONS.—In addition to amounts otherwise avail-  
15 able, there is appropriated to the Department of  
16 Labor for fiscal year 2022, out of any amounts in  
17 the Treasury not otherwise appropriated,  
18 \$350,000,000, to remain available until September  
19 30, 2026, for entities to carry out pre-apprenticeship  
20 programs described in paragraph (1), and registered  
21 apprenticeship program described in paragraph (3),  
22 serving a high number or high percentage of individ-  
23 uals with barriers to employment, including individ-  
24 uals with disabilities, or nontraditional apprentice-  
25 ship populations.

1 (d) REENTRY EMPLOYMENT OPPORTUNITIES PRO-  
2 GRAM.—In addition to amounts otherwise available, there  
3 is appropriated to the Department of Labor for fiscal year  
4 2022, out of any amounts in the Treasury not otherwise  
5 appropriated, \$1,000,000,000, to remain available until  
6 September 30, 2026, for the Reentry Employment Oppor-  
7 tunities program, which amount shall be used to support  
8 activities aligned with high-quality employment opportuni-  
9 ties in industry sectors or occupations related to climate  
10 resilience or mitigation and aligned with the activities de-  
11 scribed in subsection (e)(3) of section 26001.

12 (e) PAID YOUTH EMPLOYMENT OPPORTUNITIES.—In  
13 addition to amounts otherwise available, there is appro-  
14 priated for fiscal year 2022, out of any money in the  
15 Treasury not otherwise appropriated, to the Department  
16 of Labor, \$350,000,000, to remain available until Sep-  
17 tember 30, 2026, to carry out activities through grants,  
18 contracts, or cooperative agreements, for the purposes of  
19 providing in-school youth and out-of-school youth with  
20 paid work experiences authorized under section  
21 129(e)(2)(C) of the Workforce Innovation and Oppor-  
22 tunity Act, notwithstanding section 194(10) of such Act,  
23 that are—

1           (1) carried out by public agencies or private  
2 nonprofit entities, including community-based orga-  
3 nizations;

4           (2) provided in conjunction with supportive  
5 services and other elements described in section  
6 129(c)(2) of such Act;

7           (3) aligned with the activities described in sub-  
8 section (e)(3) of section 26001; and

9           (4) designed to prepare participants for—

10                   (A) high-quality, unsubsidized employment  
11 opportunities in industry sectors or occupations  
12 related to climate resilience or mitigation;

13                   (B) enrollment in an institution of higher  
14 education (as defined in section 101 or 102(c)  
15 of the Higher Education Act of 1965); and

16                   (C) registered apprenticeship programs.

17           (f) DEPARTMENT OF LABOR INSPECTOR GEN-  
18 ERAL.—In addition to amounts otherwise available, there  
19 is appropriated to the Office of Inspector General of the  
20 Department of Labor for fiscal year 2022, out of any  
21 money in the Treasury not otherwise appropriated,  
22 \$10,000,000, to remain available until expended, for sala-  
23 ries and expenses necessary for oversight, investigations,  
24 and audits of programs, grants, and projects of the De-  
25 partment of Labor funded under this section.



1 (g) ADMINISTRATION.—

2 (1) IN GENERAL.—In addition to amounts oth-  
3 erwise available, there is appropriated to the Depart-  
4 ment of Labor for fiscal year 2022, out of any  
5 money in the Treasury not otherwise appropriated,  
6 \$69,800,000, to remain available until September  
7 30, 2029, for program administration within the De-  
8 partment of Labor for salaries and expenses nec-  
9 essary to implement this section.

10 (2) PLAN.—In addition to amounts otherwise  
11 available, there is appropriated for fiscal year 2022,  
12 out of any money in the Treasury not otherwise ap-  
13 propriated, to the Department of Labor, \$200,000,  
14 to remain available until September 30, 2023, which  
15 shall be used by the Secretary to—

16 (A) develop, publish, and implement, not  
17 later than 180 days after the date of enactment  
18 of this Act, a project, operations, and manage-  
19 ment plan for funds appropriated under this  
20 section; and

21 (B) consult with the Chief Executive Offi-  
22 cer of the Corporation for National and Com-  
23 munity Service in developing the plan under  
24 subparagraph (A).

25 (h) DEFINITION.—For purposes of this section:

1           (1) CLIMATE-RELATED NONTRADITIONAL AP-  
2 PRENTICESHIP OCCUPATION.—The term “climate-re-  
3 lated nontraditional apprenticeship occupation”  
4 means an apprenticeable occupation—

5           (A) that aligns with the activities described  
6 in subsection (e)(3) of section 26001;

7           (B) in an industry sector that trains less  
8 than 10 percent of all civilian registered ap-  
9 prentices as of the date of the enactment of this  
10 Act; and

11           (C) that is related to climate resilience or  
12 mitigation.

13           (2) REGISTERED APPRENTICESHIP PROGRAM.—  
14 The term “registered apprenticeship program”  
15 means an apprenticeship program registered with  
16 the Office of Apprenticeship of the Employment and  
17 Training Administration of the Department of  
18 Labor, or a State apprenticeship agency recognized  
19 by the Office of Apprenticeship, pursuant to the Act  
20 of August 16, 1937 (commonly known as the “Na-  
21 tional Apprenticeship Act”; 50 Stat. 664, chapter  
22 663).

23           (3) WIOA DEFINITIONS.—The terms “commu-  
24 nity-based organization”, “individual with a barrier  
25 to employment”, “in-school youth”, “outlying area”,

1 and “out-of-school youth” have the meanings given  
2 such terms in paragraphs (10), (24), (27), (45), and  
3 (46), respectively, of section 3 of the Workforce In-  
4 novation and Opportunity Act.

5 **Subtitle H—Prescription Drug**  
6 **Coverage Provisions**

7 **SEC. 27001. REQUIREMENTS WITH RESPECT TO COST-SHAR-**  
8 **ING FOR CERTAIN INSULIN PRODUCTS.**

9 (a) IN GENERAL.—Subpart B of part 7 of subtitle  
10 B of title I of the Employee Retirement Income Security  
11 Act of 1974 (29 U.S.C. 1185 et seq.) is amended by add-  
12 ing at the end the following:

13 **“SEC. 726. REQUIREMENTS WITH RESPECT TO COST-SHAR-**  
14 **ING FOR CERTAIN INSULIN PRODUCTS.**

15 “(a) IN GENERAL.—For plan years beginning on or  
16 after January 1, 2023, a group health plan or health in-  
17 surance issuer offering group health insurance coverage  
18 shall provide coverage of selected insulin products, and  
19 with respect to such products, shall not—

20 “(1) apply any deductible; or

21 “(2) impose any cost-sharing in excess of the  
22 lesser of, per 30-day supply—

23 “(A) \$35; or

24 “(B) the amount equal to 25 percent of  
25 the negotiated price of the selected insulin prod-

1           uct net of all price concessions received by or on  
2           behalf of the plan or coverage, including price  
3           concessions received by or on behalf of third-  
4           party entities providing services to the plan or  
5           coverage, such as pharmacy benefit manage-  
6           ment services.

7           “(b) DEFINITIONS.—In this section:

8                 “(1) SELECTED INSULIN PRODUCTS.—The term  
9           ‘selected insulin products’ means at least one of each  
10          dosage form (such as vial, pump, or inhaler dosage  
11          forms) of each different type (such as rapid-acting,  
12          short-acting, intermediate-acting, long-acting, ultra  
13          long-acting, and premixed) of insulin (as defined  
14          below), when available, as selected by the group  
15          health plan or health insurance issuer.

16                “(2) INSULIN DEFINED.—The term ‘insulin’  
17          means insulin that is licensed under subsection (a)  
18          or (k) of section 351 of the Public Health Service  
19          Act (42 U.S.C. 262) and continues to be marketed  
20          under such section, including any insulin product  
21          that has been deemed to be licensed under section  
22          351(a) of such Act pursuant to section 7002(e)(4)  
23          of the Biologics Price Competition and Innovation  
24          Act of 2009 (Public Law 111–148) and continues to  
25          be marketed pursuant to such licensure.

1       “(c) OUT-OF-NETWORK PROVIDERS.—Nothing in  
2 this section requires a plan or issuer that has a network  
3 of providers to provide benefits for selected insulin prod-  
4 ucts described in this section that are delivered by an out-  
5 of-network provider, or precludes a plan or issuer that has  
6 a network of providers from imposing higher cost-sharing  
7 than the levels specified in subsection (a) for selected insu-  
8 lin products described in this section that are delivered  
9 by an out-of-network provider.

10       “(d) RULE OF CONSTRUCTION.—Subsection (a) shall  
11 not be construed to require coverage of, or prevent a group  
12 health plan or health insurance coverage from imposing  
13 cost-sharing other than the levels specified in subsection  
14 (a) on, insulin products that are not selected insulin prod-  
15 ucts, to the extent that such coverage is not otherwise re-  
16 quired and such cost-sharing is otherwise permitted under  
17 Federal and applicable State law.

18       “(e) APPLICATION OF COST-SHARING TOWARDS  
19 DEDUCTIBLES AND OUT-OF-POCKET MAXIMUMS.—Any  
20 cost-sharing payments made pursuant to subsection (a)(2)  
21 shall be counted toward any deductible or out-of-pocket  
22 maximum that applies under the plan or coverage.”.

23       “(b) CLERICAL AMENDMENT.—The table of contents  
24 in section 1 of the Employee Retirement Income Security

1 Act of 1974 (29 U.S.C. 1001 et seq.) is amended by in-  
2 serting after the item relating to section 725 the following:

“Sec. 726. Requirements with respect to cost-sharing for certain insulin prod-  
ucts.”.

3 **SEC. 27002. OVERSIGHT OF PHARMACY BENEFIT MANAGER**  
4 **SERVICES.**

5 (a) IN GENERAL.—Subtitle B of title I of the Em-  
6 ployee Retirement Income Security Act of 1974 (29  
7 U.S.C. 1021 et seq.) is amended—

8 (1) in subpart B of part 7 (29 U.S.C. 1185 et  
9 seq.), by adding at the end the following:

10 **“SEC. 727. OVERSIGHT OF PHARMACY BENEFIT MANAGER**  
11 **SERVICES.**

12 “(a) IN GENERAL.—For plan years beginning on or  
13 after January 1, 2023, a group health plan (or health in-  
14 surance issuer offering group health insurance coverage  
15 in connection with such a plan) or an entity or subsidiary  
16 providing pharmacy benefits management services on be-  
17 half of such a plan or issuer shall not enter into a contract  
18 with a drug manufacturer, distributor, wholesaler, subcon-  
19 tractor, rebate aggregator, or any associated third party  
20 that limits the disclosure of information to plan sponsors  
21 in such a manner that prevents the plan or issuer, or an  
22 entity or subsidiary providing pharmacy benefits manage-  
23 ment services on behalf of a plan or issuer, from making  
24 the reports described in subsection (b).

1 “(b) REPORTS.—

2 “(1) IN GENERAL.—For plan years beginning  
3 on or after January 1, 2023, not less frequently  
4 than once every 6 months, a health insurance issuer  
5 offering group health insurance coverage or an enti-  
6 ty providing pharmacy benefits management services  
7 on behalf of a group health plan or an issuer pro-  
8 viding group health insurance coverage shall submit  
9 to the plan sponsor (as defined in section 3(16)(B))  
10 of such group health plan or group health insurance  
11 coverage a report in accordance with this subsection  
12 and make such report available to the plan sponsor  
13 in a machine-readable format. Each such report  
14 shall include, with respect to the applicable group  
15 health plan or health insurance coverage—

16 “(A) as applicable, information collected  
17 from drug manufacturers by such issuer or en-  
18 tity on the total amount of copayment assist-  
19 ance dollars paid, or copayment cards applied,  
20 that were funded by the drug manufacturer  
21 with respect to the participants and bene-  
22 ficiaries in such plan or coverage;

23 “(B) a list of each drug covered by such  
24 plan, issuer, or entity providing pharmacy ben-  
25 efit management services that was dispensed

1 during the reporting period, including, with re-  
2 spect to each such drug during the reporting  
3 period—

4 “(i) the brand name, chemical entity,  
5 and National Drug Code;

6 “(ii) the number of participants and  
7 beneficiaries for whom the drug was filled  
8 during the plan year, the total number of  
9 prescription fills for the drug (including  
10 original prescriptions and refills), and the  
11 total number of dosage units of the drug  
12 dispensed across the plan year, including  
13 whether the dispensing channel was by re-  
14 tail, mail order, or specialty pharmacy;

15 “(iii) the wholesale acquisition cost,  
16 listed as cost per days supply and cost per  
17 pill, or in the case of a drug in another  
18 form, per dose;

19 “(iv) the total out-of-pocket spending  
20 by participants and beneficiaries on such  
21 drug, including participant and beneficiary  
22 spending through copayments, coinsurance,  
23 and deductibles; and

24 “(v) for any drug for which gross  
25 spending of the group health plan or



1 health insurance coverage exceeded  
2 \$10,000 during the reporting period—

3 “(I) a list of all other drugs in  
4 the same therapeutic category or  
5 class, including brand name drugs  
6 and biological products and generic  
7 drugs or biosimilar biological products  
8 that are in the same therapeutic cat-  
9 egory or class as such drug; and

10 “(II) the rationale for preferred  
11 formulary placement of such drug in  
12 that therapeutic category or class;

13 “(C) a list of each therapeutic category or  
14 class of drugs that were dispensed under the  
15 health plan or health insurance coverage during  
16 the reporting period, and, with respect to each  
17 such therapeutic category or class of drugs,  
18 during the reporting period—

19 “(i) total gross spending by the plan,  
20 before manufacturer rebates, fees, or other  
21 manufacturer remuneration;

22 “(ii) the number of participants and  
23 beneficiaries who filled a prescription for a  
24 drug in that category or class;

1           “(iii) if applicable to that category or  
2           class, a description of the formulary tiers  
3           and utilization mechanisms (such as prior  
4           authorization or step therapy) employed  
5           for drugs in that category or class;

6           “(iv) the total out-of-pocket spending  
7           by participants and beneficiaries, including  
8           participant and beneficiary spending  
9           through copayments, coinsurance, and  
10          deductibles; and

11          “(v) for each therapeutic category or  
12          class under which 3 or more drugs are in-  
13          cluded on the formulary of such plan or  
14          coverage—

15               “(I) the amount received, or ex-  
16               pected to be received, from drug man-  
17               ufacturers in rebates, fees, alternative  
18               discounts, or other remuneration—

19                       “(aa) to be paid by drug  
20                       manufacturers for claims in-  
21                       curred during the reporting pe-  
22                       riod; or

23                       “(bb) that is related to utili-  
24                       zation of drugs, in such thera-  
25                       peutic category or class;

1                   “(II) the total net spending, after  
2                   deducting rebates, price concessions,  
3                   alternative discounts or other remun-  
4                   eration from drug manufacturers, by  
5                   the health plan or health insurance  
6                   coverage on that category or class of  
7                   drugs; and

8                   “(III) the net price per course of  
9                   treatment or single fill, such as a 30-  
10                  day supply or 90-day supply, incurred  
11                  by the health plan or health insurance  
12                  coverage and its participants and  
13                  beneficiaries, after manufacturer re-  
14                  bates, fees, and other remuneration  
15                  for drugs dispensed within such thera-  
16                  peutic category or class during the re-  
17                  porting period;

18                  “(D) total gross spending on prescription  
19                  drugs by the plan or coverage during the re-  
20                  porting period, before rebates and other manu-  
21                  facturer fees or remuneration;

22                  “(E) total amount received, or expected to  
23                  be received, by the health plan or health insur-  
24                  ance coverage in drug manufacturer rebates,  
25                  fees, alternative discounts, and all other remun-

1           neration received from the manufacturer or any  
2           third party, other than the plan sponsor, re-  
3           lated to utilization of drug or drug spending  
4           under that health plan or health insurance cov-  
5           erage during the reporting period;

6           “(F) the total net spending on prescription  
7           drugs by the health plan or health insurance  
8           coverage during the reporting period; and

9           “(G) amounts paid directly or indirectly in  
10          rebates, fees, or any other type of remuneration  
11          to brokers, consultants, advisors, or any other  
12          individual or firm who referred the group health  
13          plan’s or health insurance issuer’s business to  
14          the pharmacy benefit manager.

15          “(2) PRIVACY REQUIREMENTS.—Health insur-  
16          ance issuers offering group health insurance cov-  
17          erage and entities providing pharmacy benefits man-  
18          agement services on behalf of a group health plan  
19          shall provide information under paragraph (1) in a  
20          manner consistent with the privacy, security, and  
21          breach notification regulations promulgated under  
22          section 264(c) of the Health Insurance Portability  
23          and Accountability Act of 1996, and shall restrict  
24          the use and disclosure of such information according  
25          to such privacy regulations.

1           “(3) DISCLOSURE AND REDISCLOSURE.—

2                   “(A) LIMITATION TO BUSINESS ASSOCI-  
3           ATES.—A group health plan receiving a report  
4           under paragraph (1) may disclose such informa-  
5           tion only to business associates of such plan as  
6           defined in section 160.103 of title 45, Code of  
7           Federal Regulations (or successor regulations).

8                   “(B) CLARIFICATION REGARDING PUBLIC  
9           DISCLOSURE OF INFORMATION.—Nothing in  
10          this section prevents a health insurance issuer  
11          offering group health insurance coverage or an  
12          entity providing pharmacy benefits management  
13          services on behalf of a group health plan from  
14          placing reasonable restrictions on the public dis-  
15          closure of the information contained in a report  
16          described in paragraph (1), except that such  
17          issuer or entity may not restrict disclosure of  
18          such report to the Department of Health and  
19          Human Services, the Department of Labor, or  
20          the Department of the Treasury.

21                  “(C) LIMITED FORM OF REPORT.—The  
22          Secretary shall define through rulemaking a  
23          limited form of the report under paragraph (1)  
24          required of plan sponsors who are drug manu-  
25          facturers, drug wholesalers, or other direct par-

1           participants in the drug supply chain, in order to  
2           prevent anti-competitive behavior.

3           “(4) REPORT TO GAO.—A health insurance  
4           issuer offering group health insurance coverage or  
5           an entity providing pharmacy benefits management  
6           services on behalf of a group health plan shall sub-  
7           mit to the Comptroller General of the United States  
8           each of the first 4 reports submitted to a plan spon-  
9           sor under paragraph (1) with respect to such cov-  
10          erage or plan, and other such reports as requested,  
11          in accordance with the privacy requirements under  
12          paragraph (2) and the disclosure and redisclosure  
13          standards under paragraph (3), and such other in-  
14          formation that the Comptroller General determines  
15          necessary to carry out the study under section  
16          30606(b) of the Act entitled ‘An Act to provide for  
17          reconciliation pursuant to title II of S. Con. Res.  
18          14’.

19          “(c) ENFORCEMENT.—

20                 “(1) IN GENERAL.—The Secretary, in consulta-  
21                 tion with the Secretary of Health and Human Serv-  
22                 ices and the Secretary of the Treasury, shall enforce  
23                 this section.

24                 “(2) FAILURE TO PROVIDE TIMELY INFORMA-  
25                 TION.—A health insurance issuer or an entity pro-

1       viding pharmacy benefit management services that  
2       violates subsection (a) or fails to provide information  
3       required under subsection (b), or a drug manufac-  
4       turer that fails to provide information under sub-  
5       section (b)(1)(A) in a timely manner, shall be sub-  
6       ject to a civil monetary penalty in the amount of  
7       \$10,000 for each day during which such violation  
8       continues or such information is not disclosed or re-  
9       ported.

10           “(3) FALSE INFORMATION.—A health insurance  
11       issuer, entity providing pharmacy benefit manage-  
12       ment services, or drug manufacturer that knowingly  
13       provides false information under this section shall be  
14       subject to a civil money penalty in an amount not  
15       to exceed \$100,000 for each item of false informa-  
16       tion. Such civil money penalty shall be in addition to  
17       other penalties as may be prescribed by law.

18           “(4) PROCEDURE.—The provisions of section  
19       1128A of the Social Security Act, other than sub-  
20       section (a) and (b) and the first sentence of sub-  
21       section (c)(1) of such section shall apply to civil  
22       monetary penalties under this subsection in the  
23       same manner as such provisions apply to a penalty  
24       or proceeding under section 1128A of the Social Se-  
25       curity Act.

1           “(5) WAIVERS.—The Secretary may waive pen-  
2           alties under paragraph (2), or extend the period of  
3           time for compliance with a requirement of this sec-  
4           tion, for an entity in violation of this section that  
5           has made a good-faith effort to comply with this sec-  
6           tion.

7           “(d) RULE OF CONSTRUCTION.—Nothing in this sec-  
8           tion shall be construed to permit a health insurance issuer,  
9           group health plan, or other entity to restrict disclosure to,  
10          or otherwise limit the access of, the Department of Labor  
11          to a report described in subsection (b)(1) or information  
12          related to compliance with subsection (a) by such issuer,  
13          plan, or entity.

14          “(e) DEFINITION.—In this section, the term ‘whole-  
15          sale acquisition cost’ has the meaning given such term in  
16          section 1847A(c)(6)(B) of the Social Security Act.”; and  
17          (2) in section 502(b)(3) (29 U.S.C.  
18          1132(b)(3)), by inserting “(other than section 727)”  
19          after “part 7”.

20          (b) CLERICAL AMENDMENT.—The table of contents  
21          in section 1 of the Employee Retirement Income Security  
22          Act of 1974 (29 U.S.C. 1001 et seq.) is amended by in-  
23          serting after the item relating to section 726 the following  
24          new item:

“Sec. 727. Oversight of pharmacy benefit manager services.”.



1           **TITLE III—COMMITTEE ON**  
2           **ENERGY AND COMMERCE**  
3           **Subtitle A—Air Pollution**

4   **SEC. 30101. CLEAN HEAVY-DUTY VEHICLES.**

5           The Clean Air Act is amended by inserting after sec-  
6 tion 131 of such Act (42 U.S.C. 7431) the following:

7   **“SEC. 132. CLEAN HEAVY-DUTY VEHICLES.**

8           “(a) APPROPRIATIONS.—

9                   “(1) IN GENERAL.—In addition to amounts  
10 otherwise available, there is appropriated to the Ad-  
11 ministrator for fiscal year 2022, out of any money  
12 in the Treasury not otherwise appropriated,  
13 \$3,000,000,000, to remain available until September  
14 30, 2031, to carry out this section.

15                   “(2) NONATTAINMENT AREAS.—In addition to  
16 amounts otherwise available, there is appropriated to  
17 the Administrator for fiscal year 2022, out of any  
18 money in the Treasury not otherwise appropriated,  
19 \$2,000,000,000, to remain available until September  
20 30, 2031, to make awards under this section to eligi-  
21 ble recipients and to eligible contractors that propose  
22 to replace eligible vehicles to serve 1 or more com-  
23 munities located in an air quality area designated  
24 pursuant to section 107 as nonattainment for any  
25 air pollutant.

1           “(3) RESERVATION.—Of the funds appro-  
2           priated by paragraph (1), the Administrator shall re-  
3           serve 3 percent for administrative costs necessary to  
4           carry out this section.

5           “(b) PROGRAM.—Beginning not later than 180 days  
6           after the date of enactment of this section, the Adminis-  
7           trator shall implement a program to make awards of  
8           grants and rebates to eligible recipients, and to make  
9           awards of contracts to eligible contractors for providing  
10          rebates, for up to 100 percent of costs for—

11           “(1) replacing eligible vehicles with zero-emis-  
12          sion vehicles;

13           “(2) purchasing, installing, operating, and  
14          maintaining infrastructure needed to charge, fuel, or  
15          maintain zero-emission vehicles;

16           “(3) workforce development and training to  
17          support the maintenance, charging, fueling, and op-  
18          eration of zero-emission vehicles; and

19           “(4) planning and technical activities to support  
20          the adoption and deployment of zero-emission vehi-  
21          cles.

22           “(c) APPLICATIONS.—To seek an award under this  
23          section, an eligible recipient or eligible contractor shall  
24          submit to the Administrator an application at such time,

1 in such manner, and containing such information as the  
2 Administrator shall prescribe.

3 “(d) DEFINITIONS.—For purposes of this section:

4 “(1) ELIGIBLE CONTRACTOR.—The term ‘eligi-  
5 ble contractor’ means a contractor that has the ca-  
6 pacity—

7 “(A) to sell zero-emission vehicles, or  
8 charging or other equipment needed to charge,  
9 fuel, or maintain zero-emission vehicles, to indi-  
10 viduals or entities that own an eligible vehicle;  
11 or

12 “(B) to arrange financing for such a sale.

13 “(2) ELIGIBLE RECIPIENT.—The term ‘eligible  
14 recipient’ means—

15 “(A) a State;

16 “(B) a municipality;

17 “(C) an Indian tribe; or

18 “(D) a nonprofit school transportation as-  
19 sociation.

20 “(3) ELIGIBLE VEHICLE.—The term ‘eligible  
21 vehicle’ means a Class 6 or Class 7 heavy-duty vehi-  
22 cle as defined in section 1037.801 of title 40, Code  
23 of Federal Regulations (as in effect on the date of  
24 enactment of this section).

1           “(4) ZERO-EMISSION VEHICLE.—The term  
2           ‘zero-emission vehicle’ means a vehicle that has a  
3           drivetrain that produces, under any possible oper-  
4           ational mode or condition, zero exhaust emissions  
5           of—

6                       “(A) any air pollutant that is listed pursu-  
7                       ant to section 108(a) (or any precursor to such  
8                       an air pollutant); and

9                       “(B) any greenhouse gas.”.

10 **SEC. 30102. GRANTS TO REDUCE AIR POLLUTION AT PORTS.**

11           The Clean Air Act is amended by inserting after sec-  
12           tion 132 of such Act, as added by section 30101 of this  
13           Act, the following:

14 **“SEC. 133. GRANTS TO REDUCE AIR POLLUTION AT PORTS.**

15           “(a) APPROPRIATIONS.—

16                       “(1) GENERAL ASSISTANCE.—In addition to  
17                       amounts otherwise available, there is appropriated to  
18                       the Administrator for fiscal year 2022, out of any  
19                       money in the Treasury not otherwise appropriated,  
20                       \$2,625,000,000, to remain available until September  
21                       30, 2027, to award rebates and grants to eligible re-  
22                       cipients on a competitive basis—

23                               “(A) to purchase or install zero-emission  
24                               port equipment or technology for use at, or to  
25                               directly serve, one or more ports;

1           “(B) to conduct any relevant planning or  
2           permitting in connection with the purchase or  
3           installation of such zero-emission port equip-  
4           ment or technology; and

5           “(C) to develop qualified climate action  
6           plans.

7           “(2) NONATTAINMENT AREAS.—In addition to  
8           amounts otherwise available, there is appropriated to  
9           the Administrator for fiscal year 2022, out of any  
10          money in the Treasury not otherwise appropriated,  
11          \$875,000,000, to remain available until September  
12          30, 2027, to award rebates and grants to eligible re-  
13          cipients to carry out activities described in para-  
14          graph (1) with respect to ports located in air quality  
15          areas designated pursuant to section 107 as non-  
16          attainment for an air pollutant.

17          “(b) LIMITATION.—Funds awarded under this sec-  
18          tion shall not be used by any recipient or subrecipient to  
19          purchase or install zero-emission port equipment or tech-  
20          nology that will not be located at, or directly serve, the  
21          one or more ports involved.

22          “(c) ADMINISTRATION OF FUNDS.—Of the funds  
23          made available by this section, the Administrator shall re-  
24          serve 2 percent for administrative costs necessary to carry  
25          out this section.

1 “(d) DEFINITIONS.—In this section:

2 “(1) ELIGIBLE RECIPIENT.—The term ‘eligible  
3 recipient’ means—

4 “(A) a port authority;

5 “(B) a State, regional, local, or Tribal  
6 agency that has jurisdiction over a port author-  
7 ity or a port;

8 “(C) an air pollution control agency; or

9 “(D) a private entity (including a non-  
10 profit organization) that—

11 “(i) applies for a grant under this sec-  
12 tion in partnership with an entity de-  
13 scribed in any of subparagraphs (A)  
14 through (C); and

15 “(ii) owns, operates, or uses the facili-  
16 ties, cargo-handling equipment, transpor-  
17 tation equipment, or related technology of  
18 a port.

19 “(2) QUALIFIED CLIMATE ACTION PLAN.—The  
20 term ‘qualified climate action plan’ means a detailed  
21 and strategic plan that—

22 “(A) establishes goals, implementation  
23 strategies, and accounting and inventory prac-  
24 tices (including practices used to measure

1 progress toward stated goals) to reduce emis-  
2 sions at one or more ports of—

3 “(i) greenhouse gases;

4 “(ii) an air pollutant that is listed  
5 pursuant to section 108(a) (or any pre-  
6 cursor to such an air pollutant); and

7 “(iii) hazardous air pollutants;

8 “(B) includes a strategy to collaborate  
9 with, communicate with, and address potential  
10 effects on stakeholders that may be affected by  
11 implementation of the plan, including low-in-  
12 come and disadvantaged near-port communities;  
13 and

14 “(C) describes how an eligible recipient has  
15 implemented or will implement measures to in-  
16 crease the resilience of the one or more ports  
17 involved, including measures related to with-  
18 standing and recovering from extreme weather  
19 events.

20 “(3) ZERO-EMISSION PORT EQUIPMENT OR  
21 TECHNOLOGY.—The term ‘zero-emission port equip-  
22 ment or technology’ means human-operated equip-  
23 ment or human-maintained technology that—

24 “(A) produces zero emissions of any air  
25 pollutant that is listed pursuant to section

1           108(a) (or any precursor to such an air pollutant)  
2           ant) and any greenhouse gas other than water  
3           vapor; or

4                   “(B) captures 100 percent of the emissions  
5           described in subparagraph (A) that are produced  
6           by an ocean-going vessel at berth.”.

7   **SEC. 30103. GREENHOUSE GAS REDUCTION FUND.**

8           The Clean Air Act is amended by inserting after section  
9   tion 133 of such Act, as added by section 30102 of this  
10   Act, the following:

11   **“SEC. 134. GREENHOUSE GAS REDUCTION FUND.**

12           “(a) APPROPRIATIONS.—

13                   “(1) ZERO-EMISSION TECHNOLOGIES.—In addition  
14           to amounts otherwise available, there is appropriated  
15           to the Administrator for fiscal year 2022,  
16           out of any money in the Treasury not otherwise appropriated,  
17           \$7,000,000,000, to remain available  
18           until September 30, 2024, to make grants, on a  
19           competitive basis and beginning not later than 180  
20           calendar days after the date of enactment of this  
21           section, to States, municipalities, Tribal governments,  
22           and eligible recipients for the purposes of  
23           providing grants, loans, or other forms of financial  
24           assistance, as well as technical assistance, to enable  
25           low-income and disadvantaged communities to de-



1     ploy or benefit from zero-emission technologies, in-  
2     cluding distributed technologies on residential roof-  
3     tops, and to carry out other greenhouse gas emission  
4     reduction activities, as determined appropriate by  
5     the Administrator in accordance with this section.

6             “(2) ZERO-EMISSION VEHICLE SUPPLY EQUIP-  
7     MENT.—In addition to amounts otherwise available,  
8     there is appropriated to the Administrator for fiscal  
9     year 2022, out of any money in the Treasury not  
10    otherwise appropriated, \$2,000,000,000, to remain  
11    available until September 30, 2024, to make grants,  
12    on a competitive basis and beginning not later than  
13    180 calendar days after the date of enactment of  
14    this section, to States, municipalities, Tribal govern-  
15    ments, and eligible recipients to support the pur-  
16    chase, installation, or operation of publicly available  
17    equipment to charge or fuel light-duty zero-emission  
18    vehicles, including in low-income and disadvantaged  
19    communities, through grants, rebates, or other  
20    forms of financial assistance, and to carry out re-  
21    lated greenhouse gas emission reduction activities, as  
22    determined appropriate by the Administrator in ac-  
23    cordance with this section.

24             “(3) GENERAL ASSISTANCE.—In addition to  
25    amounts otherwise available, there is appropriated to

1 the Administrator for fiscal year 2022, out of any  
2 money in the Treasury not otherwise appropriated,  
3 \$11,970,000,000, to remain available until Sep-  
4 tember 30, 2024, to make grants, on a competitive  
5 basis and beginning not later than 180 calendar  
6 days after the date of enactment of this section, to  
7 eligible recipients for the purposes of providing fi-  
8 nancial assistance and technical assistance in ac-  
9 cordance with subsection (b).

10 “(4) LOW-INCOME AND DISADVANTAGED COM-  
11 MUNITIES.—In addition to amounts otherwise avail-  
12 able, there is appropriated to the Administrator for  
13 fiscal year 2022, out of any money in the Treasury  
14 not otherwise appropriated, \$8,000,000,000, to re-  
15 main available until September 30, 2024, to make  
16 grants, on a competitive basis and beginning not  
17 later than 180 calendar days after the date of enact-  
18 ment of this section, to eligible recipients for the  
19 purposes of providing financial assistance and tech-  
20 nical assistance in low-income and disadvantaged  
21 communities in accordance with subsection (b).

22 “(5) ADMINISTRATIVE COSTS.—In addition to  
23 amounts otherwise available, there is appropriated to  
24 the Administrator for fiscal year 2022, out of any  
25 money in the Treasury not otherwise appropriated,

1       \$30,000,000, to remain available until September  
2       30, 2031, for the administrative costs necessary to  
3       carry out activities under this section.

4       “(b) USE OF FUNDS.—An eligible recipient that re-  
5       ceives a grant pursuant to subsection (a) shall use the  
6       grant in accordance with the following:

7               “(1) DIRECT INVESTMENT.—The eligible recipi-  
8       ent shall—

9                       “(A) use a broad range of finance and in-  
10                      vestment tools to provide financial assistance to  
11                      qualified projects at the national, regional,  
12                      State, and local levels, including, as applicable,  
13                      through both concessionary and market rate fi-  
14                      nancing;

15                     “(B) prioritize investment in qualified  
16                      projects that would otherwise lack access to fi-  
17                      nancing;

18                     “(C) retain, manage, recycle, and monetize  
19                      all repayments and other revenue received from  
20                      fees, interest, repaid loans, and all other types  
21                      of financial assistance provided using grant  
22                      funds under this section to ensure continued  
23                      operability; and

24                     “(D) meet any requirements set forth by  
25                      the Administrator to ensure accountability and

1           proper management of funds appropriated by  
2           this section.

3           “(2) INDIRECT INVESTMENT.—The eligible re-  
4           cipient shall provide funding and technical assistance  
5           to establish new or support existing public, quasi-  
6           public, or nonprofit entities that provide financial as-  
7           sistance to qualified projects at the State, local, ter-  
8           ritorial, or Tribal level or in the District of Colum-  
9           bia, including community- and low-income-focused  
10          lenders and capital providers.

11          “(c) DEFINITIONS.—In this section:

12           “(1) ELIGIBLE RECIPIENT.—The term ‘eligible  
13          recipient’ means a nonprofit organization that—

14                   “(A) is designed to provide capital, includ-  
15                   ing by leveraging private capital, and other  
16                   forms of financial assistance for the rapid de-  
17                   ployment of low- and zero-emission products,  
18                   technologies, and services;

19                   “(B) does not take deposits other than de-  
20                   posits from repayments and other revenue re-  
21                   ceived from financial assistance provided using  
22                   grant funds under this section;

23                   “(C) is funded by public or charitable con-  
24                   tributions; and

1           “(D) invests in or finances projects alone  
2           or in conjunction with other investors.

3           “(2) QUALIFIED PROJECT.—The term ‘qualified  
4           project’ includes any project, activity, or technology  
5           that—

6           “(A) reduces or avoids greenhouse gas  
7           emissions and other forms of air pollution in  
8           partnership with, and by leveraging investment  
9           from, the private sector; or

10          “(B) assists communities in the efforts of  
11          those communities to reduce or avoid green-  
12          house gas emissions and other forms of air pol-  
13          lution.

14          “(3) PUBLICLY AVAILABLE EQUIPMENT.—The  
15          term ‘publicly available equipment’ means equipment  
16          that—

17          “(A) is located at a multi-unit housing  
18          structure;

19          “(B) is located at a workplace and is avail-  
20          able to employees of such workplace or employ-  
21          ees of a nearby workplace; or

22          “(C) is at a location that is publicly acces-  
23          sible for a minimum of 12 hours per day at  
24          least 5 days per week and networked or other-  
25          wise capable of being monitored remotely.

1           “(4) ZERO-EMISSION TECHNOLOGY.—The term  
2           ‘zero-emission technology’ means any technology  
3           that produces zero emissions of—

4                   “(A) any air pollutant that is listed pursu-  
5                   ant to section 108(a) (or any precursor to such  
6                   an air pollutant); and

7                   “(B) any greenhouse gas.

8           “(5) ZERO-EMISSION VEHICLE.—The term  
9           ‘zero-emission vehicle’ means a vehicle that has a  
10          drivetrain that produces, under any possible oper-  
11          ational mode or condition, zero exhaust emissions  
12          of—

13                   “(A) any air pollutant that is listed pursu-  
14                   ant to section 108(a) (or any precursor to such  
15                   an air pollutant); and

16                   “(B) any greenhouse gas.”.

17 **SEC. 30104. COLLABORATIVE COMMUNITY WILDFIRE AIR**  
18 **GRANTS.**

19          (a) IN GENERAL.—In addition to amounts otherwise  
20          available, there is appropriated to the Administrator of the  
21          Environmental Protection Agency for fiscal year 2022, out  
22          of any money in the Treasury not otherwise appropriated,  
23          \$150,000,000, to remain available until September 30,  
24          2031, for grants authorized under subsections (a) through  
25          (c) of section 103 of the Clean Air Act (42 U.S.C.

1 7403(a)–(c)) to assist eligible entities in developing and  
2 implementing collaborative community plans to prepare  
3 for smoke from wildfires, reduce risks of smoke exposure  
4 due to wildfires, and mitigate the health and environ-  
5 mental effects of smoke from wildfires.

6 (b) TECHNICAL ASSISTANCE.—The Administrator of  
7 the Environmental Protection Agency may use amounts  
8 made available under subsection (a) to provide technical  
9 assistance to any eligible entity in—

10 (1) submitting an application for a grant to be  
11 made pursuant to this section; or

12 (2) carrying out a project using a grant made  
13 pursuant to this section.

14 (c) ADMINISTRATIVE COSTS.—Of the amounts made  
15 available under subsection (a), the Administrator of the  
16 Environmental Protection Agency shall reserve 5 percent  
17 for administrative costs to carry out this section.

18 (d) ELIGIBLE ENTITIES.—In this section, the term  
19 “eligible entity” means a State, an air pollution control  
20 agency, a municipality, or an Indian tribe (as such terms  
21 are defined in section 302 of the Clean Air Act (42 U.S.C.  
22 7602)).

23 **SEC. 30105. DIESEL EMISSIONS REDUCTIONS.**

24 (a) GOODS MOVEMENT.—In addition to amounts oth-  
25 erwise available, there is appropriated to the Adminis-

1 trator of the Environmental Protection Agency for fiscal  
2 year 2022, out of any money in the Treasury not otherwise  
3 appropriated, \$60,000,000, to remain available until Sep-  
4 tember 30, 2031, for grants, rebates, and loans under sec-  
5 tion 792 of the Energy Policy Act of 2005 (42 U.S.C.  
6 16132) to identify and reduce diesel emissions resulting  
7 from goods movement facilities, and vehicles servicing  
8 goods movement facilities, in low-income and disadvan-  
9 taged communities to address the health impacts of such  
10 emissions on such communities.

11 (b) ADMINISTRATIVE COSTS.—The Administrator of  
12 the Environmental Protection Agency shall reserve 2 per-  
13 cent of the amounts made available under this section for  
14 the administrative costs necessary to carry out activities  
15 pursuant to this section.

16 **SEC. 30106. FUNDING TO ADDRESS AIR POLLUTION.**

17 (a) APPROPRIATIONS.—

18 (1) FENCELINE AIR MONITORING AND SCREEN-  
19 ING AIR MONITORING.—In addition to amounts oth-  
20 erwise available, there is appropriated to the Admin-  
21 istrator of the Environmental Protection Agency for  
22 fiscal year 2022, out of any money in the Treasury  
23 not otherwise appropriated, \$117,500,000, to remain  
24 available until September 30, 2031, for grants and  
25 other activities authorized under subsections (a)



1 through (c) of section 103 and section 105 of the  
2 Clean Air Act (42 U.S.C. 7403(a)–(c), 7405) to de-  
3 ploy, integrate, support, and maintain fenceline air  
4 monitoring, screening air monitoring, national air  
5 toxics trend stations, and other air toxics and com-  
6 munity monitoring.

7 (2) MULTIPOLLUTANT MONITORING STA-  
8 TIONS.—In addition to amounts otherwise available,  
9 there is appropriated to the Administrator of the  
10 Environmental Protection Agency for fiscal year  
11 2022, out of any money in the Treasury not other-  
12 wise appropriated, \$50,000,000, to remain available  
13 until September 30, 2031, for grants and other ac-  
14 tivities authorized under subsections (a) through (c)  
15 of section 103 and section 105 of the Clean Air Act  
16 (42 U.S.C. 7403(a)–(c), 7405)—

17 (A) to expand the national ambient air  
18 quality monitoring network with new multi-  
19 pollutant monitoring stations; and

20 (B) to replace, repair, operate, and main-  
21 tain existing monitors.

22 (3) AIR QUALITY SENSORS IN LOW-INCOME AND  
23 DISADVANTAGED COMMUNITIES.—In addition to  
24 amounts otherwise available, there is appropriated to  
25 the Administrator of the Environmental Protection

1 Agency for fiscal year 2022, out of any money in the  
2 Treasury not otherwise appropriated, \$3,000,000, to  
3 remain available until September 30, 2031, for  
4 grants and other activities authorized under sub-  
5 sections (a) through (c) of section 103 and section  
6 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c),  
7 7405) to deploy, integrate, and operate air quality  
8 sensors in low-income and disadvantaged commu-  
9 nities.

10 (4) EMISSIONS FROM WOOD HEATERS.—In ad-  
11 dition to amounts otherwise available, there is ap-  
12 propriated to the Administrator of the Environ-  
13 mental Protection Agency for fiscal year 2022, out  
14 of any money in the Treasury not otherwise appro-  
15 priated, \$15,000,000, to remain available until Sep-  
16 tember 30, 2031, for grants and other activities au-  
17 thorized under subsections (a) through (c) of section  
18 103 and section 105 of the Clean Air Act (42 U.S.C.  
19 7403(a)–(c), 7405) for testing and other agency ac-  
20 tivities to address emissions from wood heaters.

21 (5) METHANE MONITORING.—In addition to  
22 amounts otherwise available, there is appropriated to  
23 the Administrator of the Environmental Protection  
24 Agency for fiscal year 2022, out of any money in the  
25 Treasury not otherwise appropriated, \$20,000,000,

1 to remain available until September 30, 2031, for  
2 grants and other activities authorized under sub-  
3 sections (a) through (c) of section 103 and section  
4 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c),  
5 7405) for monitoring emissions of methane.

6 (6) CLEAN AIR ACT GRANTS.—In addition to  
7 amounts otherwise available, there is appropriated to  
8 the Administrator of the Environmental Protection  
9 Agency for fiscal year 2022, out of any money in the  
10 Treasury not otherwise appropriated, \$25,000,000,  
11 to remain available until September 30, 2031, for  
12 grants and other activities authorized under sub-  
13 sections (a) through (c) of section 103 and section  
14 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c),  
15 7405).

16 (7) OTHER ACTIVITIES.—In addition to  
17 amounts otherwise available, there is appropriated to  
18 the Administrator of the Environmental Protection  
19 Agency for fiscal year 2022, out of any money in the  
20 Treasury not otherwise appropriated, \$45,000,000,  
21 to remain available until September 30, 2031, to  
22 carry out, with respect to greenhouse gases, sections  
23 111, 115, 165, 177, 202, 211, 213, 231, and 612  
24 of the Clean Air Act (42 U.S.C. 7411, 7415, 7475,  
25 7507, 7521, 7545, 7547, 7571, and 7671k).



1 duce air pollution and greenhouse gas emissions at schools  
2 in low-income and disadvantaged communities under sub-  
3 sections (a) through (c) of section 103 of the Clean Air  
4 Act (42 U.S.C. 7403(a)–(c)) and section 105 of that Act  
5 (42 U.S.C. 7405).

6 (b) TECHNICAL ASSISTANCE.—In addition to  
7 amounts otherwise available, there is appropriated to the  
8 Administrator of the Environmental Protection Agency for  
9 fiscal year 2022, out of any money in the Treasury not  
10 otherwise appropriated, \$12,500,000, to remain available  
11 until September 30, 2031, for providing technical assist-  
12 ance to schools in low-income and disadvantaged commu-  
13 nities under subsections (a) through (c) of section 103 of  
14 the Clean Air Act (42 U.S.C. 7403(a)–(c)) and section  
15 105 of that Act (42 U.S.C. 7405)—

16 (1) to address environmental issues;

17 (2) to develop school environmental quality  
18 plans that include standards for school building, de-  
19 sign, construction, and renovation; and

20 (3) to identify and mitigate ongoing air pollu-  
21 tion hazards.

22 **SEC. 30108. LOW EMISSIONS ELECTRICITY PROGRAM.**

23 The Clean Air Act is amended by inserting after sec-  
24 tion 134 of such Act, as added by section 30103 of this  
25 Act, the following:

1 **“SEC. 135. LOW EMISSIONS ELECTRICITY PROGRAM.**

2       “(a) APPROPRIATION.—In addition to amounts oth-  
3 erwise available, there is appropriated to the Adminis-  
4 trator for fiscal year 2022, out of any money in the Treas-  
5 ury not otherwise appropriated, to remain available until  
6 September 30, 2031—

7           “(1) \$17,000,000 for consumer-related edu-  
8 cation and partnerships with respect to reductions in  
9 greenhouse gas emissions that result from domestic  
10 electricity generation and use;

11           “(2) \$17,000,000 for education, technical as-  
12 sistance, and partnerships within low-income and  
13 disadvantaged communities with respect to reduc-  
14 tions in greenhouse gas emissions that result from  
15 domestic electricity generation and use;

16           “(3) \$17,000,000 for industry-related outreach  
17 and technical assistance, including through partner-  
18 ships, with respect to reductions in greenhouse gas  
19 emissions that result from domestic electricity gen-  
20 eration and use;

21           “(4) \$17,000,000 for outreach and technical as-  
22 sistance to State and local governments, including  
23 through partnerships, with respect to reductions in  
24 greenhouse gas emissions that result from domestic  
25 electricity generation and use;

1           “(5) \$1,000,000 to assess, not later than 1 year  
2 after the date of enactment of this section, the re-  
3 ductions in greenhouse gas emissions that result  
4 from changes in domestic electricity generation and  
5 use that are anticipated to occur on an annual basis  
6 through fiscal year 2031; and

7           “(6) \$18,000,000 to carry out this section to  
8 ensure that reductions in greenhouse gas emissions  
9 from domestic electricity generation and use are  
10 achieved through use of the authorities of this Act,  
11 including through the establishment of requirements  
12 under this Act, incorporating the assessment under  
13 paragraph (5) as a baseline.

14       “(b) ADMINISTRATION OF FUNDS.—Of the amounts  
15 made available under subsection (a), the Administrator  
16 shall reserve 2 percent for the administrative costs nec-  
17 essary to carry out activities pursuant to that sub-  
18 section.”.

19 **SEC. 30109. FUNDING FOR SECTION 211(O) OF THE CLEAN**  
20 **AIR ACT.**

21       (a) TEST AND PROTOCOL DEVELOPMENT.—In addi-  
22 tion to amounts otherwise available, there is appropriated  
23 to the Administrator of the Environmental Protection  
24 Agency for fiscal year 2022, out of any money in the  
25 Treasury not otherwise appropriated, \$5,000,000, to re-

1 main available until September 30, 2031, to carry out sec-  
2 tion 211(o) of the Clean Air Act (42 U.S.C. 7545(o)) with  
3 respect to—

4 (1) the development and establishment of tests  
5 and protocols regarding the environmental and pub-  
6 lic health effects of a fuel or fuel additive;

7 (2) internal and extramural data collection and  
8 analyses to regularly update applicable regulations,  
9 guidance, and procedures for determining lifecycle  
10 greenhouse gas emissions of a fuel; and

11 (3) the review, analysis and evaluation of the  
12 impacts of all transportation fuels, including fuel  
13 lifecycle implications, on the general public and on  
14 low-income and disadvantaged communities.

15 (b) INVESTMENTS IN ADVANCED BIOFUELS.—In ad-  
16 dition to amounts otherwise available, there is appro-  
17 priated to the Administrator of the Environmental Protec-  
18 tion Agency for fiscal year 2022, out of any money in the  
19 Treasury not otherwise appropriated, \$10,000,000, to re-  
20 main available until September 30, 2031, for new grants  
21 to industry and other related activities under section  
22 211(o) of the Clean Air Act (42 U.S.C. 7545(o)) to sup-  
23 port investments in advanced biofuels.



1 **SEC. 30110. FUNDING FOR IMPLEMENTATION OF THE**  
2 **AMERICAN INNOVATION AND MANUFAC-**  
3 **TURING ACT.**

4 (a) APPROPRIATIONS.—

5 (1) IN GENERAL.—In addition to amounts oth-  
6 erwise available, there is appropriated to the Admin-  
7 istrator of the Environmental Protection Agency for  
8 fiscal year 2022, out of any money in the Treasury  
9 not otherwise appropriated, \$20,000,000, to remain  
10 available until September 30, 2026, to carry out  
11 subsections (a) through (i) and subsection (k) of sec-  
12 tion 103 of division S of Public Law 116–260 (42  
13 U.S.C. 7675).

14 (2) IMPLEMENTATION AND COMPLIANCE  
15 TOOLS.—In addition to amounts otherwise available,  
16 there is appropriated to the Administrator of the  
17 Environmental Protection Agency for fiscal year  
18 2022, out of any money in the Treasury not other-  
19 wise appropriated, \$3,500,000, to remain available  
20 until September 30, 2026, to deploy new implemen-  
21 tation and compliance tools to carry out subsections  
22 (a) through (i) and subsection (k) of section 103 of  
23 division S of Public Law 116–260 (42 U.S.C. 7675).

24 (3) COMPETITIVE GRANTS.—In addition to  
25 amounts otherwise available, there is appropriated to  
26 the Administrator of the Environmental Protection

1 Agency for fiscal year 2022, out of any money in the  
2 Treasury not otherwise appropriated, \$15,000,000,  
3 to remain available until September 30, 2026, for  
4 competitive grants for reclaim and innovative de-  
5 struction technologies under subsections (a) through  
6 (i) and subsection (k) of section 103 of division S  
7 of Public Law 116–260 (42 U.S.C. 7675).

8 (b) ADMINISTRATION OF FUNDS.—Of the funds  
9 made available pursuant to subsection (a)(3), the Admin-  
10 istrator of the Environmental Protection Agency shall re-  
11 serve 5 percent for administrative costs necessary to carry  
12 out activities pursuant to such subsection.

13 **SEC. 30111. FUNDING FOR ENFORCEMENT TECHNOLOGY**  
14 **AND PUBLIC INFORMATION.**

15 (a) COMPLIANCE MONITORING.—In addition to  
16 amounts otherwise available, there is appropriated to the  
17 Administrator of the Environmental Protection Agency for  
18 fiscal year 2022, out of any money in the Treasury not  
19 otherwise appropriated, \$37,000,000, to remain available  
20 until September 30, 2031, to update the Integrated Com-  
21 pliance Information System of the Environmental Protec-  
22 tion Agency and any associated systems, necessary infor-  
23 mation technology infrastructure, or public access soft-  
24 ware tools to ensure access to compliance data and related  
25 information.

1           (b) COMMUNICATIONS WITH ICIS.—In addition to  
2 amounts otherwise available, there is appropriated to the  
3 Administrator of the Environmental Protection Agency for  
4 fiscal year 2022, out of any money in the Treasury not  
5 otherwise appropriated, \$7,000,000, to remain available  
6 until September 30, 2031, for grants to States, Indian  
7 tribes, and air pollution control agencies (as such terms  
8 are defined in section 302 of the Clean Air Act (42 U.S.C.  
9 7602)) to update their systems to ensure communication  
10 with the Integrated Compliance Information System of the  
11 Environmental Protection Agency and any associated sys-  
12 tems.

13           (c) INSPECTION SOFTWARE.—In addition to amounts  
14 otherwise available, there is appropriated to the Adminis-  
15 trator of the Environmental Protection Agency for fiscal  
16 year 2022, out of any money in the Treasury not otherwise  
17 appropriated, \$6,000,000, to remain available until Sep-  
18 tember 30, 2031—

19                 (1) to acquire or update inspection software for  
20 use by the Environmental Protection Agency, States,  
21 Indian tribes, and air pollution control agencies (as  
22 such terms are defined in section 302 of the Clean  
23 Air Act (42 U.S.C. 7602)); or

24                 (2) to acquire necessary devices on which to run  
25 such inspection software.

1 **SEC. 30112. GREENHOUSE GAS CORPORATE REPORTING.**

2 In addition to amounts otherwise available, there is  
3 appropriated to the Administrator of the Environmental  
4 Protection Agency for fiscal year 2022, out of any money  
5 in the Treasury not otherwise appropriated, \$5,000,000,  
6 to remain available until September 30, 2031, for the En-  
7 vironmental Protection Agency to support—

8 (1) enhanced standardization and transparency  
9 of corporate climate action commitments and plans  
10 to reduce greenhouse gas emissions;

11 (2) enhanced transparency regarding progress  
12 toward meeting such commitments and imple-  
13 menting such plans; and

14 (3) progress toward meeting such commitments  
15 and implementing such plans.

16 **SEC. 30113. ENVIRONMENTAL PRODUCT DECLARATION AS-**  
17 **SISTANCE.**

18 (a) IN GENERAL.—In addition to amounts otherwise  
19 available, there is appropriated to the Administrator of the  
20 Environmental Protection Agency for fiscal year 2022, out  
21 of any money in the Treasury not otherwise appropriated,  
22 \$250,000,000, to remain available until September 30,  
23 2031, to develop and carry out a program to support the  
24 development, and enhanced standardization and trans-  
25 parency, of environmental product declarations for con-  
26 struction materials and products, including by—

1           (1) providing grants to businesses that manu-  
2           facture construction materials and products for de-  
3           veloping and verifying environmental product dec-  
4           larations, and to States, Indian Tribes, and non-  
5           profit organizations that will support such busi-  
6           nesses;

7           (2) providing technical assistance to businesses  
8           that manufacture construction materials and prod-  
9           ucts in developing and verifying environmental prod-  
10          uct declarations, and to States, Indian Tribes, and  
11          nonprofit organizations that will support such busi-  
12          nesses; and

13          (3) carrying out other activities that assist in  
14          measuring, reporting, and steadily reducing the  
15          quantity of embodied carbon of construction mate-  
16          rials and products.

17          (b) ADMINISTRATIVE COSTS.—Of the amounts made  
18          available under this section, the Administrator of the En-  
19          vironmental Protection Agency shall reserve 5 percent for  
20          administrative costs necessary to carry out this section.

21          (c) DEFINITIONS.—In this section:

22                (1) EMBODIED CARBON.—The term “embodied  
23                carbon” means the quantity of greenhouse gas emis-  
24                sions associated with all relevant stages of produc-  
25                tion of a material or product, measured in kilograms

1 of carbon dioxide-equivalent per unit of such mate-  
2 rial or product.

3 (2) ENVIRONMENTAL PRODUCT DECLARA-  
4 TION.—The term “environmental product declara-  
5 tion” means a document that reports the environ-  
6 mental impact of a material or product that—

7 (A) includes measurement of the embodied  
8 carbon of the material or product;

9 (B) conforms with international standards,  
10 such as a Type III environmental product dec-  
11 laration, as defined by the International Orga-  
12 nization for Standardization standard 14025;  
13 and

14 (C) is developed in accordance with any  
15 standardized reporting criteria specified by the  
16 Administrator of the Environmental Protection  
17 Agency.

18 (3) STATE.—The term “State” has the mean-  
19 ing given to that term in section 302(d) of the Clean  
20 Air Act (42 U.S.C. 7602(d)).

21 **SEC. 30114. METHANE EMISSIONS REDUCTION PROGRAM.**

22 The Clean Air Act is amended by inserting after sec-  
23 tion 135 of such Act, as added by section 30108 of this  
24 Act, the following:

1 **“SEC. 136. METHANE EMISSIONS AND WASTE REDUCTION**  
2 **INCENTIVE PROGRAM FOR PETROLEUM AND**  
3 **NATURAL GAS SYSTEMS.**

4 “(a) INCENTIVES FOR METHANE MITIGATION AND  
5 MONITORING.—In addition to amounts otherwise avail-  
6 able, there is appropriated to the Administrator for fiscal  
7 year 2022, out of any money in the Treasury not otherwise  
8 appropriated, \$775,000,000, to remain available until  
9 September 30, 2028—

10 “(1) for grants, rebates, contracts, loans, and  
11 other activities of the Environmental Protection  
12 Agency for the purposes of providing financial and  
13 technical assistance to owners and operators of ap-  
14 plicable facilities to prepare and submit greenhouse  
15 gas reports under subpart W of part 98 of title 40,  
16 Code of Federal Regulations (or any successor regu-  
17 lations);

18 “(2) for grants, rebates, contracts, loans, and  
19 other activities of the Environmental Protection  
20 Agency authorized under subsections (a) through (c)  
21 of section 103 for methane emissions monitoring;

22 “(3) for grants, rebates, contracts, loans, and  
23 other activities of the Environmental Protection  
24 Agency for the purposes of providing financial and  
25 technical assistance to reduce methane and other  
26 greenhouse gas emissions from petroleum and nat-

1 ural gas systems, mitigate legacy air pollution from  
2 petroleum and natural gas systems, and provide sup-  
3 port for communities, including funding for—

4 “(A) improving climate resiliency of com-  
5 munities and petroleum and natural gas sys-  
6 tems;

7 “(B) improving and deploying industrial  
8 equipment and processes that reduce methane  
9 and other greenhouse gas emissions and waste;

10 “(C) supporting innovation in reducing  
11 methane and other greenhouse gas emissions  
12 and waste from petroleum and natural gas sys-  
13 tems;

14 “(D) mitigating health effects of methane  
15 and other greenhouse gas emissions, and legacy  
16 air pollution from petroleum and natural gas  
17 systems in low-income and disadvantaged com-  
18 munities; and

19 “(E) supporting environmental restoration;  
20 and

21 “(4) to cover all direct and indirect costs re-  
22 quired to administer this section, including the costs  
23 of implementing the waste emissions charge under  
24 subsection (b), preparing inventories, gathering em-  
25 pirical data, and tracking emissions.



1       “(b) WASTE EMISSIONS CHARGE.—The Adminis-  
2 trator shall impose and collect a charge on methane emis-  
3 sions that exceed an applicable waste emissions threshold  
4 under subsection (e) from an owner or operator of an ap-  
5 plicable facility that is required to report methane emis-  
6 sions pursuant to subpart W of part 98 of title 40, Code  
7 of Federal Regulations (or any successor regulations).

8       “(c) APPLICABLE FACILITY.—For purposes of this  
9 section, the term ‘applicable facility’ means a facility with-  
10 in the following industry segments, as defined in subpart  
11 W of part 98 of title 40, Code of Federal Regulations (or  
12 any successor regulations):

13           “(1) Offshore petroleum and natural gas pro-  
14 duction.

15           “(2) Onshore petroleum and natural gas pro-  
16 duction.

17           “(3) Onshore natural gas processing,

18           “(4) Onshore natural gas transmission com-  
19 pression.

20           “(5) Underground natural gas storage.

21           “(6) Liquefied natural gas storage.

22           “(7) Liquefied natural gas import and export  
23 equipment.

24           “(8) Onshore petroleum and natural gas gath-  
25 ering and boosting.

1 “(9) Onshore natural gas transmission pipeline.

2 “(d) CHARGE AMOUNT.—The amount of a charge  
3 under subsection (b) for an applicable facility shall be  
4 equal to the product obtained by multiplying—

5 “(1) the number of tons of methane emissions  
6 reported pursuant to subpart W of part 98 of title  
7 40, Code of Federal Regulations (or any successor  
8 regulations) for the applicable facility that exceed  
9 the applicable annual waste emissions threshold list-  
10 ed in subsection (e) during the previous reporting  
11 period; and

12 “(2)(A) \$900 for emissions reported for cal-  
13 endar year 2023;

14 “(B) \$1200 for emissions reported for calendar  
15 year 2024; or

16 “(C) \$1500 for emissions reported for calendar  
17 year 2025 and each year thereafter.

18 “(e) WASTE EMISSIONS THRESHOLD.—

19 “(1) PETROLEUM AND NATURAL GAS PRODUC-  
20 TION.—With respect to imposing and collecting the  
21 charge under subsection (b) for an applicable facility  
22 in an industry segment listed in paragraph (1) or  
23 (2) of subsection (c), the Administrator shall impose  
24 and collect the charge on the reported tons of meth-  
25 ane emissions that exceed—

1           “(A) 0.20 percent of the natural gas sent  
2           to sale from such facility; or

3           “(B) 10 metric tons of methane per million  
4           barrels of oil sent to sale from such facility, if  
5           such facility sent no natural gas to sale.

6           “(2) NONPRODUCTION PETROLEUM AND NAT-  
7           URAL GAS SYSTEMS.—With respect to imposing and  
8           collecting the charge under subsection (b) for an ap-  
9           plicable facility in an industry segment listed in  
10          paragraph (3), (6), (7), or (8) of subsection (c), the  
11          Administrator shall impose and collect the charge on  
12          the reported tons of methane emissions that exceed  
13          0.05 percent of the natural gas sent to sale from  
14          such facility.

15          “(3) NATURAL GAS TRANSMISSION.—With re-  
16          spect to imposing and collecting the charge under  
17          subsection (b) for an applicable facility in an indus-  
18          try segment listed in paragraph (4), (5), or (9) of  
19          subsection (c), the Administrator shall impose and  
20          collect the charge on the reported tons of methane  
21          emissions that exceed 0.11 percent of the natural  
22          gas sent to sale from such facility.

23          “(4) EXEMPTION.—Charges shall not be im-  
24          posed pursuant to paragraph (1) on emissions that  
25          exceed the waste emissions threshold specified in

1 such paragraph if such emissions are caused by un-  
2 reasonable delay in environmental permitting of  
3 gathering infrastructure.

4 “(f) PERIOD.—The charge under subsection (b) shall  
5 be imposed and collected beginning with respect to emis-  
6 sions reported for calendar year 2023 and for each year  
7 thereafter.

8 “(g) IMPLEMENTATION.—In addition to other au-  
9 thorities in this Act addressing air pollution from the oil  
10 and natural gas sectors, the Administrator may issue  
11 guidance or regulations as necessary to carry out this sec-  
12 tion.

13 “(h) REPORTING.—Not later than 2 years after the  
14 date of enactment of this section, and as necessary there-  
15 after, the Administrator shall revise the requirements of  
16 subpart W of part 98 of title 40, Code of Federal Regula-  
17 tions—

18 “(1) to reduce the facility emissions threshold  
19 for reporting under such subpart and for paying the  
20 charge imposed under this section to 10,000 metric  
21 tons of carbon dioxide equivalent of greenhouse  
22 gases emitted per year; and

23 “(2) to ensure the reporting under such sub-  
24 part, and calculation of charges under subsections  
25 (d) and (e) of this section, are based on empirical

1 data and accurately reflect the total methane emis-  
2 sions and waste emissions from the applicable facili-  
3 ties.

4 “(i) LIABILITY FOR CHARGE PAYMENT.—A facility  
5 owner or operator’s liability for payment of the charge  
6 under subsection (b) is not affected in any way by emis-  
7 sion standards, permit fees, penalties, or other require-  
8 ments under this Act or any other legal authorities.”.

9 **SEC. 30115. FUNDING FOR THE OFFICE OF THE INSPECTOR**  
10 **GENERAL OF THE ENVIRONMENTAL PROTEC-**  
11 **TION AGENCY.**

12 In addition to amounts otherwise made available,  
13 there is appropriated to the Office of the Inspector Gen-  
14 eral of the Environmental Protection Agency for fiscal  
15 year 2022, out of any money in the Treasury not otherwise  
16 appropriated, \$50,000,000, to remain available until Sep-  
17 tember 30, 2031, for oversight of activities supported with  
18 funds appropriated to the Environmental Protection Agen-  
19 cy in this Act.

20 **SEC. 30116. CLIMATE POLLUTION REDUCTION GRANTS.**

21 The Clean Air Act is amended by inserting after sec-  
22 tion 136 of such Act, as added by section 30114 of this  
23 Act, the following:

1 **“SEC. 137. GREENHOUSE GAS AIR POLLUTION PLANS AND**  
2 **IMPLEMENTATION GRANTS.**

3 “(a) APPROPRIATIONS.—

4 “(1) GREENHOUSE GAS AIR POLLUTION PLAN-  
5 NING GRANTS.—In addition to amounts otherwise  
6 available, there is appropriated to the Administrator  
7 for fiscal year 2022, out of any amounts in the  
8 Treasury not otherwise appropriated, \$250,000,000,  
9 to remain available until September 30, 2031, to  
10 carry out subsection (b).

11 “(2) GREENHOUSE GAS AIR POLLUTION IMPLE-  
12 MENTATION GRANTS.—In addition to amounts other-  
13 wise available, there is appropriated to the Adminis-  
14 trator for fiscal year 2022, out of any amounts in  
15 the Treasury not otherwise appropriated,  
16 \$4,750,000,000, to remain available until September  
17 30, 2026, to carry out subsection (c).

18 “(3) ADMINISTRATIVE COSTS.—Of the funds  
19 made available under paragraph (2), the Adminis-  
20 trator shall reserve 3 percent for administrative  
21 costs necessary to carry out this section, including  
22 providing technical assistance to eligible entities, de-  
23 veloping a plan that could be used as a model by  
24 grantees in developing a plan under subsection (b),  
25 and modeling the effects of plans described in this  
26 section.

1           “(b) GREENHOUSE GAS AIR POLLUTION PLANNING  
2 GRANTS.—The Administrator shall make a grant to at  
3 least one eligible entity in each State for the costs of devel-  
4 oping a plan for the reduction of greenhouse gas air pollu-  
5 tion to be submitted with an application for a grant under  
6 subsection (c). Each such plan shall include programs,  
7 policies, measures, and projects that will achieve or facili-  
8 tate the reduction of greenhouse gas air pollution. Not  
9 later than 270 days after the date of enactment of this  
10 section, the Administrator shall publish a funding oppor-  
11 tunity announcement for grants under this subsection.

12           “(c) GREENHOUSE GAS AIR POLLUTION REDUCTION  
13 IMPLEMENTATION GRANTS.—

14                 “(1) IN GENERAL.—The Administrator shall  
15 competitively award grants to eligible entities to im-  
16 plement plans developed under subsection (b).

17                 “(2) APPLICATION.—To apply for a grant  
18 under this subsection, an eligible entity shall submit  
19 to the Administrator an application at such time, in  
20 such manner, and containing such information as  
21 the Administrator shall require, which such applica-  
22 tion shall include information regarding—

23                         “(A) the degree to which greenhouse gas  
24 air pollution is projected to be reduced, includ-

1           ing with respect to low-income and disadvan-  
2           taged communities; and

3           “(B) the quantifiability, specificity,  
4           additionality, permanence, and verifiability of  
5           such projected greenhouse gas air pollution re-  
6           duction.

7           “(3) TERMS AND CONDITIONS.—The Adminis-  
8           trator shall make funds available to a grantee under  
9           this subsection in such amounts, upon such a sched-  
10          ule, and subject to such conditions based on its per-  
11          formance in implementing its plan submitted under  
12          this section and in achieving projected greenhouse  
13          gas air pollution reduction, as determined by the Ad-  
14          ministrator.

15          “(d) ELIGIBLE ENTITY DEFINED.—In this section,  
16          the term ‘eligible entity’ means—

17                 “(1) a State;

18                 “(2) an air pollution control agency;

19                 “(3) a municipality;

20                 “(4) an Indian tribe; and

21                 “(5) a group of one or more entities listed in  
22          paragraphs (1) through (4).”.



1 **SEC. 30117. ENVIRONMENTAL PROTECTION AGENCY EFFI-**  
2 **CIENT, ACCURATE, AND TIMELY REVIEWS.**

3 In addition to amounts otherwise available, there is  
4 appropriated to the Environmental Protection Agency for  
5 fiscal year 2022, out of any money in the Treasury not  
6 otherwise appropriated, \$20,000,000, to remain available  
7 until September 30, 2026, to provide for the development  
8 of efficient, accurate, and timely reviews for permitting  
9 and approval processes through the hiring and training  
10 of personnel, the development of programmatic docu-  
11 ments, the procurement of technical or scientific services  
12 for reviews, the development of environmental data or in-  
13 formation systems, stakeholder and community engage-  
14 ment, the purchase of new equipment for environmental  
15 analysis, and the development of geographic information  
16 systems and other analysis tools, techniques, and guidance  
17 to improve agency transparency, accountability, and public  
18 engagement.

19 **SEC. 30118. LOW-EMBODIED CARBON LABELING FOR CON-**  
20 **STRUCTION MATERIALS FOR TRANSPOR-**  
21 **TATION PROJECTS.**

22 (a) IN GENERAL.—In addition to amounts otherwise  
23 available, there is appropriated to the Administrator of the  
24 Environmental Protection Agency for fiscal year 2022, out  
25 of any money in the Treasury not otherwise appropriated,  
26 \$100,000,000, to remain available until September 30,

1 2026, to develop and carry out a program, in consultation  
2 with the Administrator of the Federal Highway Adminis-  
3 tration, to identify and label, based on environmental  
4 product declarations, low-embodied carbon construction  
5 materials and products used for transportation projects,  
6 and for necessary administrative costs of the Adminis-  
7 trator of the Environmental Protection Agency to carry  
8 out this section.

9 (b) DEFINITIONS.—In this section:

10 (1) EMBODIED CARBON.—The term “embodied  
11 carbon” means the quantity of greenhouse gas emis-  
12 sions associated with all relevant stages of produc-  
13 tion of a material or product, measured in kilograms  
14 of carbon dioxide-equivalent per unit of such mate-  
15 rial or product.

16 (2) ENVIRONMENTAL PRODUCT DECLARA-  
17 TION.—The term “environmental product declara-  
18 tion” means a document that reports the environ-  
19 mental impact of a material or product that—

20 (A) includes measurement of the embodied  
21 carbon of the material or product;

22 (B) conforms with international standards,  
23 such as a Type III environmental product dec-  
24 laration as defined by the International Organi-  
25 zation for Standardization standard 14025; and

1 (C) is developed in accordance with any  
2 standardized reporting criteria specified by the  
3 Administrator of the Environmental Protection  
4 Agency.

5 (3) LOW-EMBODIED CARBON CONSTRUCTION  
6 MATERIALS AND PRODUCTS.—The term “low-em-  
7 bodied carbon construction materials and products”  
8 means construction materials and products identified  
9 by the Administrator of the Environmental Protec-  
10 tion Agency as having substantially lower levels of  
11 embodied carbon as compared to estimated industry  
12 averages of similar materials or products.

## 13 **Subtitle B—Hazardous Materials**

### 14 **SEC. 30201. GRANTS TO REDUCE WASTE IN COMMUNITIES.**

15 The Solid Waste Disposal Act is amended by insert-  
16 ing after section 7010 (42 U.S.C. 6979b) the following:

#### 17 **“SEC. 7011. GRANTS TO REDUCE WASTE IN COMMUNITIES.**

18 “(a) APPROPRIATIONS.—

19 “(1) ORGANICS RECYCLING AND FOOD  
20 WASTE.—In addition to amounts otherwise available,  
21 there is appropriated to the Administrator for fiscal  
22 year 2022, out of any money in the Treasury not  
23 otherwise appropriated, \$95,000,000, to remain  
24 available until September 30, 2031, to make grants,  
25 on a competitive basis, to eligible recipients for

1 projects in, or directly serving, low-income or dis-  
2 advantaged communities to—

3 “(A) construct, expand, or modernize in-  
4 frastructure for recycling and reuse of organic  
5 material, including any facility, machinery, or  
6 equipment used to collect and process organic  
7 material; or

8 “(B) measure, reduce, and prevent food  
9 waste.

10 “(2) OTHER WASTE REDUCTION ACTIVITIES.—

11 In addition to amounts otherwise available, there is  
12 appropriated to the Administrator for fiscal year  
13 2022, out of any money in the Treasury not other-  
14 wise appropriated, \$95,000,000, to remain available  
15 until September 30, 2031, to make grants, on a  
16 competitive basis, to eligible recipients for projects  
17 in, or directly serving, low-income or disadvantaged  
18 communities to—

19 “(A) reduce the amount of waste generated  
20 from manufacturing processes or when con-  
21 sumer products are disposed of, including by  
22 encouraging product or manufacturing redesign  
23 or redevelopment that reduces packaging and  
24 waste byproducts;

1           “(B) create market demand or manufac-  
2           turing capacity for recovered, recyclable, or re-  
3           cycled commodities and products, including  
4           compost; or

5           “(C) support the development and imple-  
6           mentation of activities that reduce the amount  
7           of waste disposed of in landfills or prevent the  
8           disposal of waste in landfills, including—

9                   “(i) expanding the availability of  
10                   source-separated organic waste collection;

11                   “(ii) encouraging diversion of organic  
12                   waste from landfills; or

13                   “(iii) increasing fees imposed on the  
14                   disposal of waste, including organic waste,  
15                   at landfills.

16           “(b) ADMINISTRATION OF FUNDS.—Of the amounts  
17           made available under subsection (a), the Administrator  
18           shall reserve 5 percent for the administrative costs nec-  
19           essary to carry out activities pursuant to that subsection.

20           “(c) DEFINITION OF ELIGIBLE RECIPIENT.—In this  
21           section, the term ‘eligible recipient’ means—

22                   “(1) a single unit of State, local, or Tribal gov-  
23                   ernment; or

24                   “(2) a nonprofit organization.”.

1 **SEC. 30202. ENVIRONMENTAL AND CLIMATE JUSTICE**  
2 **BLOCK GRANTS.**

3 The Clean Air Act is amended by inserting after sec-  
4 tion 137, as added by subtitle A of this title, the following:

5 **“SEC. 138. ENVIRONMENTAL AND CLIMATE JUSTICE BLOCK**  
6 **GRANTS.**

7 “(a) APPROPRIATION.—In addition to amounts oth-  
8 erwise available, there is appropriated to the Adminis-  
9 trator for fiscal year 2022, out of any money in the Treas-  
10 ury not otherwise appropriated—

11 “(1) \$2,800,000,000 to remain available until  
12 September 30, 2026, to award grants for the activi-  
13 ties described in subsection (b); and

14 “(2) \$200,000,000 to remain available until  
15 September 30, 2026, to provide technical assistance  
16 to eligible entities related to grants awarded under  
17 this section.

18 “(b) GRANTS.—

19 “(1) IN GENERAL.—The Administrator shall  
20 use amounts made available under subsection (a)(1)  
21 to award grants for periods of up to 3 years to eligi-  
22 ble entities to carry out activities described in para-  
23 graph (2) that benefit disadvantaged communities,  
24 as defined by the Administrator.

1           “(2) ELIGIBLE ACTIVITIES.—An eligible entity  
2           may use a grant awarded under this subsection  
3           for—

4                   “(A) community-led air and other pollution  
5                   monitoring, prevention, and remediation, and  
6                   investments in low- and zero-emission and resil-  
7                   ient technologies and related infrastructure and  
8                   workforce development that help reduce green-  
9                   house gas emissions and other air pollutants;

10                   “(B) mitigating climate and health risks  
11                   from urban heat islands, extreme heat, wood  
12                   heater emissions, and wildfire events;

13                   “(C) climate resiliency and adaptation;

14                   “(D) reducing indoor toxics and indoor air  
15                   pollution; or

16                   “(E) facilitating engagement of disadvan-  
17                   taged communities in State and Federal public  
18                   processes, including facilitating such engage-  
19                   ment in advisory groups, workshops, and  
20                   rulemakings.

21           “(3) ELIGIBLE ENTITIES.—In this subsection,  
22           the term ‘eligible entity’ means—

23                   “(A) a partnership between—

1                   “(i) an Indian tribe, a local govern-  
2                   ment, or an institution of higher education;  
3                   and

4                   “(ii) a community-based nonprofit or-  
5                   ganization;

6                   “(B) a community-based nonprofit organi-  
7                   zation; or

8                   “(C) a partnership of community-based  
9                   nonprofit organizations.

10           “(c) ADMINISTRATIVE COSTS.—The Administrator  
11 shall reserve 7 percent of the amounts made available  
12 under subsection (a) for administrative costs to carry out  
13 this section.”.

14 **SEC. 30203. FUNDING FOR DATA COLLECTION ON NA-**  
15 **TIONAL RECYCLING EFFORTS.**

16           In addition to amounts otherwise available, there is  
17 appropriated to the Administrator of the Environmental  
18 Protection Agency for fiscal year 2022, out of any money  
19 in the Treasury not otherwise appropriated, \$10,000,000,  
20 to remain available until September 30, 2031, to support  
21 data collection activities with respect to recycling efforts  
22 throughout the nation, with a particular focus on recycling  
23 efforts in disadvantaged, low-income, and rural commu-  
24 nities that lack access to recycling services.



## 1           **Subtitle C—Drinking Water**

### 2   **SEC. 30301. LEAD REMEDIATION PROJECTS.**

3           (a) IN GENERAL.—In addition to amounts otherwise  
4 available, there is appropriated for fiscal year 2022, out  
5 of any money in the Treasury not otherwise appropriated,  
6 \$9,000,000,000, to remain available until September 30,  
7 2026, for—

8           (1) grants under the lead reduction grant pro-  
9 gram under section 1459B(b) of the Safe Drinking  
10 Water Act (42 U.S.C. 300j–19b(b)) to entities eligi-  
11 ble for grants under that program that serve com-  
12 munities determined to be disadvantaged commu-  
13 nities pursuant to paragraph (3)(A) of such sub-  
14 section, for full service line replacement within those  
15 disadvantaged communities;

16           (2) grants for the installation and maintenance  
17 of lead filtration stations at schools and child care  
18 programs (as defined in section 1464(d)(1) of that  
19 Act (42 U.S.C. 300j–24(d)(1)) that serve disadvan-  
20 taged communities; and

21           (3) grants under subsection (d) of section 1464  
22 of that Act (42 U.S.C. 300j–24)—

23           (A) to pay the costs of replacement of  
24 drinking water fountains in schools and child

1 care programs that serve disadvantaged com-  
2 munities;

3 (B) for lead remediation projects in build-  
4 ings operated by entities eligible for grants  
5 under that subsection that serve disadvantaged  
6 communities; and

7 (C) for compliance monitoring in disadvan-  
8 taged communities.

9 (b) COST-SHARE WAIVER.—An entity receiving as-  
10 sistance pursuant to this section shall not be required to  
11 provide a share of the costs of carrying out the project  
12 or activity funded by that assistance.

13 (c) ADMINISTRATIVE COSTS.—Of the amounts made  
14 available under subsection (a), the Administrator of the  
15 Environmental Protection Agency shall reserve 7 percent  
16 for the administrative costs of carrying out this section.

17 **SEC. 30302. FUNDING FOR WATER ASSISTANCE PROGRAM.**

18 (a) APPROPRIATION.—In addition to amounts other-  
19 wise available, there is appropriated for fiscal year 2022,  
20 out of any money in the Treasury not otherwise appro-  
21 priated, \$225,000,000, to remain available until expended,  
22 to provide grants to States, Indian Tribes, and Tribal or-  
23 ganizations to assist low-income households that pay a  
24 high proportion of household income for drinking water  
25 and wastewater (including stormwater) services, particu-

1 larly households with an annual income that is less than  
2 or equal to 150 percent of the Federal poverty line, by  
3 providing amounts to community water systems (as de-  
4 fined in section 1401 of the Safe Drinking Water Act (42  
5 U.S.C. 300f)) or publicly owned treatment works (as de-  
6 fined in section 212 of the Federal Water Pollution Con-  
7 trol Act (33 U.S.C. 1292)) to reduce the arrearages of  
8 and rates charged to those households for those services  
9 by up to 100 percent.

10 (b) REQUIREMENT.—Of the amounts made available  
11 under subsection (a), the Administrator of the Environ-  
12 mental Protection Agency shall reserve not more than 3  
13 percent to provide the assistance described in that sub-  
14 section to Indian Tribes and Tribal organizations.

15 (c) COST-SHARE WAIVER.—An entity receiving as-  
16 sistance pursuant to this section shall not be required to  
17 provide a share of the costs of carrying out the activity  
18 funded by that assistance.

19 (d) ADMINISTRATIVE COSTS.—Of the amounts made  
20 available under subsection (a), the Administrator of the  
21 Environmental Protection Agency shall reserve 7 percent  
22 for the administrative costs of carrying out this section.

23 (e) DEFINITION OF STATE.—In this section, the term  
24 “State” means—

25 (1) each of the 50 States;

- 1 (2) the District of Columbia;  
2 (3) the Commonwealth of Puerto Rico;  
3 (4) American Samoa;  
4 (5) Guam;  
5 (6) the United States Virgin Islands; and  
6 (7) the Commonwealth of the Northern Mar-  
7 iana Islands.

## 8 **Subtitle D—Energy**

### 9 **PART 1—RESIDENTIAL EFFICIENCY AND**

#### 10 **ELECTRIFICATION REBATES**

#### 11 **SEC. 30411. HOME ENERGY PERFORMANCE-BASED, WHOLE-**

#### 12 **HOUSE REBATES AND TRAINING GRANTS.**

13 (a) HOME ON-LINE PERFORMANCE-BASED ENERGY  
14 EFFICIENCY (HOPE) CONTRACTOR TRAINING  
15 GRANTS.—

16 (1) APPROPRIATION.—In addition to amounts  
17 otherwise available, there is appropriated to the Sec-  
18 retary for fiscal year 2022, out of any money in the  
19 Treasury not otherwise appropriated, \$360,000,000,  
20 to remain available until September 30, 2030, to  
21 award grants to States to develop and implement a  
22 State program described in section 362(d)(13) of the  
23 Energy Policy and Conservation Act (42 U.S.C.  
24 6322(d)(13)), which shall partner with nonprofit or-  
25 ganizations to fund qualifying programs described in

1 paragraph (2) that provide training courses and op-  
2 portunities to support home energy efficiency up-  
3 grade construction services to train workers, both  
4 on-line and in-person, to support and provide for the  
5 home energy efficiency retrofits under subsection  
6 (b), and for administrative expenses associated with  
7 carrying out this subsection.

8 (2) QUALIFYING PROGRAMS.—For the purposes  
9 of this paragraph, qualifying programs are programs  
10 that—

11 (A) provide the equivalent of at least 30  
12 hours in total course time;

13 (B) are provided by a provider that is ac-  
14 credited by the Interstate Renewable Energy  
15 Council or has other accreditation determined  
16 to be equivalent by the Secretary;

17 (C) are, with respect to a particular job,  
18 aligned with the relevant National Renewable  
19 Energy Laboratory Job Task Analysis, or other  
20 credentialing program foundation that helps  
21 identify the necessary core knowledge areas,  
22 critical work functions, or skills, as approved by  
23 the Secretary;

24 (D) have established learning objectives;

1           (E) include, as the Secretary determines  
2 appropriate, an appropriate assessment of such  
3 learning objectives that may include a final  
4 exam, to be proctored on-site or through remote  
5 proctoring, or an in-person field exam; and

6           (F) include training related to—

7                 (i) contractor certification;

8                 (ii) energy auditing or assessment;

9                 (iii) home energy systems (including  
10 Energy Star-qualified HVAC systems and  
11 Wi-Fi-enabled home energy communica-  
12 tions technology, or any future technology  
13 that achieves the same goals);

14                (iv) insulation installation and air  
15 leakage control;

16                (v) health and safety regarding the in-  
17 stallation of energy efficiency measures or  
18 health and safety impacts associated with  
19 energy efficiency retrofits;

20                (vi) indoor air quality;

21                (vii) energy efficiency retrofits in  
22 manufactured housing; and

23                (viii) residential electrification train-  
24 ing and conversion training.

1           (3) STATE ENERGY PROGRAM PROVIDERS.—A  
2 State energy office may use not more than 10 per-  
3 cent of the amounts made available to the State en-  
4 ergy office under this subsection to administer a  
5 qualifying program described in paragraph (2), in-  
6 cluding for the conduct of design and operations ac-  
7 tivities.

8           (4) TERMS AND CONDITIONS.—

9           (A) ELIGIBLE USE OF FUNDS.—Of the  
10 amounts made available to a State under this  
11 subsection, 85 percent shall be used by the  
12 State—

13                   (i) to support the operations of quali-  
14 fying programs, including establishing,  
15 modifying, or maintaining the online sys-  
16 tems, staff time, and software and online  
17 program management, through a course  
18 that meets the applicable criteria;

19                   (ii) to reimburse the contractor com-  
20 pany for training costs for employees;

21                   (iii) to provide any home technology  
22 support needed for an employee to receive  
23 training pursuant to this subsection; and

24                   (iv) to support wages of employees  
25 during training.

1           (B) TIMING OF OBLIGATIONS.—Amounts  
2           made available under this subsection shall be  
3           used, as necessary, to cover or reimburse allow-  
4           able costs incurred after the date of enactment  
5           of this Act.

6           (C) UNOBLIGATED AMOUNTS.—Amounts  
7           made available under this subsection which are  
8           not accepted, are voluntarily returned, or other-  
9           wise recaptured for any reason shall be used to  
10          fund grants under subsection (b).

11         (b) HOME OWNER MANAGING ENERGY SAVINGS  
12         (HOMES) REBATES.—

13           (1) APPROPRIATION.—In addition to amounts  
14           otherwise available, there is appropriated to the Sec-  
15           retary for fiscal year 2022, out of any money in the  
16           Treasury not otherwise appropriated,  
17           \$5,890,000,000, to remain available until September  
18           30, 2030, to award grants, in accordance with the  
19           formula for the State Energy Program under part D  
20           of title III of the Energy Policy and Conservation  
21           Act in effect on January 1, 2021, to State energy  
22           offices to establish Home Owner Managing Energy  
23           Savings (HOMES) Rebate Programs pursuant to  
24           section 362(d)(5) of such Act (42 U.S.C.



1 6322(d)(5)), and for administrative expenses associ-  
2 ated with carrying out this subsection.

3 (2) COORDINATION.—In carrying out this sub-  
4 section, the Secretary shall coordinate with State en-  
5 ergy offices to ensure that programs that receive  
6 awards are formulated to achieve maximum green-  
7 house gas emissions reductions and household en-  
8 ergy and costs savings.

9 (3) APPLICATION.—In order to receive a grant  
10 under this subsection, a State shall submit to the  
11 Secretary an application that includes a plan to im-  
12 plement a qualifying State program that includes—

13 (A) a plan to ensure that each home en-  
14 ergy efficiency retrofit under the program—

15 (i) is completed by a contractor who  
16 meets minimum training requirements, cer-  
17 tification requirements, and other require-  
18 ments established by the Secretary; and

19 (ii) includes installation of 1 or more  
20 home energy efficiency retrofit measures  
21 that are modeled to achieve, or are shown  
22 to achieve, the minimum reduction re-  
23 quired in home energy use, or with respect  
24 to a portfolio of home energy efficiency ret-

1 rofits, in aggregated home energy use for  
2 such portfolio;

3 (B) a plan—

4 (i) to utilize, for purposes of modeled  
5 performance home rebates, modeling soft-  
6 ware, methods, and procedures for deter-  
7 mining and documenting the reductions in  
8 home energy use resulting from the imple-  
9 mentation of a home energy efficiency ret-  
10 rofit that is calibrated to historical energy  
11 usage for a home consistent with BPI  
12 2400, that are approved by the Secretary,  
13 that can provide evidence for necessary im-  
14 provements to a State program, and that  
15 can help to calibrate models for accuracy;

16 (ii) to utilize, for purposes of meas-  
17 ured performance home rebates, open-  
18 source advanced measurement and  
19 verification software approved by the Sec-  
20 retary for determining and documenting  
21 the monthly and hourly (if available)  
22 weather-normalized baseline energy use of  
23 a home, the reductions in monthly and  
24 hourly (if available) weather-normalized  
25 energy use of a home resulting from the

1 implementation of a home energy efficiency  
2 retrofit, and open-source advanced meas-  
3 urement and verification software approved  
4 by the Secretary; and

5 (iii) to value savings based on time,  
6 location, or greenhouse gas emissions;

7 (C) procedures for a homeowner to trans-  
8 fer the right to claim a rebate to the contractor  
9 performing the applicable home energy effi-  
10 ciency retrofit or to an aggregator, if the State  
11 program will utilize aggregators;

12 (D) if the State program will utilize  
13 aggregators to facilitate delivery of rebates to  
14 homeowners or contractors, requirements for an  
15 entity to be eligible to serve as an aggregator;

16 (E) quality monitoring to ensure that each  
17 installation that receives a rebate is documented  
18 in a certificate, provided by the contractor to  
19 the homeowner, that details the work, including  
20 information about the characteristics of equip-  
21 ment and materials installed, as well as pro-  
22 jected energy savings or energy generation, in a  
23 way that will enable the homeowner to clearly  
24 communicate the value of the high-performing

1 features funded by the rebate to buyers, real es-  
2 tate agents, appraisers and lenders; and

3 (F) a procedure for providing the con-  
4 tractor performing a home energy efficiency ret-  
5 rofit or an aggregator who has the right to  
6 claim such rebate with \$200 for each home lo-  
7 cated in an underserved community that re-  
8 ceives a home efficiency retrofit for which a re-  
9 bate is provided under the program.

10 (4) AMOUNT OF REBATES FOR SINGLE FAMILY  
11 AND MULTIFAMILY HOMES.—Of the amounts pro-  
12 vided to a State energy office under this subsection,  
13 85 percent shall be used to provide Home Owner  
14 Managing Energy Savings (HOMES) Rebates to—

15 (A) individuals and aggregators for the en-  
16 ergy efficiency upgrades of single-family homes  
17 of not more than 4 units—

18 (i) \$2,000 for a retrofit that achieves  
19 at least 20 percent modeled energy system  
20 savings or 50 percent of the project cost,  
21 whichever is lower;

22 (ii) \$4,000 for a retrofit that achieves  
23 at least 35 percent modeled energy system  
24 savings or 50 percent of the project cost,  
25 whichever is lower; or

1           (iii) for measured energy savings, a  
2           payment per kilowatt hour saved, or kilo-  
3           watt hour-equivalent saved, equal to  
4           \$2,000 for a 20 percent reduction of en-  
5           ergy use for the average home in the State,  
6           for homes or portfolios of homes that  
7           achieve at least 15 percent energy savings,  
8           or 50 percent of the project cost, whichever  
9           is lower;

10           (B) multifamily building owners and  
11           aggregators for the energy efficiency upgrades  
12           of multifamily buildings—

13           (i) \$2,000 per dwelling unit for a ret-  
14           rofit that achieves at least 20 percent mod-  
15           eled energy system savings up a maximum  
16           of \$200,000 per multifamily building;

17           (ii) \$4,000 per dwelling unit for a ret-  
18           rofit that achieves at least 35 percent mod-  
19           eled energy system savings up to a max-  
20           imum of \$400,000 per multifamily build-  
21           ing; or

22           (iii) for measured energy savings, a  
23           payment rate per kilowatt hours saved, or  
24           kilowatt hour-equivalent saves, equal to  
25           \$2,000 for a 20 percent reduction of en-

1           ergy use for the average multifamily build-  
2           ing in the State, for multifamily buildings  
3           or portfolios of buildings that achieve at  
4           least 15 percent energy savings, or 50 per-  
5           cent of the project cost, whichever is lower;  
6           or

7           (C) individuals and aggregators for the en-  
8           ergy efficiency upgrades of single family homes  
9           of 4 units or less or multifamily buildings that  
10          are occupied by residents with an annual in-  
11          come of less than 80 percent of the area median  
12          income as published publicly by the Department  
13          of Housing and Urban Development—

14               (i) \$4,000 for a retrofit that achieves  
15               at least 20 percent modeled energy system  
16               savings or 80 percent of the project cost,  
17               whichever is lower;

18               (ii) \$8,000 for a retrofit that achieves  
19               at least 35 percent modeled energy system  
20               savings or 80 percent of the project cost,  
21               whichever is lower; or

22               (iii) for measured energy savings, a  
23               payment rate per kilowatt hour saved, or  
24               kilowatt hour-equivalent saved, equal to  
25               \$4,000 for a 20 percent reduction of en-

1           ergy use for the average multifamily build-  
2           ing in the State, for multifamily buildings  
3           or portfolios of buildings that achieve at  
4           least 15 percent energy savings, or 80 per-  
5           cent of the project cost, whichever is lower.

6           (5) REQUIREMENT.—Not less than 25 percent  
7           of the funds provided to a State energy office under  
8           this subsection shall be used for the purposes of  
9           each of subparagraphs (A), (B), and (C) of para-  
10          graph (4).

11          (6) ELIGIBILITY OF CERTAIN APPLIANCES.—In  
12          calculating total energy savings for single family or  
13          multifamily homes under this subsection, a program  
14          may include savings from the purchase of high-effi-  
15          ciency natural gas HVAC systems and water heaters  
16          certified under the Energy Star program until the  
17          date that is 6 years after the date of enactment of  
18          this Act.

19          (7) PLANNING.—Not to exceed 20 percent of  
20          any grant made with funds made available under  
21          this subsection shall be expended for planning and  
22          management development and administration.

23          (8) TECHNICAL ASSISTANCE.—Amounts made  
24          available under this subsection shall be used for sin-  
25          gle family, multifamily, and manufactured housing

1 rebates and the Secretary shall, in consultation with  
2 States, contractors, and other local technical experts  
3 design support, methodology, and contractor criteria  
4 as appropriate for the different building stock.

5 (9) USE OF FUNDS.—Rebate amounts made  
6 available through the High-Efficiency Electric Home  
7 Rebate Program established under subsection (b)(1)  
8 of section 124 of the Energy Policy Act of 2005 (as  
9 amended by this subtitle) may be used in conjunc-  
10 tion with the funds made available under this sub-  
11 section.

12 (c) DEFINITIONS.—In this section:

13 (1) AGGREGATOR.—The term “aggregator”  
14 means a gas utility, electric utility, commercial enti-  
15 ty, nonprofit entity, or State or local government en-  
16 tity that may receive rebates provided under a State  
17 program under this section for 1 or more portfolios  
18 consisting of 1 or more energy efficiency retrofits.

19 (2) CONTRACTOR CERTIFICATION.—The term  
20 “contractor certification” means—

21 (A) an industry recognized certification  
22 that may be obtained by a residential contractor  
23 to advance the expertise and education of the  
24 contractor in energy efficiency retrofits of resi-  
25 dential buildings; and



1           (B) any other certification the Secretary  
2 determines appropriate for purposes of the  
3 HOMES Rebate Program established under  
4 subsection (b).

5           (3) CONTRACTOR COMPANY.—The term “con-  
6 tractor company” means a company—

7           (A) the business of which is to provide  
8 services to residential building owners with re-  
9 spect to HVAC systems, insulation, air sealing,  
10 or other services that are approved by the Sec-  
11 retary;

12           (B) that holds the licenses and insurance  
13 required by the State in which the company  
14 provides services; and

15           (C) that provides services for which a re-  
16 bate may be provided pursuant to the HOMES  
17 Rebate Program established under subsection  
18 (b).

19           (4) ENERGY STAR PROGRAM.—The term “En-  
20 ergy Star program” means the program established  
21 by section 324A of the Energy Policy and Conserva-  
22 tion Act (42 U.S.C. 6294a).

23           (5) HOME.—The term “home” means a build-  
24 ing with not more than 4 dwelling units or a manu-

1 factured housing unit (including a unit built before  
2 June 15, 1976), that—

3 (A) is located in the United States;

4 (B) was constructed before the date of en-  
5 actment of this Act;

6 (C) is occupied at least 6 months out of  
7 the year; and

8 (D) is not on a military base.

9 (6) HVAC SYSTEM.—The term “HVAC sys-  
10 tem” means a system—

11 (A) is certified under the Energy Star pro-  
12 gram;

13 (B) consisting of a heating component, a  
14 ventilation component, and an air-conditioning  
15 component; and

16 (C) the components of which may include  
17 central air conditioning, a heat pump, a fur-  
18 nace, a boiler, a rooftop unit, and a window  
19 unit.

20 (7) MULTIFAMILY BUILDING.—The term “mul-  
21 tifamily building” means a building—

22 (A) with 5 or more dwelling units; and

23 (B) that is not on a military base.

24 (8) SECRETARY.—The term “Secretary” means  
25 the Secretary of Energy.

1           (9) STATE ENERGY OFFICE.—The term “State  
2 energy office” has the meaning given the term  
3 “State energy agency” in section 391(10) of the En-  
4 ergy Policy and Conservation Act (42 U.S.C.  
5 6371(10)).

6           (10) UNDERSERVED COMMUNITY.—The term  
7 “underserved community” means—

8           (A) a community located in a ZIP Code  
9 that includes 1 or more census tracts that are  
10 identified as—

11                   (i) a low-income community; or

12                   (ii) a community of racial or ethnic  
13 minority concentration; or

14           (B) any other community that the Sec-  
15 retary determines is disproportionately vulner-  
16 able to, or bears a disproportionate burden of,  
17 any combination of economic, social, and envi-  
18 ronmental stressors.

19 **SEC. 30412. HIGH-EFFICIENCY ELECTRIC HOME REBATE**  
20 **PROGRAM.**

21           (a) IN GENERAL.—Section 124 of the Energy Policy  
22 Act of 2005 (42 U.S.C. 15821) is amended to read as  
23 follows:

1 **“SEC. 124. HIGH-EFFICIENCY ELECTRIC HOME REBATE**  
2 **PROGRAM.**

3 “(a) APPROPRIATIONS.—

4 “(1) IN GENERAL.—In addition to amounts  
5 otherwise available, there is appropriated to the Sec-  
6 retary for fiscal year 2022, out of any money in the  
7 Treasury not otherwise appropriated—

8 “(A) \$2,226,000,000, to remain available  
9 until September 30, 2031, to provide rebates  
10 under this section;

11 “(B) \$4,000,000, to remain available until  
12 September 30, 2031, for community and con-  
13 sumer education and outreach related to car-  
14 rying out this section; and

15 “(C) \$220,000,000, to remain available  
16 until September 30, 2031, to administer this  
17 section and to provide administrative and tech-  
18 nical support to certified contractor companies,  
19 qualified providers, States, and Indian Tribes.

20 “(2) ADDITIONAL FUNDING FOR TRIBAL COM-  
21 MUNITIES AND LOW- OR MODERATE-INCOME HOUSE-  
22 HOLDS.—In addition to amounts otherwise available,  
23 there is appropriated to the Secretary for fiscal year  
24 2022, out of any money in the Treasury not other-  
25 wise appropriated, \$3,800,000,000, to remain avail-  
26 able until September 30, 2031, for—

1           “(A) rebates under this section relating to  
2           qualified electrification projects carried out in  
3           Tribal communities or for low- or moderate-in-  
4           come households; and

5           “(B) any necessary administrative or tech-  
6           nical support for those qualified electrification  
7           projects.

8           “(b) HIGH-EFFICIENCY ELECTRIC HOME REBATES  
9           FOR QUALIFIED ELECTRIFICATION PROJECTS.—

10           “(1) HIGH-EFFICIENCY ELECTRIC HOME RE-  
11           BATES.—The Secretary shall establish a program  
12           within the Department, to be known as the ‘High-  
13           Efficiency Electric Home Rebate Program’, under  
14           which the Secretary shall provide to homeowners  
15           and owners of multifamily buildings high-efficiency  
16           electric home rebates, in accordance with this sub-  
17           section, for qualified electrification projects carried  
18           out at, or relating to, the homes or multifamily  
19           buildings, as applicable.

20           “(2) AMOUNT OF REBATE.—

21           “(A) IN GENERAL.—Subject to subsection  
22           (c)(1)(A), a high-efficiency electric home rebate  
23           under paragraph (1) shall be equal to—

24           “(i) in the case of a qualified elec-  
25           trification project described in subsection

1 (d)(11)(A)(i)(II) that installs a heat pump  
2 used for water heating, not more than  
3 \$1,250;

4 “(ii) in the case of a qualified elec-  
5 trification project described in subsection  
6 (d)(11)(A)(i)(II) that installs a heat pump  
7 HVAC system—

8 “(I)(aa) not more than \$3,000 if  
9 the heat pump HVAC system has a  
10 heating capacity of not less than  
11 27,500 Btu per hour; or

12 “(bb) not more than \$4,000 if  
13 the heat pump HVAC system meets  
14 Energy Star program cold climate cri-  
15 teria and is installed in a cold climate,  
16 as determined by the Secretary;

17 “(II)(aa) not more than \$1,500 if  
18 the heat pump HVAC system has a  
19 heating capacity of less than 27,500  
20 Btu per hour; or

21 “(bb) not more than \$2,000 if  
22 the heat pump HVAC system meets  
23 Energy Star program cold climate cri-  
24 teria and is installed in a cold climate,  
25 as determined by the Secretary; and

1           “(III) \$250, in addition to the  
2           amount described in subclause (I) or  
3           (II), if a qualified electrification  
4           project described in subsection  
5           (d)(11)(A)(i)(V) that installs insula-  
6           tion, air sealing, and ventilation in ac-  
7           cordance with clause (v) is completed  
8           within 6 months before or after the  
9           qualified electrification project de-  
10          scribed in that subclause;

11          “(iii) in the case of a qualified elec-  
12          trification project described in subclause  
13          (III) or (IV) of subsection (d)(11)(A)(i),  
14          not more than \$600;

15          “(iv) in the case of a qualified elec-  
16          trification project described in subsection  
17          (d)(11)(A)(i)(I) that installs an electric  
18          load or service center panel that enables  
19          the installation and use of any upgrade,  
20          appliance, system, equipment, infrastruc-  
21          ture, component, or other item installed  
22          pursuant to any other qualified electrifica-  
23          tion project, not more than \$3,000;

24          “(v) in the case of a qualified elec-  
25          trification project described in subsection

1 (d)(11)(A)(i)(V) that installs insulation  
2 and air sealing, not more than \$800; and

3 “(vi) in the case of any other qualified  
4 electrification project, including a qualified  
5 electrification project described in any of  
6 subclauses (I) through (III) of subsection  
7 (d)(11)(A)(ii), for which the Secretary pro-  
8 vides a high-efficiency electric home rebate,  
9 not more than an amount determined by  
10 the Secretary for that qualified electrifica-  
11 tion project, subject to subparagraph (B).

12 “(B) LIMITATIONS ON AMOUNT OF RE-  
13 BATE.—

14 “(i) MAXIMUM TOTAL AMOUNT.—Sub-  
15 ject to subsection (c)(1)(B), the maximum  
16 total amount that may be awarded as high-  
17 efficiency electric home rebates under this  
18 subsection shall be \$10,000 with respect to  
19 each home for which a high-efficiency elec-  
20 tric home rebate is provided.

21 “(ii) COSTS.—

22 “(I) IN GENERAL.—Subject to  
23 subsection (c)(1)(C), the amount of a  
24 high-efficiency electric home rebate  
25 provided to a homeowner under this



1 subsection shall not exceed 50 percent  
2 of the total cost of the applicable  
3 qualified electrification project.

4 “(II) LABOR COSTS.—Subject to  
5 subsection (c)(1)(C), not more than  
6 50 percent of the labor costs associ-  
7 ated with a qualified electrification  
8 project may be included in the 50 per-  
9 cent of total costs for which a high-ef-  
10 ficiency electric home rebate is pro-  
11 vided under this subsection, as de-  
12 scribed in subclause (I), subject to the  
13 condition that labor costs account for  
14 not more than 50 percent of the  
15 amount of the high-efficiency electric  
16 home rebate.

17 “(3) LIMITATIONS ON QEPS.—

18 “(A) CONTRACTORS.—A high-efficiency  
19 electric home rebate may be provided for a  
20 qualified electrification project carried out by a  
21 contractor company only if that contractor com-  
22 pany is a certified contractor company.

23 “(B) HEAT PUMP HVAC SYSTEMS.—A  
24 high-efficiency electric home rebate may be pro-  
25 vided for a qualified electrification project that

1 installs or enables the installation of a heat  
2 pump HVAC system only if the heat pump  
3 HVAC system—

4 “(i) replaces—

5 “(I) a nonelectric HVAC system;

6 “(II) an electric resistance  
7 HVAC system; or

8 “(III) an air conditioning unit  
9 that—

10 “(aa) does not have a re-  
11 versing valve; and

12 “(bb) has a lower seasonal  
13 energy-efficiency ratio than the  
14 heat pump HVAC system; or

15 “(ii) is part of new construction, as  
16 determined by the Secretary.

17 “(C) HEAT PUMPS FOR WATER HEAT-  
18 ING.—A high-efficiency electric home rebate  
19 may be provided for a qualified electrification  
20 project that installs or enables the installation  
21 of a heat pump used for water heating only if  
22 the heat pump—

23 “(i) replaces—

24 “(I) a nonelectric heat pump  
25 water heater;

1 “(II) a nonelectric water heater;

2 or

3 “(III) an electric resistance water

4 heater; or

5 “(ii) is part of new construction, as  
6 determined by the Secretary.

7 “(D) ELECTRIC STOVES, COOKTOPS,  
8 RANGES, AND OVENS.—A high-efficiency electric  
9 home rebate may be provided for a qualified  
10 electrification project described in subsection  
11 (d)(11)(A)(i)(III) only if the applicable electric  
12 stove, cooktop, range, or oven—

13 “(i) replaces a nonelectric stove,  
14 cooktop, range, or oven; or

15 “(ii) is part of new construction, as  
16 determined by the Secretary.

17 “(E) ELECTRIC HEAT PUMP CLOTHES  
18 DRYERS.—A high-efficiency electric home re-  
19 bate may be provided for a qualified electrifica-  
20 tion project described in subsection  
21 (d)(11)(A)(i)(IV) only if the applicable electric  
22 heat pump clothes dryer—

23 “(i) replaces a nonelectric clothes  
24 dryer; or

25 “(ii) is part of new construction.

1           “(4) ADDITIONAL INCENTIVES FOR CONTRAC-  
2 TORS AND QUALIFIED PROVIDERS.—

3           “(A) GENERAL INCENTIVE.—

4           “(i) IN GENERAL.—With respect to  
5 each qualified electrification project de-  
6 scribed in clause (ii), the Secretary shall  
7 provide a payment of \$100 to the certified  
8 contractor company or qualified provider  
9 carrying out the qualified electrification  
10 project.

11           “(ii) QUALIFIED ELECTRIFICATION  
12 PROJECT DESCRIBED.—A qualified elec-  
13 trification project referred to in clause (i)  
14 is a qualified electrification project—

15           “(I) that is carried out at a home  
16 or multifamily building;

17           “(II) for which a rebate is pro-  
18 vided under this subsection; and

19           “(III) with respect to which the  
20 certified contractor company or quali-  
21 fied provider is not eligible for a high-  
22 er payment under any of subpara-  
23 graphs (B) through (D).

24           “(B) INCENTIVE FOR QEPS IN CERTAIN  
25 COMMUNITIES AND HOUSEHOLDS.—

1           “(i) IN GENERAL.—With respect to  
2 each qualified electrification project de-  
3 scribed in clause (ii), the Secretary shall  
4 provide a payment of \$200 to the certified  
5 contractor company or qualified provider  
6 carrying out the qualified electrification  
7 project.

8           “(ii) QUALIFIED ELECTRIFICATION  
9 PROJECT DESCRIBED.—A qualified elec-  
10 trification project referred to in clause (i)  
11 is a qualified electrification project—

12                   “(I) that is carried out at a home  
13 or multifamily building that—

14                           “(aa) is located in an under-  
15 served community or a Tribal  
16 community; or

17                           “(bb) is certified, or the  
18 household of the homeowner of  
19 which is certified, as applicable,  
20 as low- or moderate-income;

21                   “(II) for which a rebate is pro-  
22 vided under this subsection; and

23                   “(III) with respect to which the  
24 certified contractor company or quali-  
25 fied provider is not eligible for a high-

1 er payment under subparagraph (C)  
2 or (D).

3 “(C) INCENTIVE FOR CERTAIN LABOR  
4 PRACTICES.—

5 “(i) IN GENERAL.—With respect to  
6 each qualified electrification project de-  
7 scribed in clause (ii), the Secretary shall  
8 provide a payment of \$250 to the certified  
9 contractor company or qualified provider  
10 carrying out the qualified electrification  
11 project.

12 “(ii) QUALIFIED ELECTRIFICATION  
13 PROJECT DESCRIBED.—A qualified elec-  
14 trification project referred to in clause (i)  
15 is a qualified electrification project—

16 “(I) that is carried out—

17 “(aa) at a home or multi-  
18 family building; and

19 “(bb) by a certified con-  
20 tractor company or qualified pro-  
21 vider that allows for the use of  
22 collective bargaining agreements;

23 “(II) for which a rebate is pro-  
24 vided under this subsection; and

25 “(III) with respect to which—

1           “(aa) all laborers and me-  
2           chanics employed on the qualified  
3           electrification project are paid  
4           wages at rates not less than  
5           those prevailing on projects of a  
6           character similar in the locality;  
7           and

8           “(bb) the certified con-  
9           tractor company or qualified pro-  
10          vider is not eligible for a higher  
11          payment under subparagraph  
12          (D).

13          “(D) MAXIMUM INCENTIVE.—

14                 “(i) IN GENERAL.—With respect to  
15                 each qualified electrification project de-  
16                 scribed in clause (ii), the Secretary shall  
17                 provide a payment of \$500 to the certified  
18                 contractor company or qualified provider  
19                 carrying out the qualified electrification  
20                 project.

21                 “(ii) QUALIFIED ELECTRIFICATION  
22                 PROJECT DESCRIBED.—A qualified elec-  
23                 trification project referred to in clause (i)  
24                 is a qualified electrification project—

25                         “(I) that is carried out—

1                   “(aa) at a home or multi-  
2 family building that—

3                   “(AA) is located in an  
4                   underserved community or a  
5                   Tribal community; or

6                   “(BB) is certified, or  
7                   the household of the home-  
8                   owner of which is certified,  
9                   as applicable, as low- or  
10                  moderate-income; and

11                  “(bb) by a certified con-  
12                  tractor company or qualified pro-  
13                  vider that allows for the use of  
14                  collective bargaining agreements;

15                  “(II) for which a rebate is pro-  
16                  vided under this subsection; and

17                  “(III) with respect to which all  
18                  laborers and mechanics employed on  
19                  the qualified electrification project are  
20                  paid wages at rates not less than  
21                  those prevailing on projects of a char-  
22                  acter similar in the locality.

23                  “(E) CLARIFICATION.—An amount pro-  
24                  vided to a certified contractor company or  
25                  qualified provider under any of subparagraphs



1 (A) through (D) shall be in addition to the  
2 amount of any high-efficiency electric home re-  
3 bate received by the certified contractor com-  
4 pany or qualified provider.

5 “(5) CLAIM.—

6 “(A) IN GENERAL.—Subject to paragraph  
7 (2)(B), a homeowner, a certified contractor  
8 company, or a qualified provider may claim a  
9 separate high-efficiency electric home rebate  
10 under this subsection for each qualified elec-  
11 trification project carried out at a home.

12 “(B) TRANSFER.—The Secretary shall es-  
13 tablish and publish procedures pursuant to  
14 which a homeowner or owner of a multifamily  
15 building may transfer the right to claim a re-  
16 bate under this subsection to the certified con-  
17 tractor company or qualified provider carrying  
18 out the applicable qualified electrification  
19 project.

20 “(6) MULTIFAMILY BUILDINGS.—

21 “(A) IN GENERAL.—Subject to subpara-  
22 graph (B), the owner of a multifamily building  
23 may combine the amounts of high-efficiency  
24 electric home rebates for each dwelling unit in

1 the multifamily building into a single rebate,  
2 subject to—

3 “(i) the condition that the applicable  
4 qualified electrification projects benefit  
5 each dwelling unit with respect to which  
6 the rebate is claimed; and

7 “(ii) any maximum per-dwelling unit  
8 rate established by the Secretary.

9 “(B) COSTS.—

10 “(i) IN GENERAL.—Subject to clause  
11 (ii), the amount of a rebate under subpara-  
12 graph (A) shall not exceed 50 percent of  
13 the total cost, including labor costs, of the  
14 applicable qualified electrification projects.

15 “(ii) LOW- OR MODERATE-INCOME  
16 BUILDINGS.—In the case of a multifamily  
17 building that is certified by the Secretary  
18 as low- or moderate-income, the amount of  
19 a rebate under subparagraph (A) shall not  
20 exceed 100 percent of the total cost of the  
21 applicable qualified electrification projects.

22 “(C) PROCEDURES.—The Secretary shall  
23 establish and publish procedures—

24 “(i) pursuant to which the owner of a  
25 multifamily building may combine rebate

1 amounts in accordance with this sub-  
2 section; and

3 “(ii) for the enforcement of any limi-  
4 tations under this subsection.

5 “(7) PROCESS.—

6 “(A) REBATE PROCESS.—Not later than  
7 July 1, 2022, the Secretary shall establish a re-  
8 bate processing system that provides immediate  
9 price relief for consumers who purchase and  
10 have installed qualified electrification projects,  
11 in accordance with this section.

12 “(B) QUALIFIED ELECTRIFICATION  
13 PROJECT LIST.—

14 “(i) IN GENERAL.—Not later than  
15 July 1, 2022, the Secretary shall publish a  
16 list of qualified electrification projects for  
17 which a high-efficiency electric home re-  
18 bate may be provided under this subsection  
19 that includes, at a minimum, the qualified  
20 electrification projects described in sub-  
21 section (d)(11)(A).

22 “(ii) REQUIREMENTS.—The list pub-  
23 lished under clause (i) shall include speci-  
24 fications for each qualified electrification  
25 project included on the list, including—

1           “(I) appropriate certifications  
2           under the Energy Star program; and

3           “(II) other applicable require-  
4           ments, such as requirements relating  
5           to grid-interactive capability.

6           “(iii) UPDATES.—

7           “(I) IN GENERAL.—Not less fre-  
8           quently than once every 3 years and  
9           subject to subclause (II), the Sec-  
10          retary shall publish an updated list of  
11          qualified electrification projects for  
12          which a high-efficiency electric home  
13          rebate may be provided under this  
14          subsection.

15          “(II) LIMITATION.—An updated  
16          list under subclause (I) shall not allow  
17          for any reductions in efficiency levels  
18          for qualified electrification projects in-  
19          cluded on the updated list that are  
20          below an efficiency level provided in a  
21          previously published version of the  
22          list.

23          “(c) SPECIAL PROVISIONS FOR LOW- AND MOD-  
24          ERATE-INCOME HOUSEHOLDS AND MULTIFAMILY BUILD-  
25          INGS.—

1           “(1) MAXIMUM AMOUNTS.—With respect to a  
2 qualified electrification project carried out at a loca-  
3 tion described in paragraph (2)—

4                   “(A) a high-efficiency electric home rebate  
5 shall be equal to—

6                           “(i) in the case of a qualified elec-  
7 trification project described in subsection  
8 (b)(2)(A)(i), not more than \$1,750;

9                           “(ii) in the case of a qualified elec-  
10 trification project described in subsection  
11 (b)(2)(A)(ii)—

12                                   “(I)(aa) not more than \$6,000 if  
13 the applicable heat pump HVAC sys-  
14 tem has a heating capacity of not less  
15 than 27,500 Btu per hour; or

16                                   “(bb) not more than \$7,000 if  
17 the applicable heat pump HVAC sys-  
18 tem meets Energy Star program cold  
19 climate criteria and is installed in a  
20 cold climate, as determined by the  
21 Secretary; and

22                                   “(II)(aa) not more than \$3,000 if  
23 the applicable heat pump HVAC sys-  
24 tem has a heating capacity of less  
25 than 27,500 Btu per hour; or

1                   “(bb) not more than \$3,500 if  
2                   the applicable heat pump HVAC sys-  
3                   tem meets Energy Star program cold  
4                   climate criteria and is installed in a  
5                   cold climate, as determined by the  
6                   Secretary;

7                   “(iii) in the case of a qualified elec-  
8                   trification project described in subsection  
9                   (b)(2)(A)(iii), not more than \$840;

10                  “(iv) in the case of a qualified elec-  
11                  trification project described in subsection  
12                  (b)(2)(A)(iv), not more than \$4,000;

13                  “(v) in the case of a qualified elec-  
14                  trification project described in subsection  
15                  (b)(2)(A)(v) that installs insulation and air  
16                  sealing, not more than \$1,600; and

17                  “(vi) in the case of a qualified elec-  
18                  trification project described in subsection  
19                  (b)(2)(A)(vi), not more than an amount  
20                  determined by the Secretary for that quali-  
21                  fied electrification project, subject to sub-  
22                  paragraph (B);

23                  “(B) the maximum total amount of high-  
24                  efficiency electric home rebates that may be

1 awarded with respect to each home of a home-  
2 owner shall be \$14,000; and

3 “(C) the amount of a high-efficiency elec-  
4 tric home rebate may be used to cover not more  
5 than 100 percent of the costs, including labor  
6 costs, of the applicable qualified electrification  
7 project.

8 “(2) LOCATION DESCRIBED.—The maximum  
9 amounts described in paragraph (1) shall apply to—

10 “(A) a home—

11 “(i) with respect to which the house-  
12 hold of the homeowner is certified as low-  
13 or moderate-income;

14 “(ii) that is located in a Tribal com-  
15 munity; or

16 “(iii) in the case of a home that is  
17 rented, with respect to which the household  
18 of the renter is certified as low- or mod-  
19 erate-income; or

20 “(B) a multifamily building—

21 “(i) that—

22 “(I) is certified as low- or mod-  
23 erate-income; or

24 “(II) is located in a Tribal com-  
25 munity; and

1           “(ii) with respect to which more than  
2           more than  $\frac{1}{2}$  of the dwelling units in the  
3           multifamily building—

4                   “(I) are occupied by households  
5                   the annual household incomes of  
6                   which do not exceed 80 percent of the  
7                   median annual household income for  
8                   the area in which the multifamily  
9                   building is located; and

10                   “(II) have average monthly rent-  
11                   al prices that are equal to, or less  
12                   than, an amount that is equal to 30  
13                   percent of the average monthly house-  
14                   hold income for the area in which the  
15                   multifamily building is located.

16           “(3) REQUIREMENT.—The Secretary may pro-  
17           vide a rebate in an amount described in paragraph  
18           (1) to the owner of a multifamily building or home  
19           (in the case of a home that is rented) that meets the  
20           requirements of this section if the owner agrees in  
21           writing to provide commensurate benefits of future  
22           savings to renters in the multifamily building or  
23           home.

24           “(d) DEFINITIONS.—In this section:



1           “(1) CERTIFIED CONTRACTOR.—The term ‘cer-  
2           tified contractor’ means a contractor with a certifi-  
3           cation reflecting training, education, or other tech-  
4           nical expertise relating to qualified electrification  
5           projects for residential buildings, as identified by the  
6           Secretary.

7           “(2) CERTIFIED CONTRACTOR COMPANY.—The  
8           term ‘certified contractor company’ means a com-  
9           pany—

10                   “(A) the business of which is to provide  
11           services—

12                           “(i) to residential building owners;  
13                           and

14                           “(ii) for which a rebate may be pro-  
15                           vided pursuant to this section;

16                   “(B) that holds the licenses and insurance  
17           required by the State in which the company  
18           provides services; and

19                   “(C) that employs 1 or more certified con-  
20           tractors that perform the services for which a  
21           rebate may be provided under this section.

22           “(3) ELECTRIC LOAD OR SERVICE CENTER UP-  
23           GRADE.—The term ‘electric load or service center  
24           upgrade’ means an improvement to a circuit breaker  
25           panel that enables the installation and use of—

1           “(A) a QEP described in any of subclauses  
2           (II) through (IV) of paragraph (9)(A)(i); or

3           “(B) a QEP described in any of subclauses  
4           (I) through (III) of paragraph (9)(A)(ii).

5           “(4) ENERGY STAR PROGRAM.—The term ‘En-  
6           ergy Star program’ means the program established  
7           by section 324A of the Energy Policy and Conserva-  
8           tion Act (42 U.S.C. 6294a).

9           “(5) HEAT PUMP.—The term ‘heat pump’  
10          means a heat pump used for water heating, space  
11          heating, or space cooling that—

12                 “(A) relies solely on electricity for its  
13                 source of power; and

14                 “(B) is air-sourced, geothermal- or ground-  
15                 sourced, or water-sourced.

16           “(6) HIGH-EFFICIENCY ELECTRIC HOME RE-  
17          BATE.—The term ‘high-efficiency electric home re-  
18          bate’ means a rebate provided in accordance with  
19          subsection (b).

20           “(7) HOME.—The term ‘home’ means each of—

21                 “(A) a building with not more than 4  
22                 dwelling units, individual condominium units, or  
23                 manufactured housing units, that—

24                         “(i) is located in a State; and

25                         “(ii)(I) is the primary residence of—

1                   “(aa) the owner of that building,  
2                   condominium unit, or manufactured  
3                   housing unit, as applicable; or

4                   “(bb) a renter; or

5                   “(II) is a new-construction single-fam-  
6                   ily residential home; and

7                   “(B) a unit of a multifamily building  
8                   that—

9                   “(i) is owned by an individual who is  
10                  not the owner of the multifamily building;

11                  “(ii) is located in a State; and

12                  “(iii) is the primary residence of—

13                         “(I) the owner of that unit; or

14                         “(II) a renter.

15                  “(8) HVAC.—The term ‘HVAC’ means heat-  
16                  ing, ventilation, and air conditioning.

17                  “(9) LOW- OR MODERATE-INCOME.—The term  
18                  ‘low - or moderate -income’, with respect to a house-  
19                  hold, means a household—

20                         “(A) with an annual income that is less  
21                         than 80 percent of the annual median income  
22                         of the area in which the household is located,  
23                         which such annual median income of the area  
24                         is determined according to publicly available  
25                         data; or

1           “(B) that is low-income as determined by  
2           the Secretary.

3           “(10) MULTIFAMILY BUILDING.—The term  
4           ‘multifamily building’ means any building—

5           “(A) with 5 or more dwelling units that—

6           “(i) are built on top of one another or  
7           side-by-side;

8           “(ii) may share common facilities; and

9           “(B) that is not a home; and

10          “(C) that is not on a military base.

11          “(11) QUALIFIED ELECTRIFICATION PROJECT;  
12          QEP.—

13          “(A) IN GENERAL.—The terms ‘qualified  
14          electrification project’ and ‘QEP’ mean a  
15          project that, as applicable—

16          “(i) installs, or enables the installa-  
17          tion and use of, in a home or multifamily  
18          building—

19          “(I) an electric load or service  
20          center upgrade;

21          “(II) an electric heat pump;

22          “(III) an induction or noninduc-  
23          tion electric stove, cooktop, range, or  
24          oven;

1                   “(IV) an electric heat pump  
2 clothes dryer; or

3                   “(V) insulation, air sealing, and  
4 ventilation, in accordance with re-  
5 quirements established by the Sec-  
6 retary; or

7                   “(ii) installs, or enables the installa-  
8 tion and use of, in a home or multifamily  
9 building described in subparagraph (B)—

10                   “(I) a solar photovoltaic system,  
11 including any electrical equipment,  
12 wiring, or other components necessary  
13 for the installation and use of the  
14 solar photovoltaic system, including a  
15 battery storage system;

16                   “(II) electric vehicle charging in-  
17 frastructure or electric vehicle support  
18 equipment necessary to recharge an  
19 electric vehicle on-site; or

20                   “(III) electrical rewiring, power  
21 sharing plugs, or other installation  
22 tasks directly related to and necessary  
23 for the safe and effective functioning  
24 of a QEP in a home or multifamily  
25 building.

1           “(B) HOME OR MULTIFAMILY BUILDING  
2 DESCRIBED.—A home or multifamily building  
3 referred to in subparagraph (A)(ii) is a home or  
4 multifamily building that is certified, or the  
5 household of the homeowner of which is cer-  
6 tified, as applicable, as low- or moderate-in-  
7 come.

8           “(C) EXCLUSIONS.—The terms ‘qualified  
9 electrification project’ and ‘QEP’ do not include  
10 any project with respect to which the appliance,  
11 system, equipment, infrastructure, component,  
12 or other item described in clause (i) or (ii) of  
13 subparagraph (A) is not certified under the En-  
14 ergy Star program if, as of the date on which  
15 the project is carried out, the item is of a cat-  
16 egory for which a certification is provided under  
17 that program.

18           “(12) QUALIFIED PROVIDER.—The term ‘quali-  
19 fied provider’ means an electric utility, Tribal-owned  
20 entity or Tribally Designated Housing Entity  
21 (TDHE), or commercial, nonprofit, or government  
22 entity, including a retailer and a certified contractor  
23 company, that provides services for which a rebate  
24 may be provided pursuant to this section for 1 or

1 more portfolios that consist of 1 or more qualified  
2 electrification projects.

3 “(13) SOLAR PHOTOVOLTAIC SYSTEM.—The  
4 term ‘solar photovoltaic system’ means a system—

5 “(A) placed on-site at a home or multi-  
6 family building, or as part of the community of  
7 the home or multifamily building; and

8 “(B) that generates electricity from the  
9 sun specifically for the home, multifamily build-  
10 ing, or community.

11 “(14) STATE.—The term ‘State’ means a State,  
12 the District of Columbia, or any territory or posses-  
13 sion of the United States.

14 “(15) TRIBAL COMMUNITY.—The term ‘Tribal  
15 community’ means a Tribal tract or Tribal block  
16 group.

17 “(16) UNDERSERVED COMMUNITY.—The term  
18 ‘underserved community’ means a community lo-  
19 cated in a census tract that is identified by the Sec-  
20 retary as—

21 “(A) a low- or moderate-income commu-  
22 nity; or

23 “(B) a community of racial or ethnic mi-  
24 nority concentration.”.

25 (b) CONFORMING AMENDMENTS.—

1           (1) The table of contents for the Energy Policy  
2           Act of 2005 (Public Law 109–58; 119 Stat. 594) is  
3           amended by striking the item relating to section 124  
4           and inserting the following:

“Sec. 124. High-Efficiency Electric Home Rebate Program.”.

5           (2) Section 3201(c)(2)(A)(i) of the Energy Act  
6           of 2020 (42 U.S.C. 17232(c)(2)(A)(i)) is amended  
7           by striking “(a)” each place it appears.

## 8           **PART 2—BUILDING EFFICIENCY AND**

### 9           **RESILIENCE**

#### 10       **SEC. 30421. CRITICAL FACILITY MODERNIZATION.**

11       (a) APPROPRIATION.—In addition to amounts other-  
12       wise available, there is appropriated to the Secretary for  
13       fiscal year 2022, out of any money in the Treasury not  
14       otherwise appropriated, \$500,000,000, to remain available  
15       through September 30, 2031, to provide financial assist-  
16       ance to States to develop and implement State programs  
17       described in subsection (d)(5) of section 362 of the Energy  
18       Policy and Conservation Act (42 U.S.C. 6322), as part  
19       of an approved State energy conservation plan under that  
20       section, to be distributed to States in accordance with the  
21       formula for the State Energy Program established in part  
22       420 of title 10, Code of Federal Regulations (as in effect  
23       on January 1, 2021), to carry out projects to improve the  
24       energy resilience of public or nonprofit buildings, including  
25       projects to increase the energy efficiency and grid integra-



1 tion of public or nonprofit buildings or the renewable en-  
2 ergy used at public or nonprofit buildings.

3 (b) USE OF FUNDS.—

4 (1) GUIDELINES.—Not later than 180 days  
5 after the date of enactment of this Act, the Sec-  
6 retary shall issue guidelines for measures for States  
7 to include in any program with respect to which a  
8 State receives financial assistance under this section.

9 (2) ADMINISTRATIVE EXPENSES.—A State re-  
10 ceiving financial assistance under this section shall  
11 use not more than 10 percent for administrative  
12 purposes.

13 (3) NO MATCHING FUNDS REQUIREMENT.—The  
14 Secretary may not require a State receiving financial  
15 assistance under this section to provide matching  
16 funds.

17 (4) EXEMPTION.—Activities carried out using  
18 funds appropriated under subsection (a) shall not be  
19 subject to the expenditure prohibitions and limita-  
20 tions of the State Energy Program under section  
21 420.18 of title 10, Code of Federal Regulations.

22 (c) DEFINITIONS.—In this section:

23 (1) ENERGY RESILIENCE.—The term “energy  
24 resilience” means the ability to withstand and quick-  
25 ly recover from an energy supply disruption.

1           (2) PUBLIC OR NONPROFIT BUILDING.—The  
2 term “public or nonprofit building” means a public  
3 or nonprofit building described in section  
4 362(d)(5)(B) of the Energy Policy and Conservation  
5 Act (42 U.S.C. 6322(d)(5)(B)).

6           (3) STATE.—The term “State” has the mean-  
7 ing given the term in section 3 of the Energy Policy  
8 and Conservation Act (42 U.S.C. 6202).

9 **SEC. 30422. ASSISTANCE FOR LATEST AND ZERO BUILDING**  
10 **ENERGY CODE ADOPTION.**

11       (a) APPROPRIATION.—In addition to amounts other-  
12 wise available, there is appropriated to the Secretary of  
13 Energy for fiscal year 2022, out of any money in the  
14 Treasury not otherwise appropriated—

15           (1) \$100,000,000, to remain available until  
16 September 30, 2031, to carry out activities under  
17 part D of title III of the Energy Policy and Con-  
18 servation Act (42 U.S.C. 6321 through 6326) in ac-  
19 cordance with subsection (b); and

20           (2) \$200,000,000, to remain available until  
21 September 30, 2031, to carry out activities under  
22 part D of title III of the Energy Policy and Con-  
23 servation Act (42 U.S.C. 6321 through 6326) in ac-  
24 cordance with subsection (c).

1 (b) LATEST BUILDING ENERGY CODE.—The Sec-  
2 retary of Energy shall use funds made available under  
3 subsection (a)(1) for grants to assist States, and units of  
4 local government that have authority to adopt building  
5 codes, to—

6 (1) adopt—

7 (A) a building energy code (or codes) for  
8 residential buildings that meets or exceeds the  
9 2021 International Energy Conservation Code,  
10 or achieves equivalent or greater energy sav-  
11 ings;

12 (B) a building energy code (or codes) for  
13 commercial buildings that meets or exceeds the  
14 ANSI/ASHRAE/IES Standard 90.1–2019, or  
15 achieves equivalent or greater energy savings;  
16 or

17 (C) any combination of building energy  
18 codes described in subparagraph (A) or (B);  
19 and

20 (2) implement a plan for the jurisdiction to  
21 achieve full compliance with any building energy  
22 code adopted under paragraph (1) in new and ren-  
23 ovated residential or commercial buildings, as appli-  
24 cable, which plan shall include active training and

1 enforcement programs and measurement of the rate  
2 of compliance each year.

3 (c) ZERO ENERGY CODE.—The Secretary of Energy  
4 shall use funds made available under subsection (a)(2) for  
5 grants to assist States, and units of local government that  
6 have authority to adopt building codes, to—

7 (1) adopt a building energy code (or codes) for  
8 residential and commercial buildings that meets or  
9 exceeds the zero energy provisions in the 2021 Inter-  
10 national Energy Conservation Code or an equivalent  
11 stretch code; and

12 (2) implement a plan for the jurisdiction to  
13 achieve full compliance with any building energy  
14 code adopted under paragraph (1) in new and ren-  
15 ovated residential and commercial buildings, which  
16 plan shall include active training and enforcement  
17 programs and measurement of the rate of compli-  
18 ance each year.

19 (d) STATE MATCH.—The State cost share require-  
20 ment under the item relating to “Department of Energy—  
21 Energy Conservation” in title II of the Department of the  
22 Interior and Related Agencies Appropriations Act, 1985  
23 (42 U.S.C. 6323a; 98 Stat. 1861) shall not apply to assist-  
24 ance provided under this section.

1 (e) STATE DEFINED.—In this section, the term  
2 “State” has the meaning given that term in section 3 of  
3 the Energy Policy and Conservation Act (42 U.S.C.  
4 6202).

5 (f) ADMINISTRATIVE COSTS.—Of the amounts made  
6 available under this section, the Secretary shall reserve 5  
7 percent for administrative costs necessary to carry out this  
8 section.

9 **PART 3—ZERO-EMISSIONS VEHICLE**

10 **INFRASTRUCTURE**

11 **SEC. 30431. ZERO-EMISSIONS VEHICLE INFRASTRUCTURE**

12 **GRANTS.**

13 (a) APPROPRIATIONS.—In addition to amounts other-  
14 wise available, there is appropriated to the Secretary for  
15 fiscal year 2022, out of any money in the Treasury not  
16 otherwise appropriated, to remain available through Sep-  
17 tember 30, 2028, to be distributed to States in accordance  
18 with the formula for the State Energy Program estab-  
19 lished in part 420 of title 10, Code of Federal Regulations  
20 (as in effect on January 1, 2021)—

21 (1) \$600,000,000 to carry out a program to  
22 provide financial assistance to States to develop and  
23 implement State programs described in subsection  
24 (d)(5) of section 362 of the Energy Policy and Con-  
25 servation Act (42 U.S.C. 6322), as part of an ap-

1 proved State energy conservation plan under that  
2 section, to carry out projects to build out publicly  
3 accessible level 2 electric vehicle supply equipment in  
4 rural communities or underserved or disadvantaged  
5 communities;

6 (2) \$200,000,000 to carry out a program to  
7 provide financial assistance to States to develop and  
8 implement State programs described in subsection  
9 (d)(5) of section 362 of the Energy Policy and Con-  
10 servation Act (42 U.S.C. 6322), as part of an ap-  
11 proved State energy conservation plan under that  
12 section, to carry out projects to build out publicly  
13 accessible networked direct current fast charge elec-  
14 tric vehicle supply equipment in rural communities  
15 or underserved or disadvantaged communities; and

16 (3) \$200,000,000 to carry out a program to  
17 provide financial assistance to States to develop and  
18 implement State programs described in subsection  
19 (d)(5) of section 362 of the Energy Policy and Con-  
20 servation Act (42 U.S.C. 6322), as part of an ap-  
21 proved State energy conservation plan under that  
22 section, to carry out projects to build out hydrogen  
23 fueling stations in rural communities or underserved  
24 or disadvantaged communities.

25 (b) REQUIREMENTS.—

1           (1) MEASURES.—Not later than 180 days after  
2 the date of enactment of this Act, the Secretary  
3 shall establish requirements for measures to be in-  
4 cluded in any program with respect to which a State  
5 receives financial assistance under this section.

6           (2) ADMINISTRATIVE EXPENSES.—A State re-  
7 ceiving financial assistance under this section shall  
8 use not more than 5 percent for administrative pur-  
9 poses.

10          (3) NO MATCHING FUNDS REQUIREMENT.—The  
11 Secretary may not require a State receiving financial  
12 assistance under this section to provide matching  
13 funds.

14          (4) ELIGIBLE ENTITIES.—Financial assistance  
15 provided by a State using funds made available  
16 under this section shall only be available to eligible  
17 entities.

18          (5) THIRD-PARTY CONTRACTS.—A State or eli-  
19 gible entity may enter into a contract with a private  
20 third-party entity for the build out of electric vehicle  
21 supply equipment or hydrogen fueling stations under  
22 subsection (a).

23          (6) USE OF PRIVATE PROPERTY.—A State or  
24 eligible entity may enter into an agreement for the  
25 use of publicly accessible private property.

1           (7) LIMITATION.—The Secretary shall ensure  
2           that no entity receives a profit for access to or  
3           hosting of electric vehicle supply equipment or hy-  
4           drogen fueling stations built out under a contract  
5           entered into under paragraph (5) or pursuant to an  
6           agreement entered into under paragraph (6), except  
7           that the Secretary shall determine an appropriate  
8           amount of profit that an entity may receive for the  
9           sale of electricity or hydrogen and the operation and  
10          maintenance of such electric vehicle supply equip-  
11          ment or hydrogen fueling stations.

12          (8) REALLOCATION OF FUNDS.—A State shall  
13          return to the Secretary any funds received under  
14          subsection (a) that the State does not award within  
15          3 years of receiving such funds, and the Secretary  
16          shall reallocate such funds to other States.

17          (c) DEFINITIONS.—In this section:

18           (1) ELECTRIC VEHICLE SUPPLY EQUIPMENT.—  
19           The term “electric vehicle supply equipment” means  
20           any conductors, including ungrounded, grounded,  
21           and equipment grounding conductors, electric vehicle  
22           connectors, attachment plugs, and all other fittings,  
23           devices, power outlets, electrical equipment, sta-  
24           tionary energy storage systems, off-grid charging in-  
25           stallations, or apparatuses installed specifically for



1 the purpose of delivering energy to an electric vehicle  
2 or to a battery intended to be used in an electric ve-  
3 hicle.

4 (2) ELIGIBLE ENTITY.—The term “eligible enti-  
5 ty” means a local, Tribal, or territorial government,  
6 a not-for-profit entity, a nonprofit entity, a metro-  
7 politan planning organization, or an entity with  
8 fewer than 50 employees, as determined by the Sec-  
9 retary.

10 (3) LEVEL 2 ELECTRIC VEHICLE SUPPLY  
11 EQUIPMENT.—The term “level 2 electric vehicle sup-  
12 ply equipment” means electric vehicle supply equip-  
13 ment that provides an alternating current power  
14 source at a minimum of 208 volts.

15 (4) NETWORKED DIRECT CURRENT FAST  
16 CHARGE ELECTRIC VEHICLE SUPPLY EQUIPMENT.—  
17 The term “networked direct current fast charge elec-  
18 tric vehicle supply equipment” means electric vehicle  
19 supply equipment that is capable of providing a di-  
20 rect current power source at a minimum of 50 kilo-  
21 watts and is enabled to connect to a network to fa-  
22 cilitate at least data collection and access.

23 (5) PRIVATE THIRD-PARTY ENTITY.—The term  
24 “private third-party entity” means a non-govern-  
25 mental entity, including a private business, that is

1 able to contract with the State or an eligible entity  
2 to carry out projects to build out electric vehicle sup-  
3 ply equipment or hydrogen fueling stations.

4 (6) PUBLICLY ACCESSIBLE.—The term “pub-  
5 licly accessible” means available to members of the  
6 public, including within or around—

7 (A) multiunit housing structures;

8 (B) workplaces;

9 (C) commercial locations that are acces-  
10 sible for a minimum of 12 hours per day at  
11 least 5 days a week, and capable of being mon-  
12 itored remotely; or

13 (D) other locations that are accessible for  
14 a minimum of 12 hours per day at least 5 days  
15 a week, and capable of being monitored re-  
16 motely.

17 (7) SECRETARY.—The term “Secretary” means  
18 the Secretary of Energy.

19 (8) UNDERSERVED OR DISADVANTAGED COM-  
20 MUNITY.—The term “underserved or disadvantaged  
21 community” means a community or geographic area  
22 that is identified by the Secretary as—

23 (A) a low-income community;

24 (B) a Tribal community;

1 (C) having a disproportionately low num-  
2 ber of electric vehicle charging stations per cap-  
3 ita, compared to similar areas; or

4 (D) disproportionately vulnerable to, or  
5 bearing a disproportionate burden of, any com-  
6 bination of economic, social, environmental, or  
7 climate stressors.

8 **PART 4—DOE LOAN AND GRANT PROGRAMS**

9 **SEC. 30441. FUNDING FOR DEPARTMENT OF ENERGY LOAN**  
10 **PROGRAMS OFFICE.**

11 (a) COMMITMENT AUTHORITY.—In addition to com-  
12 mitment authority otherwise available and previously pro-  
13 vided, the Secretary of Energy may make commitments  
14 to guarantee loans for eligible projects under section 1703  
15 of the Energy Policy Act of 2005 up to a total principal  
16 amount of \$40,000,000,000, to remain available until Sep-  
17 tember 30, 2026: *Provided*, That for amounts collected  
18 pursuant to section 1702(b)(2) of the Energy Policy Act  
19 of 2005, the source of such payment received from bor-  
20 rowers may not be a loan or other debt obligation that  
21 is guaranteed by the Federal Government: *Provided fur-*  
22 *ther*, That none of the loan guarantee authority made  
23 available by this section shall be available for any project  
24 unless the President has certified in advance in writing  
25 that the loan guarantee and the project comply with the

1 provisions under this section: *Provided further*, That none  
2 of such loan guarantee authority made available by this  
3 section shall be available for commitments to guarantee  
4 loans for any projects where funds, personnel, or property  
5 (tangible or intangible) of any Federal agency, instrumen-  
6 tality, personnel, or affiliated entity are expected to be  
7 used (directly or indirectly) through acquisitions, con-  
8 tracts, demonstrations, exchanges, grants, incentives,  
9 leases, procurements, sales, other transaction authority, or  
10 other arrangements, to support the project or to obtain  
11 goods or services from the project: *Provided further*, That  
12 the previous proviso shall not be interpreted as precluding  
13 the use of the loan guarantee authority provided by this  
14 section for commitments to guarantee loans for—

15           (1) projects as a result of such projects benefit-  
16           ting from otherwise allowable Federal tax benefits;

17           (2) projects as a result of such projects benefit-  
18           ting from being located on Federal land pursuant to  
19           a lease or right-of-way agreement for which all con-  
20           sideration for all uses is—

21                   (A) paid exclusively in cash;

22                   (B) deposited in the Treasury as offsetting  
23           receipts; and

24                   (C) equal to the fair market value;

1           (3) projects as a result of such projects benefit-  
2           ting from the Federal insurance program under sec-  
3           tion 170 of the Atomic Energy Act of 1954 (42  
4           U.S.C. 2210); or

5           (4) electric generation projects using trans-  
6           mission facilities owned or operated by a Federal  
7           Power Marketing Administration or the Tennessee  
8           Valley Authority that have been authorized, ap-  
9           proved, and financed independent of the project re-  
10          ceiving the guarantee.

11          (b) APPROPRIATION.—In addition to amounts other-  
12         wise available and previously provided, there is appro-  
13         priated to the Secretary of Energy for fiscal year 2022,  
14         out of any money in the Treasury not otherwise appro-  
15         priated, \$3,600,000,000, to remain available until Sep-  
16         tember 30, 2026, for the costs of guarantees made under  
17         section 1703 of the Energy Policy Act of 2005, using the  
18         loan guarantee authority provided under subsection (a) of  
19         this section.

20          (c) ADMINISTRATIVE EXPENSES.—Of the amount  
21         made available under subsection (b), the Secretary of En-  
22         ergy shall reserve 3 percent for administrative expenses  
23         to carry out title XVII of the Energy Policy Act of 2005  
24         and for carrying out section 1702(h)(3) of such Act.

1 **SEC. 30442. ADVANCED TECHNOLOGY VEHICLE MANUFAC-**  
2 **TURING.**

3 (a) APPROPRIATION.—In addition to amounts other-  
4 wise available, there is appropriated to the Secretary of  
5 Energy for fiscal year 2022, out of any money in the  
6 Treasury not otherwise appropriated, \$3,000,000,000, to  
7 remain available until September 30, 2028, for the costs  
8 of—

9 (1) providing direct loans under section 136(d)  
10 of the Energy Independence and Security Act of  
11 2007 (42 U.S.C. 17013(d)); and

12 (2) providing direct loans, in accordance with  
13 section 136 of such Act, for reequipping, expanding,  
14 or establishing a manufacturing facility in the  
15 United States to produce, or for engineering integra-  
16 tion performed in the United States of—

17 (A) a medium duty vehicle or a heavy duty  
18 vehicle; or

19 (B) any of the following that emit, under  
20 any possible operational mode or condition, zero  
21 exhaust emissions of any greenhouse gas:

22 (i) A train or locomotive.

23 (ii) A maritime vessel.

24 (iii) An aircraft.

25 (iv) Hyperloop technology.

1 (b) ADMINISTRATIVE COSTS.—The Secretary shall  
2 reserve \$25,000,000 of amounts made available under  
3 subsection (a) for administrative costs of providing loans  
4 as described in subsection (a).

5 (c) ELIMINATION OF LOAN PROGRAM CAP.—Section  
6 136(d)(1) of the Energy Independence and Security Act  
7 of 2007 (42 U.S.C. 17013(d)(1)) is amended by striking  
8 “a total of not more than \$25,000,000,000 in”.

9 **SEC. 30443. DOMESTIC MANUFACTURING CONVERSION**  
10 **GRANTS.**

11 (a) APPROPRIATION.—In addition to amounts other-  
12 wise available, there is appropriated to the Secretary of  
13 Energy for fiscal year 2022, out of any money in the  
14 Treasury not otherwise appropriated, \$3,500,000,000, to  
15 remain available until expended, for grants relating to do-  
16 mestic production of plug-in electric hybrid, plug-in elec-  
17 tric drive, and hydrogen fuel cell electric vehicles, in ac-  
18 cordance with section 712 of the Energy Policy Act of  
19 2005 (42 U.S.C. 16062).

20 (b) ADMINISTRATIVE COSTS.—The Secretary shall  
21 reserve 3 percent of amounts made available under sub-  
22 section (a) for administrative costs of making grants de-  
23 scribed in such subsection (a) pursuant to section 712 of  
24 the Energy Policy Act of 2005 (42 U.S.C. 16062).

1 **SEC. 30444. ENERGY COMMUNITY REINVESTMENT FINANC-**  
2 **ING.**

3 Title XVII of the Energy Policy Act of 2005 is  
4 amended by inserting after section 1705 (42 U.S.C.  
5 16516) the following:

6 **“SEC. 1706. ENERGY COMMUNITY REINVESTMENT FINANC-**  
7 **ING PROGRAM.**

8 “(a) APPROPRIATION.—In addition to amounts oth-  
9 erwise available, there is appropriated to the Secretary for  
10 fiscal year 2022, out of any money in the Treasury not  
11 otherwise appropriated, \$5,000,000,000, to remain avail-  
12 able until September 30, 2026, for the cost of providing  
13 financial support under this section, the gross principal  
14 amount of which shall not exceed \$250,000,000,000.

15 “(b) ESTABLISHMENT.—Notwithstanding section  
16 1702(f) and section 1703, and not later than 180 days  
17 after the date of enactment of this section, the Secretary  
18 shall establish a program to provide financial support, in  
19 such form and on such terms and conditions as the Sec-  
20 retary determines appropriate, to eligible entities for the  
21 purpose of making or enabling low-carbon reinvestments  
22 in energy communities, which such reinvestments may in-  
23 clude—

24 “(1) supporting workers who are or have been  
25 engaged in providing, or have been affected by the  
26 provision of, energy-intensive goods or services by



1 helping such workers find employment opportunities,  
2 including by providing training and education;

3 “(2) redeveloping a community that is or was  
4 engaged in providing, or has been affected by the  
5 provision of, energy-intensive goods or services;

6 “(3) accelerating remediation of environmental  
7 damage caused by the provision of energy-intensive  
8 goods or services; and

9 “(4) mitigating the effects on customers of any  
10 significant reduction in the carbon intensity of goods  
11 or services provided by the eligible entity, including  
12 by the cost-effective abatement of greenhouse gas  
13 emissions from continuing operations and the  
14 repowering, retooling, repurposing, redeveloping, or  
15 remediating of any long-lived assets, lands, or infra-  
16 structure currently or previously used by the eligible  
17 entity primarily to support the provision of energy-  
18 intensive goods or services.

19 “(c) APPLICATION REQUIREMENT.—To apply for fi-  
20 nancial support provided under this section, an eligible en-  
21 tity shall submit to the Secretary an application at such  
22 time, in such manner, and containing such information as  
23 the Secretary may require, which such application shall  
24 include—

1           “(1) a detailed plan describing the activities to  
2           be carried out in accordance with subsection (b), in-  
3           cluding activities for the measurement, monitoring,  
4           and verification of emissions of greenhouse gases;  
5           and

6           “(2) if the eligible entity is a utility subject to  
7           regulation by a State commission or other State reg-  
8           ulatory authority, assurances, as determined appro-  
9           priate by the Secretary, that such eligible entity  
10          shall pass through any financial benefit from the  
11          provision of any financial support under this section  
12          to its customers or energy communities.

13          “(d) OTHER REQUIREMENTS.—

14                 “(1)         FEES.—Notwithstanding         section  
15                 1702(h)(1), the Secretary shall charge and collect a  
16                 fee from each eligible entity that received financial  
17                 support provided under this section in an amount  
18                 the Secretary determines sufficient to cover applica-  
19                 ble administrative expenses (including any costs as-  
20                 sociated with third party consultants engaged by the  
21                 Secretary).

22                 “(2) SPECIFIC APPROPRIATION OR CONTRIBU-  
23                 TION.—Any cost for any financial support provided  
24                 under this section shall be paid in accordance with  
25                 subsection (b) of section 1702 (for purposes of

1 which any reference in such subsection to a guar-  
2 antee shall be considered to be a reference to finan-  
3 cial support).

4 “(e) DEFINITIONS.—In this section:

5 “(1) COST.—Notwithstanding section 1701, the  
6 term ‘cost’ has the meaning given such term in sec-  
7 tion 502 of the Federal Credit Reform Act of 1990  
8 (2 U.S.C. 661a).

9 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
10 tity’ means any entity that is directly affiliated with  
11 the provision of energy-intensive goods or services.

12 “(3) ENERGY COMMUNITY.—The term ‘energy  
13 community’ means a community whose members are  
14 or were engaged in providing, or have been affected  
15 by the provision of, energy-intensive goods and serv-  
16 ices.

17 “(4) FINANCIAL SUPPORT.—The term ‘financial  
18 support’ means any credit product or support the  
19 Secretary determines appropriate to implement this  
20 section, including—

21 “(A) a line of credit; and

22 “(B) a guarantee, including of a letter of  
23 credit for the purposes of subsection (b)(3).”.

1 **SEC. 30445. TRIBAL ENERGY LOAN GUARANTEE PROGRAM.**

2 (a) APPROPRIATION.—In addition to amounts other-  
3 wise available, there is appropriated to the Secretary of  
4 Energy for fiscal year 2022, out of any money in the  
5 Treasury not otherwise appropriated, \$200,000,000, to re-  
6 main available until September 30, 2028, to carry out sec-  
7 tion 2602(c) of the Energy Policy Act of 1992 (25 U.S.C.  
8 3502(c)).

9 (b) INCLUSIONS IN TITLE XVII DEFINITION OF  
10 GUARANTEE.—Section 1701(4)(B) of the Energy Policy  
11 Act of 2005 (42 U.S.C. 16511(4)(B)) is amended by strik-  
12 ing the period at the end and inserting “and, for purposes  
13 of minimizing financing costs, includes a guarantee by the  
14 Secretary of 100 percent of the unpaid principal and inter-  
15 est due on any obligation to the Federal Financing  
16 Bank.”.

17 (c) DEPARTMENT OF ENERGY TRIBAL ENERGY  
18 LOAN GUARANTEE PROGRAM.— Section 2602(c) of the  
19 Energy Policy Act of 1992 (25 U.S.C. 3502(c)) is amend-  
20 ed—

21 (1) in paragraph (1), by striking “(as defined  
22 in section 502 of the Federal Credit Reform Act of  
23 1990 (2 U.S.C. 661a)) for an amount equal to not  
24 more than 90 percent of” and inserting “(as defined  
25 in section 1701 of the Energy Policy Act of 2005  
26 (42 U.S.C. 16511)) for”; and

1           (2) in paragraph (4), by striking  
2           “\$2,000,000,000” and inserting “\$20,000,000,000”.

3           **PART 5—ELECTRIC TRANSMISSION**

4           **SEC. 30451. TRANSMISSION LINE AND INTERTIE INCEN-**  
5           **TIVES.**

6           (a) APPROPRIATION.—In addition to amounts other-  
7 wise available, there is appropriated to the Secretary of  
8 Energy for fiscal year 2022, out of any money in the  
9 Treasury not otherwise appropriated, to remain available  
10 until September 30, 2030, \$1,500,000,000 for purposes  
11 of providing grants under subsection (b) and for adminis-  
12 trative expenses associated with carrying out this section,  
13 and \$500,000,000 for the costs of providing direct loans  
14 under subsection (b): *Provided*, That the Secretary shall  
15 not enter into any loan agreement pursuant to this section  
16 that could result in disbursements after September 30,  
17 2031, or any grant agreement pursuant to this section  
18 that could result in any outlays after September 30, 2031:  
19 *Provided further*, That none of such loan authority made  
20 available by this section shall be available for loans for  
21 any projects where funds, personnel, or property (tangible  
22 or intangible) of any Federal agency, instrumentality, per-  
23 sonnel, or affiliated entity are expected to be used (directly  
24 or indirectly) through acquisitions, contracts, demonstra-  
25 tions, exchanges, grants, incentives, leases, procurements,

1 sales, other transaction authority, or other arrangements  
2 to support the project or to obtain goods or services from  
3 the project: *Provided further*, That the previous proviso  
4 shall not be interpreted as precluding the use of the loan  
5 authority provided by this section for commitments to  
6 loans for: (1) projects benefitting from otherwise allowable  
7 Federal tax benefits; (2) projects benefitting from being  
8 located on Federal land pursuant to a lease or right-of-  
9 way agreement for which all consideration for all uses is:  
10 (A) paid exclusively in cash; (B) deposited in the Treasury  
11 as offsetting receipts; and (C) equal to the fair market  
12 value; (3) projects benefitting from the Federal insurance  
13 program under section 170 of the Atomic Energy Act of  
14 1954 (42 U.S.C. 2210); or (4) electric generation projects  
15 using transmission facilities owned or operated by a Fed-  
16 eral Power Marketing Administration or the Tennessee  
17 Valley Authority that have been authorized, approved, and  
18 financed independent of the project receiving the guar-  
19 antee: *Provided further*, That none of the loan authority  
20 made available by this section shall be available for any  
21 project unless the President has certified in advance in  
22 writing that the loan and the project comply with the pro-  
23 visions under this section.

24 (b) IN GENERAL.—Except as provided in subsection  
25 (c), the Secretary of Energy may provide grants and direct

1 loans to eligible entities to construct new, or make up-  
2 grades to existing, eligible transmission lines or eligible  
3 interties, including the related facilities thereof, if the Sec-  
4 retary of Energy determines that such construction or up-  
5 grade would support—

6           (1) a more robust and resilient electric grid;  
7           and

8           (2) the integration of electricity from a clean  
9           energy facility into the electric grid.

10           (c) OTHER REQUIREMENTS.—

11           (1) INTEREST RATES.—The Secretary of En-  
12           ergy shall determine the rate of interest to charge on  
13           direct loans provided under subsection (b) by taking  
14           into consideration market yields on outstanding mar-  
15           ketable obligations of the United States of com-  
16           parable maturities as of the date the loan is dis-  
17           bursed.

18           (2) RECOVERY OF COSTS FOR GRANTS.—A  
19           grant provided under this section may not be used  
20           to cover the portion of costs for the construction of  
21           new, or for making upgrades to existing, eligible  
22           transmission lines or eligible interties, including the  
23           related facilities thereof, that are approved for recov-  
24           ery through a Transmission Organization, regional  
25           planning authority, governing or ratemaking body of

1 an electric cooperative, State commission, or another  
2 similar body.

3 (3) NO DUPLICATE ASSISTANCE.—No eligible  
4 entity may receive both a grant and a direct loan for  
5 the same construction of, or upgrade to, an eligible  
6 transmission line or eligible intertie under this sec-  
7 tion.

8 (d) DEFINITIONS.—In this section:

9 (1) CLEAN ENERGY FACILITY.—The term  
10 “clean energy facility” means any electric generating  
11 unit that does not emit carbon dioxide.

12 (2) DIRECT LOAN.—The term “direct loan”  
13 means a disbursement of funds by the Government  
14 to a non-Federal borrower under a contract that re-  
15 quires the repayment of such funds with or without  
16 interest. The term includes the purchase of, or par-  
17 ticipation in, a loan made by another lender and fi-  
18 nancing arrangements that defer payment for more  
19 than 90 days, including the sale of a government  
20 asset on credit terms.

21 (3) ELIGIBLE ENTITY.—The term “eligible enti-  
22 ty” means a non-Federal entity.

23 (4) ELIGIBLE INTERTIE.—The term “eligible  
24 intertie” means—



1 (A) any interties across the seam between  
2 the Western Interconnection and the Eastern  
3 Interconnection;

4 (B) the Pacific Northwest-Pacific South-  
5 west Intertie;

6 (C) any interties between the Electric Reli-  
7 ability Council of Texas and the Western Inter-  
8 connection or the Eastern Interconnection; or

9 (D) such other interties that the Secretary  
10 determines contribute to—

11 (i) a more robust and resilient electric  
12 grid; and

13 (ii) the integration of electricity from  
14 a clean energy facility into the electric  
15 grid.

16 (5) ELIGIBLE TRANSMISSION LINE.—The term  
17 “eligible transmission line” means an electric power  
18 transmission line that—

19 (A) in the case of new construction under  
20 subsection (b), has a transmitting capacity of  
21 not less than 1,000 megawatts;

22 (B) in the case of an upgrade made under  
23 subsection (b), the upgrade to which will in-  
24 crease its transmitting capacity by not less than  
25 500 megawatts; and

- 1 (C) is capable of transmitting electricity—  
2 (i) across any eligible intertie;  
3 (ii) from an offshore wind generating  
4 facility; or  
5 (iii) along a route, or in a corridor,  
6 determined by the Secretary of Energy to  
7 be necessary to meet interregional or na-  
8 tional electricity transmission needs.

9 (6) STATE COMMISSION; TRANSMISSION ORGA-  
10 NIZATION.—The terms “State commission” and  
11 “Transmission Organization” have the meanings  
12 given such terms in section 3 of the Federal Power  
13 Act (16 U.S.C. 796).

14 **SEC. 30452. GRANTS TO FACILITATE THE SITING OF INTER-**  
15 **STATE ELECTRICITY TRANSMISSION LINES.**

16 (a) APPROPRIATION.—In addition to amounts other-  
17 wise available, there is appropriated to the Secretary of  
18 Energy for fiscal year 2022, out of any money in the  
19 Treasury not otherwise appropriated, \$800,000,000, to re-  
20 main available until September 30, 2029, for making  
21 grants in accordance with this section and for administra-  
22 tive expenses associated with carrying out this section.

23 (b) USE OF FUNDS.—

24 (1) IN GENERAL.—The Secretary may make a  
25 grant under this section to a siting authority for,

1 with respect to a covered transmission project, any  
2 of the following activities:

3 (A) Studies and analyses of the impacts of  
4 the covered transmission project.

5 (B) Examination of up to 3 alternate  
6 siting corridors within which the covered trans-  
7 mission project feasibly could be sited.

8 (C) Hosting and facilitation of negotiations  
9 in settlement meetings involving the siting au-  
10 thority, the covered transmission project appli-  
11 cant, and opponents of the covered transmission  
12 project, for the purpose of identifying and ad-  
13 dressing issues that are preventing approval of  
14 the application relating to the siting or permit-  
15 ting of the covered transmission project.

16 (D) Participation by the siting authority in  
17 regulatory proceedings or negotiations in an-  
18 other jurisdiction, or under the auspices of a  
19 Transmission Organization (as defined in sec-  
20 tion 3 of the Federal Power Act (16 U.S.C.  
21 796)) that is also considering the siting or per-  
22 mitting of the covered transmission project.

23 (E) Participation by the siting authority in  
24 regulatory proceedings at the Federal Energy  
25 Regulatory Commission or a State regulatory

1           commission for determining applicable rates  
2           and cost allocation for the covered transmission  
3           project.

4           (F) Other measures and actions that may  
5           improve the chances of, and shorten the time  
6           required for, approval by the siting authority of  
7           the application relating to the siting or permit-  
8           ting of the covered transmission project, as the  
9           Secretary determines appropriate.

10          (2) ECONOMIC DEVELOPMENT.—The Secretary  
11          may make a grant under this section to a siting au-  
12          thority, or other State, local, or Tribal governmental  
13          entity, for economic development activities for com-  
14          munities that may be affected by the construction  
15          and operation of a covered transmission project, pro-  
16          vided that the Secretary shall not enter into any  
17          grant agreement pursuant to this section that could  
18          result in any outlays after September 30, 2031.

19          (c) CONDITIONS.—

20          (1) FINAL DECISION ON APPLICATION.—In  
21          order to receive a grant for an activity described in  
22          subsection (b)(1), the Secretary shall require a siting  
23          authority to agree, in writing, to reach a final deci-  
24          sion on the application relating to the siting or per-  
25          mitting of the applicable covered transmission

1 project not later than 2 years after the date on  
2 which such grant is provided, unless the Secretary  
3 authorizes an extension for good cause.

4 (2) FEDERAL SHARE.—The Federal share of  
5 the cost of an activity described in subparagraph  
6 (D) or (E) of subsection (b)(1) shall not exceed 50  
7 percent.

8 (3) ECONOMIC DEVELOPMENT.—The Secretary  
9 may only disburse grant funds for economic develop-  
10 ment activities under subsection (b)(2)—

11 (A) to a siting authority upon approval by  
12 the siting authority of the applicable covered  
13 transmission project; and

14 (B) to any other State, local, or Tribal  
15 governmental entity upon commencement of  
16 construction of the applicable covered trans-  
17 mission project in the area under the jurisdic-  
18 tion of the entity.

19 (d) RETURNING FUNDS.—If a siting authority that  
20 receives a grant for an activity described in subsection  
21 (b)(1) fails to use all grant funds within 2 years of receipt,  
22 the siting authority shall return to the Secretary any such  
23 unused funds.

24 (e) DEFINITIONS.—In this section:

1           (1) COVERED TRANSMISSION PROJECT.—The  
2 term “covered transmission project” means a high-  
3 voltage interstate or offshore electricity transmission  
4 line—

5           (A) that is proposed to be constructed and  
6 to operate at a minimum of 275 kilovolts of ei-  
7 ther alternating-current or direct-current elec-  
8 tric energy by an entity; and

9           (B) for which such entity has applied, or  
10 informed a siting authority of such entity’s in-  
11 tent to apply, for regulatory approval.

12           (2) SITING AUTHORITY.—The term “siting au-  
13 thority” means a State, local, or Tribal govern-  
14 mental entity with authority to make a final deter-  
15 mination regarding the siting, permitting, or regu-  
16 latory status of a covered transmission project that  
17 is proposed to be located in an area under the juris-  
18 diction of the entity.

19           (3) STATE.—The term “State” means a State,  
20 the District of Columbia, or any territory or posses-  
21 sion of the United States.

22 **SEC. 30453. ORGANIZED WHOLESALE ELECTRICITY MAR-**  
23 **KET TECHNICAL ASSISTANCE GRANTS.**

24           (a) APPROPRIATION.—In addition to amounts other-  
25 wise available, there is appropriated to the Secretary for

1 fiscal year 2022, out of any money in the Treasury not  
2 otherwise appropriated, \$40,000,000, to remain available  
3 until fiscal year 2031, for purposes of carrying out a pro-  
4 gram to provide—

5 (1) technical assistance and grants to States to  
6 evaluate forming, participating in, expanding, or im-  
7 proving organized wholesale electricity markets; and

8 (2) grants to States to procure data or tech-  
9 nology systems related to forming, participating in,  
10 expanding, or improving organized wholesale elec-  
11 tricity markets.

12 (b) APPLICATIONS.—To apply for technical assist-  
13 ance or a grant provided under this section, a State shall  
14 submit to the Secretary an application at such time, in  
15 such manner, and containing such information as the Sec-  
16 retary may require.

17 (c) DEFINITIONS.—In this section:

18 (1) INDEPENDENT SYSTEM OPERATOR; RE-  
19 GIONAL TRANSMISSION ORGANIZATION.—The terms  
20 “Independent System Operator” and “Regional  
21 Transmission Organization” have the meanings  
22 given such terms in section 3 of the Federal Power  
23 Act (16 U.S.C. 796).

24 (2) ORGANIZED WHOLESALE ELECTRICITY MAR-  
25 KET.—The term “organized wholesale electricity

1 market” means an Independent System Operator or  
2 a Regional Transmission Organization.

3 (3) SECRETARY.—The term “Secretary” means  
4 the Secretary of Energy.

5 (4) STATE.—The term “State” means a State  
6 or the District of Columbia.

7 **SEC. 30454. INTERREGIONAL AND OFFSHORE WIND ELEC-**  
8 **TRICITY TRANSMISSION PLANNING, MOD-**  
9 **ELING, AND ANALYSIS.**

10 (a) APPROPRIATION.—In addition to amounts other-  
11 wise available, there is appropriated to the Secretary of  
12 Energy for fiscal year 2022, out of any money in the  
13 Treasury not otherwise appropriated, \$100,000,000, to re-  
14 main available until September 30, 2031, to carry out this  
15 section.

16 (b) USE OF FUNDS.—The Secretary of Energy shall  
17 use amounts made available under subsection (a) to—

18 (1) pay expenses associated with convening rel-  
19 evant stakeholders, including States, generation and  
20 transmission developers, regional transmission orga-  
21 nizations, independent system operators, environ-  
22 mental organizations, electric utilities, and other  
23 stakeholders the Secretary determines appropriate,  
24 to address the development of interregional elec-



1        tricity transmission and transmission of electricity  
2        that is generated by offshore wind; and

3            (2) conduct planning, modeling, and analysis  
4        regarding interregional electricity transmission and  
5        transmission of electricity that is generated by off-  
6        shore wind, taking into account the local, regional,  
7        and national economic, reliability, resilience, secu-  
8        rity, public policy, and environmental benefits of  
9        interregional electricity transmission and trans-  
10       mission of electricity that is generated by offshore  
11       wind, including planning, modeling, and analysis, as  
12       the Secretary determines appropriate, pertaining  
13       to—

14            (A) clean energy integration into the elec-  
15        tric grid, including the identification of renew-  
16        able energy zones;

17            (B) the effects of changes in weather due  
18        to climate change on the reliability and resil-  
19        ience of the electric grid;

20            (C) cost allocation methodologies that fa-  
21        cilitate the expansion of the bulk power system;

22            (D) the benefits of coordination between  
23        generator interconnection processes and trans-  
24        mission planning processes;

1           (E) the effect of increased electrification  
2 on the electric grid;

3           (F) power flow modeling;

4           (G) the benefits of increased interconnec-  
5 tions or interties between or among the West-  
6 ern Interconnection, the Eastern Interconnec-  
7 tion, the Electric Reliability Council of Texas,  
8 and other interconnections, as applicable;

9           (H) the cooptimization of transmission and  
10 generation, including variable energy resources,  
11 energy storage, and demand-side management;

12           (I) the opportunities for use of nontrans-  
13 mission alternatives, energy storage, and grid-  
14 enhancing technologies;

15           (J) economic development opportunities for  
16 communities arising from development of inter-  
17 regional electricity transmission and trans-  
18 mission of electricity that is generated by off-  
19 shore wind;

20           (K) evaluation of existing rights-of-way  
21 and the need for additional transmission cor-  
22 ridors; and

23           (L) a planned national transmission grid,  
24 which would include a networked transmission

1 system to optimize the existing grid for inter-  
2 connection of offshore wind farms.

3 **PART 6—ENVIRONMENTAL REVIEWS**

4 **SEC. 30461. DEPARTMENT OF ENERGY.**

5 In addition to amounts otherwise available, there is  
6 appropriated to the Department of Energy for fiscal year  
7 2022, out of any money in the Treasury not otherwise ap-  
8 propriated, \$125,000,000, to remain available until Sep-  
9 tember 30, 2031, to provide for the development of more  
10 efficient, accurate, and timely reviews for planning, per-  
11 mitting, and approval processes through the hiring and  
12 training of personnel, the development of programmatic  
13 documents, the procurement of technical or scientific serv-  
14 ices for reviews, the development of data or information  
15 systems, stakeholder and community engagement, the pur-  
16 chase of new equipment for analysis, and the development  
17 of geographic information systems and other analysis  
18 tools, techniques, and guidance to improve agency trans-  
19 parency, accountability, and public engagement.

20 **SEC. 30462. FEDERAL ENERGY REGULATORY COMMISSION.**

21 (a) IN GENERAL.—In addition to amounts otherwise  
22 available, there is appropriated to the Federal Energy  
23 Regulatory Commission for fiscal year 2022, out of any  
24 money in the Treasury not otherwise appropriated,  
25 \$75,000,000, to remain available until September 30,

1 2031, to provide for the development of more efficient, ac-  
2 curate, and timely reviews for planning, permitting, and  
3 approval processes through the hiring and training of per-  
4 sonnel, the development of programmatic documents, the  
5 procurement of technical or scientific services for reviews,  
6 the development of data or information systems, stake-  
7 holder and community engagement, the purchase of new  
8 equipment for analysis, and the development of geographic  
9 information systems and other analysis tools, techniques,  
10 and guidance to improve agency transparency, account-  
11 ability, and public engagement.

12 (b) FEES AND CHARGES.—Section 3401(a) of the  
13 Omnibus Budget Reconciliation Act of 1986 (42 U.S.C.  
14 7178(a)) shall not apply to the costs incurred by the Fed-  
15 eral Energy Regulatory Commission in carrying out this  
16 section.

## 17 **PART 7—INDUSTRIAL**

### 18 **SEC. 30471. ADVANCED INDUSTRIAL FACILITIES DEPLOY-** 19 **MENT PROGRAM.**

20 (a) APPROPRIATION.—In addition to amounts other-  
21 wise available, there is appropriated to the Secretary of  
22 Energy for fiscal year 2022, out of any money in the  
23 Treasury not otherwise appropriated, \$4,000,000,000, to  
24 remain available until September 30, 2026, to carry out  
25 this section.

1           (b) PROGRAM.—The Secretary shall use funds appro-  
2           priated by subsection (a) to establish a program to provide  
3           financial assistance, on a competitive basis, to eligible enti-  
4           ties to carry out projects for—

5                   (1) the purchase and installation, or implemen-  
6                   tation, of advanced industrial technology at an eligi-  
7                   ble facility;

8                   (2) retrofits, upgrades to, or operational im-  
9                   provements at an eligible facility to install or imple-  
10                  ment advanced industrial technology; or

11                  (3) engineering studies and other work needed  
12                  to prepare an eligible facility for activities described  
13                  in paragraph (1) or (2).

14           (c) APPLICATION.—To be eligible to receive financial  
15           assistance under the program established under subsection  
16           (b), an eligible entity shall submit to the Secretary an ap-  
17           plication at such time, in such manner, and containing  
18           such information as the Secretary may require, including  
19           the expected greenhouse gas emissions reductions to be  
20           achieved by carrying out the project.

21           (d) PRIORITY.—In providing financial assistance  
22           under the program established under subsection (b), the  
23           Secretary shall give priority consideration to projects on  
24           the basis of, as determined by the Secretary—

1           (1) the expected greenhouse gas emissions re-  
2           ductions to be achieved by carrying out the project;

3           (2) the extent to which the project would pro-  
4           vide the greatest benefit for the greatest number of  
5           people within the area in which the eligible facility  
6           is located; and

7           (3) whether the eligible entity participates or  
8           would participate in a partnership with purchasers  
9           of the output of the eligible facility.

10          (e) COST SHARE.—The Secretary may require an eli-  
11         gible entity to provide not more than 50 percent of the  
12         cost of a project carried out pursuant to this section.

13          (f) ADMINISTRATIVE COSTS.—The Secretary shall re-  
14         serve \$200,000,000 of amounts made available under sub-  
15         section (a) for administrative costs of carrying out this  
16         section.

17          (g) DEFINITIONS.—

18                 (1) ADVANCED INDUSTRIAL TECHNOLOGY.—  
19                 The term “advanced industrial technology” means  
20                 technology or processes designed to accelerate green-  
21                 house gas emissions reduction progress to net-zero  
22                 at an eligible facility, as determined by the Sec-  
23                 retary, including—

24                         (A) industrial energy efficiency tech-  
25                         nologies;

1 (B) equipment to electrify industrial proc-  
2 esses;

3 (C) equipment to utilize low- or zero-car-  
4 bon fuels, feedstocks, and energy sources;

5 (D) low- or zero-carbon process heat sys-  
6 tems; and

7 (E) carbon capture, transport, utilization,  
8 and storage systems.

9 (2) ELIGIBLE ENTITY.—The term “eligible enti-  
10 ty” means the owner or operator of an eligible facil-  
11 ity.

12 (3) ELIGIBLE FACILITY.—The term “eligible fa-  
13 cility” means a domestic, non-Federal, nonpower in-  
14 dustrial or manufacturing facility engaged in energy-  
15 intensive industrial processes, including production  
16 processes for iron, steel, steel mill products, alu-  
17 minium, cement, concrete, glass, pulp, paper, and in-  
18 dustrial ceramics.

19 (4) FINANCIAL ASSISTANCE.—The term “finan-  
20 cial assistance” means a grant, rebate, or coopera-  
21 tive agreement.

22 (5) SECRETARY.—The term “Secretary” means  
23 the Secretary of Energy.

1           **PART 8—OTHER ENERGY MATTERS**

2   **SEC. 30481. OVERSIGHT.**

3           In addition to amounts otherwise available, there is  
4 appropriated to the Department of Energy for fiscal year  
5 2022, out of any money in the Treasury not otherwise ap-  
6 propriated, \$5,000,000, to remain available until Sep-  
7 tember 30, 2031, for oversight by the Department of En-  
8 ergy Office of Inspector General of the Department of En-  
9 ergy activities for which funding is appropriated in this  
10 subtitle.

11 **SEC. 30482. ENERGY INFORMATION ADMINISTRATION.**

12           In addition to amounts otherwise available, there is  
13 appropriated to the Administrator of the Energy Informa-  
14 tion Administration for fiscal year 2022, out of any money  
15 in the Treasury not otherwise appropriated, \$40,000,000,  
16 to remain available until September 30, 2031, for data  
17 collection, research, and analysis activities.

18           **Subtitle E—Affordable Health Care**  
19   **Coverage**

20 **SEC. 30601. ENSURING AFFORDABILITY OF COVERAGE FOR**  
21   **CERTAIN LOW-INCOME POPULATIONS.**

22           (a) REDUCING COST SHARING UNDER QUALIFIED  
23 HEALTH PLANS.—Section 1402 of the Patient Protection  
24 and Affordable Care Act (42 U.S.C. 18071) is amended—

25   (1) in subsection (b)—



1 (A) in paragraph (2), by inserting “(or,  
2 with respect to plan years 2023, 2024, and  
3 2025, whose household income does not exceed  
4 400 percent of the poverty line for a family of  
5 the size involved)” before the period; and

6 (B) in the matter following paragraph (2),  
7 by adding at the end the following new sen-  
8 tence: “In the case of an individual who is de-  
9 termined at any point to have a household in-  
10 come for 2022 that does not exceed 138 percent  
11 of the poverty line for a family of the size in-  
12 volved, such individual shall, for each month  
13 during such year, be treated as having a house-  
14 hold income equal to 100 percent for purposes  
15 of applying this section.”; and

16 (2) in subsection (c)—

17 (A) in paragraph (1)(A), in the matter  
18 preceding clause (i), by inserting “, with respect  
19 to eligible insureds (other than, with respect to  
20 plan years 2023, 2024, and 2025, specified en-  
21 rollees (as defined in paragraph (6)(C))),” after  
22 “first be achieved”;

23 (B) in paragraph (2), in the matter pre-  
24 ceding subparagraph (A), by inserting “with re-  
25 spect to eligible insureds (other than, with re-

1 spect to plan years 2023, 2024, and 2025, spec-  
2 ified enrollees)” after “under the plan”;

3 (C) in paragraph (3)—

4 (i) in subparagraph (A), by striking  
5 “this subsection” and inserting “paragraph  
6 (1) or (2)”;

7 (ii) in subparagraph (B), by striking  
8 “this section” and inserting “paragraphs  
9 (1) and (2)”;

10 (D) by adding at the end the following new  
11 paragraph:

12 “(6) SPECIAL RULE FOR SPECIFIED ENROLL-  
13 EES.—

14 “(A) IN GENERAL.—The Secretary shall  
15 establish procedures under which the issuer of  
16 a qualified health plan to which this section ap-  
17 plies shall reduce cost-sharing under the plan  
18 with respect to months occurring during plan  
19 years 2023, 2024, and 2025 for enrollees who  
20 are specified enrollees (as defined in subpara-  
21 graph (C)) in a manner sufficient to increase  
22 the plan’s share of the total allowed costs of  
23 benefits provided under the plan to 99 percent  
24 of such costs.

1           “(B) METHODS FOR REDUCING COST  
2 SHARING.—

3           “(i) IN GENERAL.—An issuer of a  
4 qualified health plan making reductions  
5 under this paragraph shall notify the Sec-  
6 retary of such reductions and the Sec-  
7 retary shall, out of funds made available  
8 under clause (ii), make periodic and timely  
9 payments to the issuer equal to 12 percent  
10 of the total allowed costs of benefits pro-  
11 vided under each such plan to specified en-  
12 rollees during plan years 2023, 2024, and  
13 2025.

14           “(ii) APPROPRIATION.—In addition to  
15 amounts otherwise available, there are ap-  
16 propriated, out of any money in the Treas-  
17 ury not otherwise appropriated, such sums  
18 as may be necessary to the Secretary to  
19 make payments under clause (i).

20           “(C) SPECIFIED ENROLLEE DEFINED.—  
21 For purposes of this section, the term ‘specified  
22 enrollee’ means, with respect to a plan year, an  
23 eligible insured who is determined at any point  
24 to have a household income for such plan year  
25 that does not exceed 138 percent of the poverty

1 line for a family of the size involved. Such in-  
2 sured shall be deemed to be a specified enrollee  
3 for each month in such plan year.”.

4 (b) OPEN ENROLLMENTS APPLICABLE TO CERTAIN  
5 LOWER-INCOME POPULATIONS.—Section 1311(c) of the  
6 Patient Protection and Affordable Care Act (42 U.S.C.  
7 18031(c)) is amended—

8 (1) in paragraph (6)—

9 (A) in subparagraph (C), by striking at the  
10 end “and”;

11 (B) in subparagraph (D), by striking the  
12 period at the end and inserting “; and”; and

13 (C) by adding at the end the following new  
14 subparagraph:

15 “(E) with respect to a qualified health plan  
16 with respect to which section 1402 applies, for  
17 months occurring during the period beginning  
18 on January 1, 2022, and ending on December  
19 31, 2025, enrollment periods described in sub-  
20 paragraph (A) of paragraph (8) for individuals  
21 described in subparagraph (B) of such para-  
22 graph.”; and

23 (2) by adding at the end the following new  
24 paragraph:

1           “(8) SPECIAL ENROLLMENT PERIOD FOR CER-  
2 TAIN LOW-INCOME POPULATIONS.—

3           “(A) IN GENERAL.—The enrollment period  
4 described in this paragraph is, in the case of an  
5 individual described in subparagraph (B), the  
6 continuous period beginning on the first day  
7 that such individual is so described.

8           “(B) INDIVIDUAL DESCRIBED.—For pur-  
9 poses of subparagraph (A), an individual de-  
10 scribed in this subparagraph is an individual—

11           “(i) with a household income that  
12 does not exceed 138 percent of the poverty  
13 line for a family of the size involved; and

14           “(ii) who is not eligible for minimum  
15 essential coverage (as defined in section  
16 5000A(f) of the Internal Revenue Code of  
17 1986), other than for coverage described in  
18 any of subparagraphs (B) through (E) of  
19 paragraph (1) of such section.”.

20           (c) ADDITIONAL BENEFITS FOR CERTAIN LOW-IN-  
21 COME INDIVIDUALS FOR PLAN YEARS 2024 AND 2025.—  
22 Section 1301(a) of the Patient Protection and Affordable  
23 Care Act (42 U.S.C. 18021(a)) is amended—

24           (1) in paragraph (1)—

1 (A) in subparagraph (B), by striking  
2 “and” at the end;

3 (B) in subparagraph (C)(iv), by striking  
4 the period and inserting “; and”; and

5 (C) by adding at the end the following new  
6 subparagraph:

7 “(D) provides, with respect to a plan of-  
8 fered in the silver level of coverage to which sec-  
9 tion 1402 applies during plan year 2024 and  
10 2025, for benefits described in paragraph (5) in  
11 the case of an individual who has a household  
12 income that does not exceed 138 percent of the  
13 poverty line for a family of the size involved,  
14 and who is eligible to receive cost-sharing re-  
15 ductions under section 1402.”; and

16 (2) by adding at the end the following new  
17 paragraph:

18 “(5) ADDITIONAL BENEFITS FOR CERTAIN  
19 LOW-INCOME INDIVIDUALS FOR PLAN YEAR 2024 AND  
20 2025.—

21 “(A) IN GENERAL.—

22 “(i) BENEFITS.—For purposes of  
23 paragraph (1)(D), the benefits described in  
24 this paragraph to be provided by a quali-

1           fied health plan are benefits consisting  
2           of—

3                   “(I) non-emergency medical  
4                   transportation services (as described  
5                   in section 1902(a)(4) of the Social Se-  
6                   curity Act) for which Federal pay-  
7                   ments would have been available  
8                   under title XIX of the Social Security  
9                   Act had such services been furnished  
10                  to an individual enrolled under a  
11                  State plan (or waiver of such plan)  
12                  under such title; and

13                  “(II) services described in sub-  
14                  section (a)(4)(C) of section 1905 of  
15                  such Act for which Federal payments  
16                  would have been so available;

17           which are not otherwise provided under  
18           such plan as part of the essential health  
19           benefits package described in section  
20           1302(a).

21                  “(ii) CONDITION ON PROVISION OF  
22                  BENEFITS.—Benefits described in this  
23                  paragraph shall be provided—

24                   “(I) without any restriction on  
25                   the choice of a qualified provider from

1                   whom an individual may receive such  
2                   benefits; and

3                   “(II) without any imposition of  
4                   cost sharing.

5                   “(B) PAYMENTS FOR ADDITIONAL BENE-  
6                   FITS.—

7                   “(i) IN GENERAL.—An issuer of a  
8                   qualified health plan making payments for  
9                   services described in subparagraph (A) fur-  
10                  nished to individuals described in para-  
11                  graph (1)(D) during plan year 2024 or  
12                  2025 shall notify the Secretary of such  
13                  payments and the Secretary shall, out of  
14                  funds made available under clause (ii),  
15                  make periodic and timely payments to the  
16                  issuer equal to payments for such services  
17                  so furnished.

18                  “(ii) APPROPRIATION.—In addition to  
19                  amounts otherwise available, there is ap-  
20                  propriated, out of any money in the Treas-  
21                  ury not otherwise appropriated, such sums  
22                  as may be necessary to the Secretary to  
23                  make payments under clause (i).”.

24                  (d) EDUCATION AND OUTREACH ACTIVITIES.—



1           (1) IN GENERAL.—Section 1321(c) of the Pa-  
2           tient Protection and Affordable Care Act (42 U.S.C.  
3           18041(c)) is amended by adding at the end the fol-  
4           lowing new paragraph:

5           “(3) OUTREACH AND EDUCATIONAL ACTIVI-  
6           TIES.—

7           “(A) IN GENERAL.—In the case of an Ex-  
8           change established or operated by the Secretary  
9           within a State pursuant to this subsection, the  
10          Secretary shall carry out outreach and edu-  
11          cational activities for purposes of informing in-  
12          dividuals           described           in           section  
13          1902(a)(10)(A)(i)(VIII) of the Social Security  
14          Act who reside in States that have not ex-  
15          pended amounts under a State plan (or waiver  
16          of such plan) under title XIX of such Act for  
17          all such individuals about qualified health plans  
18          offered through the Exchange, including by in-  
19          forming such individuals of the availability of  
20          coverage under such plans and financial assist-  
21          ance for coverage under such plans. Such out-  
22          reach and educational activities shall be pro-  
23          vided in a manner that is culturally and linguis-  
24          tically appropriate to the needs of the popu-  
25          lations being served by the Exchange (including

1 hard-to-reach populations, such as racial and  
2 sexual minorities, limited English proficient  
3 populations, individuals residing in areas where  
4 the unemployment rates exceeds the national  
5 average unemployment rate, individuals in rural  
6 areas, veterans, and young adults).

7 “(B) LIMITATION ON USE OF FUNDS.—No  
8 funds appropriated under this paragraph shall  
9 be used for expenditures for promoting non-  
10 ACA compliant health insurance coverage.

11 “(C) NON-ACA COMPLIANT HEALTH INSUR-  
12 ANCE COVERAGE.—For purposes of subpara-  
13 graph (B):

14 “(i) The term ‘non-ACA compliant  
15 health insurance coverage’ means health  
16 insurance coverage, or a group health plan,  
17 that is not a qualified health plan.

18 “(ii) Such term includes the following:

19 “(I) An association health plan.

20 “(II) Short-term limited duration  
21 insurance.

22 “(D) FUNDING.—In addition to amounts  
23 otherwise available, there is appropriated, out of  
24 any money in the Treasury not otherwise ap-  
25 propriated, to remain available until expended,

1           \$105,000,000 for fiscal year 2022 to carry out  
2           this paragraph, of which—

3                   “(i) \$15,000,000 shall be used to  
4                   carry out this paragraph in fiscal year  
5                   2022; and

6                   “(ii) \$30,000,000 shall be used to  
7                   carry out this paragraph for each of fiscal  
8                   years 2023 through 2025.”.

9           (2) NAVIGATOR PROGRAM.—Section 1311(i)(6)  
10          of the Patient Protection and Affordable Care Act  
11          (42 U.S.C. 18031(i)(6)) is amended—

12                   (A) by striking “FUNDING.—Grants  
13                   under” and inserting “FUNDING.—

14                   “(A) STATE EXCHANGES.—Grants under”;  
15                   and

16                   (B) by adding at the end the following new  
17                   subparagraph:

18                   “(B) FEDERAL EXCHANGES.—For pur-  
19                   poses of carrying out this subsection, with re-  
20                   spect to an Exchange established and operated  
21                   by the Secretary within a State pursuant to sec-  
22                   tion 1321(c), the Secretary shall obligate not  
23                   less than \$10,000,000 out of amounts collected  
24                   through the user fees on participating health in-  
25                   surance issuers pursuant to section 156.50 of

1 title 45, Code of Federal Regulations (or any  
2 successor regulations) for fiscal year 2022, and  
3 not less than \$20,000,000 for each of fiscal  
4 years 2023, 2024, and 2025. Such amount so  
5 obligated for a fiscal year shall remain available  
6 until expended.”.

7 (e) FUNDING.—In addition to amounts otherwise  
8 available, there is appropriated to the Secretary of Health  
9 and Human Services for fiscal year 2022, out of any  
10 money in the Treasury not otherwise appropriated,  
11 \$65,000,000, to remain available until expended, for pur-  
12 poses of carrying out the provisions of, and the amend-  
13 ments made by, this section, section 30602, and section  
14 30603.

15 **SEC. 30602. ESTABLISHING A HEALTH INSURANCE AFFORD-**  
16 **ABILITY FUND.**

17 (a) IN GENERAL.—Subtitle D of title I of the Patient  
18 Protection and Affordable Care Act is amended by insert-  
19 ing after section 1343 (42 U.S.C. 18063) the following  
20 new part:

21 **“PART 6—IMPROVE HEALTH INSURANCE**  
22 **AFFORDABILITY FUND**

23 **“SEC. 1351. ESTABLISHMENT OF PROGRAM.**

24 “There is hereby established the ‘Improve Health In-  
25 surance Affordability Fund’ to be administered by the Sec-

1   retary of Health and Human Services, acting through the  
2   Administrator of the Centers for Medicare & Medicaid  
3   Services (in this section referred to as the ‘Adminis-  
4   trator’), to provide funding, in accordance with this part,  
5   to the 50 States and the District of Columbia (each re-  
6   ferred to in this section as a ‘State’) beginning on January  
7   1, 2023, for the purposes described in section 1352.

8   **“SEC. 1352. USE OF FUNDS.**

9           “(a) IN GENERAL.—A State shall use the funds allo-  
10   cated to the State under this part for one of the following  
11   purposes:

12           “(1) To provide reinsurance payments to health  
13   insurance issuers with respect to individuals enrolled  
14   under individual health insurance coverage (other  
15   than through a plan described in subsection (b)) of-  
16   fered by such issuers.

17           “(2) To provide assistance (other than through  
18   payments described in paragraph (1)) to reduce out-  
19   of-pocket costs, such as copayments, coinsurance,  
20   premiums, and deductibles, of individuals enrolled  
21   under qualified health plans offered on the indi-  
22   vidual market through an Exchange and of individ-  
23   uals enrolled under standard health plans offered  
24   through a basic health program established under  
25   section 1331.

1       “(b) EXCLUSION OF CERTAIN GRANDFATHERED  
2 PLANS, TRANSITIONAL PLANS, STUDENT HEALTH  
3 PLANS, AND EXCEPTED BENEFITS.—For purposes of  
4 subsection (a), a plan described in this subsection is the  
5 following:

6           “(1) A grandfathered health plan (as defined in  
7 section 1251).

8           “(2) A plan (commonly referred to as a ‘transi-  
9 tional plan’) continued under the letter issued by the  
10 Centers for Medicare & Medicaid Services on No-  
11 vember 14, 2013, to the State Insurance Commis-  
12 sioners outlining a transitional policy for coverage in  
13 the individual and small group markets to which sec-  
14 tion 1251 does not apply, and under the extension  
15 of the transitional policy for such coverage set forth  
16 in the Insurance Standards Bulletin Series guidance  
17 issued by the Centers for Medicare & Medicaid Serv-  
18 ices on March 5, 2014, February 29, 2016, Feb-  
19 ruary 13, 2017, April 9, 2018, March 25, 2019,  
20 January 31, 2020, and January 19, 2021, or under  
21 any subsequent extensions thereof.

22           “(3) Student health insurance coverage (as de-  
23 fined in section 147.145 of title 45, Code of Federal  
24 Regulations, or any successor regulation).

1           “(4) Excepted benefits (as defined in section  
2           2791(e) of the Public Health Service Act).

3   **“SEC. 1353. STATE ELIGIBILITY AND APPROVAL; DEFAULT**  
4                           **SAFEGUARD.**

5           “(a) ENCOURAGING STATE OPTIONS FOR ALLOCA-  
6   TIONS.—

7           “(1) IN GENERAL.—Subject to subsection (b),  
8           to be eligible for an allocation of funds under this  
9           part for a year (beginning with 2023), a State shall  
10          submit to the Administrator an application at such  
11          time (but, in the case of allocations for 2023, not  
12          later than 120 days after the date of the enactment  
13          of this part and, in the case of allocations for a sub-  
14          sequent year, not later than January 1 of the pre-  
15          vious year) and in such form and manner as speci-  
16          fied by the Administrator containing—

17                       “(A) a description of how the funds will be  
18                       used; and

19                       “(B) such other information as the Admin-  
20                       istrator may require.

21           “(2) AUTOMATIC APPROVAL.—An application so  
22          submitted is approved (as outlined in the terms of  
23          the plan) unless the Administrator notifies the State  
24          submitting the application, not later than 90 days  
25          after the date of the submission of such application,

1 that the application has been denied for not being in  
2 compliance with any requirement of this part and of  
3 the reason for such denial.

4 “(3) SUBSEQUENT YEAR APPLICATION AP-  
5 PROVAL.—If an application of a State is approved  
6 for a purpose described in section 1352 for a year,  
7 such application shall be treated as approved for  
8 such purpose for each of subsequent year through  
9 2025.

10 “(4) OVERSIGHT AUTHORITY AND AUTHORITY  
11 TO REVOKE APPROVAL.—

12 “(A) OVERSIGHT.—The Secretary may  
13 conduct periodic reviews of the use of funds  
14 provided to a State under this section, with re-  
15 spect to a purpose described in section 1352, to  
16 ensure the State uses such funds for such pur-  
17 pose and otherwise complies with the require-  
18 ments of this section.

19 “(B) REVOCATION OF APPROVAL.—The  
20 approval of an application of a State, with re-  
21 spect to a purpose described in section 1352,  
22 may be revoked if the State fails to use funds  
23 provided to the State under this section for  
24 such purpose or otherwise fails to comply with  
25 the requirements of this section.



1       “(b) DEFAULT FEDERAL SAFEGUARD FOR 2023,  
2 2024, AND 2025 FOR CERTAIN STATES.—

3           “(1) IN GENERAL.—For 2023, 2024, and 2025,  
4 in the case of a State described in paragraph (5),  
5 with respect to such year, the State shall not be eli-  
6 gible to submit an application under subsection (a),  
7 and the Administrator, in consultation with the ap-  
8 plicable State authority, shall from the amount cal-  
9 culated under paragraph (3) for such year, carry out  
10 the purpose described in paragraph (2) in such State  
11 for such year.

12           “(2) SPECIFIED USE.—The amount described  
13 in paragraph (3), with respect to a State described  
14 in paragraph (5) for 2023, 2024, or 2025, shall be  
15 used to carry out the purpose described in section  
16 1352(a)(1) in such State for such year, as applica-  
17 ble, by providing reinsurance payments to health in-  
18 surance issuers with respect to attachment range  
19 claims (as defined in section 1354(b)(2), using the  
20 dollar amounts specified in subparagraph (B) of  
21 such section for such year) in an amount equal to,  
22 subject to paragraph (4), the percentage (specified  
23 for such year by the Secretary under such subpara-  
24 graph) of the amount of such claims.

1           “(3) AMOUNT DESCRIBED.—The amount de-  
2           scribed in this paragraph, with respect to 2023,  
3           2024, or 2025, is the amount equal to the total sum  
4           of amounts that the Secretary would otherwise esti-  
5           mate under section 1354(b)(2)(A)(i) for such year  
6           for each State described in paragraph (5) for such  
7           year, as applicable, if each such State were not so  
8           described for such year.

9           “(4) ADJUSTMENT.—For purposes of this sub-  
10          section, the Secretary may apply a percentage under  
11          paragraph (3) with respect to a year that is less  
12          than the percentage otherwise specified in section  
13          1354(b)(2)(B) for such year, if the cost of paying  
14          the total eligible attachment range claims for States  
15          described in paragraph (5) for such year at such  
16          percentage otherwise specified would exceed the  
17          amount calculated under paragraph (3) for such  
18          year.

19          “(5) STATE DESCRIBED.—A State described in  
20          this paragraph, with respect to years 2023, 2024,  
21          and 2025, is a State that, as of January 1 of 2022,  
22          2023, or 2024, respectively, was not expending  
23          amounts under the State plan (or waiver of such  
24          plan) for all individuals described in section  
25          1902(a)(10)(A)(i)(VIII) during such year.

1 **“SEC. 1354. ALLOCATIONS.**

2 “(a) APPROPRIATION.—In addition to amounts oth-  
3 erwise available, there is appropriated, out of any money  
4 in the Treasury not otherwise appropriated,  
5 \$10,000,000,000 for 2023 and each subsequent year  
6 through 2025 to provide allocations for States under sub-  
7 section (b) and payments under section 1353(b).

8 “(b) ALLOCATIONS.—

9 “(1) PAYMENT.—

10 “(A) IN GENERAL.—From amounts appro-  
11 priated under subsection (a) for a year, the  
12 Secretary shall, with respect to a State not de-  
13 scribed in section 1353(b) for such year and  
14 not later than the date specified under subpara-  
15 graph (B) for such year, allocate for such State  
16 the amount determined for such State and year  
17 under paragraph (2).

18 “(B) SPECIFIED DATE.—For purposes of  
19 subparagraph (A), the date specified in this  
20 subparagraph is—

21 “(i) for 2023, the date that is 90 days  
22 after the date of the enactment of this  
23 part; and

24 “(ii) for 2024 or 2025, January 1 of  
25 the previous year.

1           “(C) NOTIFICATIONS OF ALLOCATION  
2 AMOUNTS.—For 2024 and 2025, the Secretary  
3 shall notify each State of the amount deter-  
4 mined for such State under paragraph (2) for  
5 such year by not later than January 1 of the  
6 previous year.

7           “(2) ALLOCATION AMOUNT DETERMINA-  
8 TIONS.—

9           “(A) IN GENERAL.—For purposes of para-  
10 graph (1), the amount determined under this  
11 paragraph for a year for a State described in  
12 paragraph (1)(A) for such year is the amount  
13 equal to—

14           “(i) the amount that the Secretary es-  
15 timates would be expended under this part  
16 for such year on attachment range claims  
17 of individuals residing in such State if such  
18 State used such funds only for the purpose  
19 described in paragraph (1) of section  
20 1352(a) at the dollar amounts and per-  
21 centage specified under subparagraph (B)  
22 for such year; minus

23           “(ii) the amount, if any, by which the  
24 Secretary determines—

1           “(I) the estimated amount of  
2           premium tax credits under section  
3           36B of the Internal Revenue Code of  
4           1986 that would be attributable to in-  
5           dividuals residing in such State for  
6           such year without application of this  
7           part; exceeds

8           “(II) the estimated amount of  
9           premium tax credits under section  
10          36B of the Internal Revenue Code of  
11          1986 that would be attributable to in-  
12          dividuals residing in such State for  
13          such year if section 1353(b) applied  
14          for such year and applied with respect  
15          to such State for such year.

16          For purposes of the previous sentence and sec-  
17          tion 1353(b)(3), the term ‘attachment range  
18          claims’ means, with respect to an individual, the  
19          claims for such individual that exceed a dollar  
20          amount specified by the Secretary for a year,  
21          but do not exceed a ceiling dollar amount speci-  
22          fied by the Secretary for such year, under sub-  
23          paragraph (B).

24          “(B) SPECIFICATIONS.—For purposes of  
25          subparagraph (A) and section 1353(b)(3), the

1 Secretary shall determine the dollar amounts  
2 and the percentage to be specified under this  
3 subparagraph for a year in a manner to ensure  
4 that the total amount of expenditures under  
5 this part for such year is estimated to equal the  
6 total amount appropriated for such year under  
7 subsection (a) if such expenditures were used  
8 solely for the purpose described in paragraph  
9 (1) of section 1352(a) for attachment range  
10 claims at the dollar amounts and percentage so  
11 specified for such year.

12 “(3) AVAILABILITY.—Funds allocated to a  
13 State under this subsection for a year shall remain  
14 available through the end of the subsequent year.”.

15 (b) BASIC HEALTH PROGRAM FUNDING ADJUST-  
16 MENTS.—Section 1331 of the Patient Protection and Af-  
17 fordable Care Act (42 U.S.C. 18051) is amended—

18 (1) in subsection (a), by adding at the end the  
19 following new paragraph:

20 “(3) PROVISION OF INFORMATION ON QUALI-  
21 FIED HEALTH PLAN PREMIUMS.—

22 “(A) IN GENERAL.—For plan years begin-  
23 ning on or after January 1, 2023, the program  
24 described in paragraph (1) shall provide that a  
25 State may not establish a basic health program

1 unless such State furnishes to the Secretary,  
2 with respect to each qualified health plan of-  
3 fered in such State during a year that receives  
4 any reinsurance payment from funds made  
5 available under part 6 for such year, the ad-  
6 justed premium amount (as defined in subpara-  
7 graph (B)) for each such plan and year.

8 “(B) ADJUSTED PREMIUM AMOUNT DE-  
9 FINED.—For purposes of subparagraph (A), the  
10 term ‘adjusted premium amount’ means, with  
11 respect to a qualified health plan and a year,  
12 the monthly premium for such plan and year  
13 that would have applied had such plan not re-  
14 ceived any payments described in subparagraph  
15 (A) for such year.”; and

16 (2) in subsection (d)(3)(A)(ii), by adding at the  
17 end the following new sentence: “In making such de-  
18 termination, the Secretary shall calculate the value  
19 of such premium tax credits that would have been  
20 provided to such individuals enrolled through a basic  
21 health program established by a State during a year  
22 using the adjusted premium amounts (as defined in  
23 subsection (a)(3)(B)) for qualified health plans of-  
24 fered in such State during such year.”.

1 (c) IMPLEMENTATION AUTHORITY.—The Secretary  
2 of Health and Human Services may implement the provi-  
3 sions of, and the amendments made by, this section by  
4 subregulatory guidance or otherwise.

5 **SEC. 30603. FUNDING FOR THE PROVISION OF HEALTH IN-**  
6 **SURANCE CONSUMER INFORMATION.**

7 Section 2793(e) of the Public Health Service Act (42  
8 U.S.C. 300gg–93(e)) is amended by adding at the end the  
9 following new paragraph:

10 “(3) FUNDING FOR 2022 THROUGH 2025.—In  
11 addition to amounts otherwise available, there is ap-  
12 propriated, out of any money in the Treasury not  
13 otherwise appropriated, \$100,000,000 for 2022, to  
14 remain available until expended, of which  
15 \$25,000,000 shall be used for each of 2022 through  
16 2025 to carry out this section.”.

17 **SEC. 30604. REQUIREMENTS WITH RESPECT TO COST-SHAR-**  
18 **ING FOR INSULIN PRODUCTS.**

19 (a) IN GENERAL.—Part D of title XXVII of the Pub-  
20 lic Health Service Act (42 U.S.C. 300gg–111 et seq.) is  
21 amended by adding at the end the following:

22 **“SEC. 2799A–11. REQUIREMENTS WITH RESPECT TO COST-**  
23 **SHARING FOR CERTAIN INSULIN PRODUCTS.**

24 “(a) IN GENERAL.—For plan years beginning on or  
25 after January 1, 2023, a group health plan or health in-



1 surance issuer offering group or individual health insur-  
2 ance coverage shall provide coverage of selected insulin  
3 products, and with respect to such products, shall not—

4 “(1) apply any deductible; or

5 “(2) impose any cost-sharing in excess of the  
6 lesser of, per 30-day supply—

7 “(A) \$35; or

8 “(B) the amount equal to 25 percent of  
9 the negotiated price of the selected insulin prod-  
10 uct net of all price concessions received by or on  
11 behalf of the plan or coverage, including price  
12 concessions received by or on behalf of third-  
13 party entities providing services to the plan or  
14 coverage, such as pharmacy benefit manage-  
15 ment services.

16 “(b) DEFINITIONS.—In this section:

17 “(1) SELECTED INSULIN PRODUCTS.—The term  
18 ‘selected insulin products’ means at least one of each  
19 dosage form (such as vial, pump, or inhaler dosage  
20 forms) of each different type (such as rapid-acting,  
21 short-acting, intermediate-acting, long-acting, ultra  
22 long-acting, and premixed) of insulin (as defined  
23 below), when available, as selected by the group  
24 health plan or health insurance issuer.

1           “(2) INSULIN DEFINED.—The term ‘insulin’  
2           means insulin that is licensed under subsection (a)  
3           or (k) of section 351 and continues to be marketed  
4           under such section, including any insulin product  
5           that has been deemed to be licensed under section  
6           351(a) pursuant to section 7002(e)(4) of the Bio-  
7           logics Price Competition and Innovation Act of 2009  
8           and continues to be marketed pursuant to such li-  
9           censure.

10          “(c) OUT-OF-NETWORK PROVIDERS.—Nothing in  
11          this section requires a plan or issuer that has a network  
12          of providers to provide benefits for selected insulin prod-  
13          ucts described in this section that are delivered by an out-  
14          of-network provider, or precludes a plan or issuer that has  
15          a network of providers from imposing higher cost-sharing  
16          than the levels specified in subsection (a) for selected insu-  
17          lin products described in this section that are delivered  
18          by an out-of-network provider.

19          “(d) RULE OF CONSTRUCTION.—Subsection (a) shall  
20          not be construed to require coverage of, or prevent a group  
21          health plan or health insurance coverage from imposing  
22          cost-sharing other than the levels specified in subsection  
23          (a) on, insulin products that are not selected insulin prod-  
24          ucts, to the extent that such coverage is not otherwise re-

1 quired and such cost-sharing is otherwise permitted under  
2 Federal and applicable State law.

3 “(e) APPLICATION OF COST-SHARING TOWARDS  
4 DEDUCTIBLES AND OUT-OF-POCKET MAXIMUMS.—Any  
5 cost-sharing payments made pursuant to subsection (a)(2)  
6 shall be counted toward any deductible or out-of-pocket  
7 maximum that applies under the plan or coverage.”.

8 (b) NO EFFECT ON OTHER COST-SHARING.—Section  
9 1302(d)(2) of the Patient Protection and Affordable Care  
10 Act (42 U.S.C. 18022(d)(2)) is amended by adding at the  
11 end the following new subparagraph:

12 “(D) SPECIAL RULE RELATING TO INSU-  
13 LIN COVERAGE.—The exemption of coverage of  
14 selected insulin products (as defined in section  
15 2799A–11(b) of the Public Health Service Act)  
16 from the application of any deductible pursuant  
17 to section 2799A–11(a)(1) of such Act, section  
18 726(a)(1) of the Employee Retirement Income  
19 Security Act of 1974, or section 9826(a)(1) of  
20 the Internal Revenue Code of 1986 shall not be  
21 considered when determining the actuarial value  
22 of a qualified health plan under this sub-  
23 section.”.

24 (c) COVERAGE OF CERTAIN INSULIN PRODUCTS  
25 UNDER CATASTROPHIC PLANS.—Section 1302(e) of the

1 Patient Protection and Affordable Care Act (42 U.S.C.  
2 18022(e)) is amended by adding at the end the following:

3 “(4) COVERAGE OF CERTAIN INSULIN PROD-  
4 UCTS.—

5 “(A) IN GENERAL.—Notwithstanding para-  
6 graph (1)(B)(i), a health plan described in  
7 paragraph (1) shall provide coverage of selected  
8 insulin products, in accordance with section  
9 2799A–11 of the Public Health Service Act, for  
10 a plan year before an enrolled individual has in-  
11 curred cost-sharing expenses in an amount  
12 equal to the annual limitation in effect under  
13 subsection (c)(1) for the plan year.

14 “(B) TERMINOLOGY.—For purposes of  
15 subparagraph (A)—

16 “(i) the term ‘selected insulin prod-  
17 ucts’ has the meaning given such term in  
18 section 2799A–11(b) of the Public Health  
19 Service Act; and

20 “(ii) the requirements of section  
21 2799A–11 of such Act shall be applied by  
22 deeming each reference in such section to  
23 ‘individual health insurance coverage’ to be  
24 a reference to a plan described in para-  
25 graph (1).”.

1 **SEC. 30605. COST-SHARING REDUCTIONS FOR INDIVIDUALS**  
2 **RECEIVING UNEMPLOYMENT COMPENSA-**  
3 **TION.**

4 Section 1402(f) of the Patient Protection and Afford-  
5 able Care Act (42 U.S.C. 18071(f)) is amended—

6 (1) in the header, by striking “2021” and in-  
7 serting “CERTAIN YEARS”;

8 (2) in the matter preceding paragraph (1), by  
9 striking “2021” and inserting “any of years 2021  
10 through 2022”; and

11 (3) in paragraph (2), by striking “133 percent”  
12 and inserting “150 percent”.

13 **SEC. 30606. OVERSIGHT OF PHARMACY BENEFIT MANAGER**  
14 **SERVICES.**

15 (a) IN GENERAL.—Title XXVII of the Public Health  
16 Service Act (42 U.S.C. 300gg et seq.), as amended by sec-  
17 tion 30604, is further amended—

18 (1) in part D (42 U.S.C. 300gg–111 et seq.),  
19 by adding at the end the following new section:

20 **“SEC. 2799A–12. OVERSIGHT OF PHARMACY BENEFIT MAN-**  
21 **AGER SERVICES.**

22 “(a) IN GENERAL.—For plan years beginning on or  
23 after January 1, 2023, a group health plan or health in-  
24 surance issuer offering group health insurance coverage  
25 or an entity or subsidiary providing pharmacy benefits  
26 management services on behalf of such a plan or issuer

1 shall not enter into a contract with a drug manufacturer,  
2 distributor, wholesaler, subcontractor, rebate aggregator,  
3 or any associated third party that limits the disclosure of  
4 information to plan sponsors in such a manner that pre-  
5 vents the plan or issuer, or an entity or subsidiary pro-  
6 viding pharmacy benefits management services on behalf  
7 of a plan or issuer, from making the reports described in  
8 subsection (b).

9 “(b) REPORTS.—

10 “(1) IN GENERAL.—For plan years beginning  
11 on or after January 1, 2023, not less frequently  
12 than once every 6 months, a health insurance issuer  
13 offering group health insurance coverage or an enti-  
14 ty providing pharmacy benefits management services  
15 on behalf of a group health plan or an issuer pro-  
16 viding group health insurance coverage shall submit  
17 to the plan sponsor (as defined in section 3(16)(B)  
18 of the Employee Retirement Income Security Act of  
19 1974) of such group health plan or health insurance  
20 coverage a report in accordance with this subsection  
21 and make such report available to the plan sponsor  
22 in a machine-readable format. Each such report  
23 shall include, with respect to the applicable group  
24 health plan or health insurance coverage—

1           “(A) as applicable, information collected  
2           from drug manufacturers by such issuer or en-  
3           tity on the total amount of copayment assist-  
4           ance dollars paid, or copayment cards applied,  
5           that were funded by the drug manufacturer  
6           with respect to the participants and bene-  
7           ficiaries in such plan or coverage;

8           “(B) a list of each drug covered by such  
9           plan, issuer, or entity providing pharmacy ben-  
10          efit management services that was dispensed  
11          during the reporting period, including, with re-  
12          spect to each such drug during the reporting  
13          period—

14                 “(i) the brand name, chemical entity,  
15                 and National Drug Code;

16                 “(ii) the number of participants and  
17                 beneficiaries for whom the drug was filled  
18                 during the plan year, the total number of  
19                 prescription fills for the drug (including  
20                 original prescriptions and refills), and the  
21                 total number of dosage units of the drug  
22                 dispensed across the plan year, including  
23                 whether the dispensing channel was by re-  
24                 tail, mail order, or specialty pharmacy;

1           “(iii) the wholesale acquisition cost,  
2 listed as cost per days supply and cost per  
3 pill, or in the case of a drug in another  
4 form, per dose;

5           “(iv) the total out-of-pocket spending  
6 by participants and beneficiaries on such  
7 drug, including participant and beneficiary  
8 spending through copayments, coinsurance,  
9 and deductibles; and

10           “(v) for any drug for which gross  
11 spending of the group health plan or  
12 health insurance coverage exceeded  
13 \$10,000 during the reporting period—

14           “(I) a list of all other drugs in  
15 the same therapeutic category or  
16 class, including brand name drugs  
17 and biological products and generic  
18 drugs or biosimilar biological products  
19 that are in the same therapeutic cat-  
20 egory or class as such drug; and

21           “(II) the rationale for preferred  
22 formulary placement of such drug in  
23 that therapeutic category or class;

24           “(C) a list of each therapeutic category or  
25 class of drugs that were dispensed under the



1 health plan or health insurance coverage during  
2 the reporting period, and, with respect to each  
3 such therapeutic category or class of drugs,  
4 during the reporting period—

5 “(i) total gross spending by the plan,  
6 before manufacturer rebates, fees, or other  
7 manufacturer remuneration;

8 “(ii) the number of participants and  
9 beneficiaries who filled a prescription for a  
10 drug in that category or class;

11 “(iii) if applicable to that category or  
12 class, a description of the formulary tiers  
13 and utilization mechanisms (such as prior  
14 authorization or step therapy) employed  
15 for drugs in that category or class;

16 “(iv) the total out-of-pocket spending  
17 by participants and beneficiaries, including  
18 participant and beneficiary spending  
19 through copayments, coinsurance, and  
20 deductibles; and

21 “(v) for each therapeutic category or  
22 class under which 3 or more drugs are in-  
23 cluded on the formulary of such plan or  
24 coverage—

1           “(I) the amount received, or ex-  
2           pected to be received, from drug man-  
3           ufacturers in rebates, fees, alternative  
4           discounts, or other remuneration—

5                   “(aa) to be paid by drug  
6                   manufacturers for claims in-  
7                   curred during the reporting pe-  
8                   riod; or

9                   “(bb) that is related to utili-  
10                  zation of drugs, in such thera-  
11                  peutic category or class;

12           “(II) the total net spending, after  
13           deducting rebates, price concessions,  
14           alternative discounts or other remu-  
15           neration from drug manufacturers, by  
16           the health plan or health insurance  
17           coverage on that category or class of  
18           drugs; and

19                   “(III) the net price per course of  
20                   treatment or single fill, such as a 30-  
21                   day supply or 90-day supply, incurred  
22                   by the health plan or health insurance  
23                   coverage and its participants and  
24                   beneficiaries, after manufacturer re-  
25                   bates, fees, and other remuneration

1 for drugs dispensed within such thera-  
2 peutic category or class during the re-  
3 porting period;

4 “(D) total gross spending on prescription  
5 drugs by the plan or coverage during the re-  
6 porting period, before rebates and other manu-  
7 facturer fees or remuneration;

8 “(E) total amount received, or expected to  
9 be received, by the health plan or health insur-  
10 ance coverage in drug manufacturer rebates,  
11 fees, alternative discounts, and all other remu-  
12 neration received from the manufacturer or any  
13 third party, other than the plan sponsor, re-  
14 lated to utilization of drug or drug spending  
15 under that health plan or health insurance cov-  
16 erage during the reporting period;

17 “(F) the total net spending on prescription  
18 drugs by the health plan or health insurance  
19 coverage during the reporting period; and

20 “(G) amounts paid directly or indirectly in  
21 rebates, fees, or any other type of remuneration  
22 to brokers, consultants, advisors, or any other  
23 individual or firm who referred the group health  
24 plan’s or health insurance issuer’s business to  
25 the pharmacy benefit manager.

1           “(2) PRIVACY REQUIREMENTS.—Health insur-  
2           ance issuers offering group health insurance cov-  
3           erage and entities providing pharmacy benefits man-  
4           agement services on behalf of a group health plan  
5           shall provide information under paragraph (1) in a  
6           manner consistent with the privacy, security, and  
7           breach notification regulations promulgated under  
8           section 264(c) of the Health Insurance Portability  
9           and Accountability Act of 1996, and shall restrict  
10          the use and disclosure of such information according  
11          to such privacy regulations.

12           “(3) DISCLOSURE AND REDISCLOSURE.—

13           “(A) LIMITATION TO BUSINESS ASSOCI-  
14           ATES.—A group health plan receiving a report  
15           under paragraph (1) may disclose such informa-  
16           tion only to business associates of such plan as  
17           defined in section 160.103 of title 45, Code of  
18           Federal Regulations (or successor regulations).

19           “(B) CLARIFICATION REGARDING PUBLIC  
20           DISCLOSURE OF INFORMATION.—Nothing in  
21           this section prevents a health insurance issuer  
22           offering group health insurance coverage or an  
23           entity providing pharmacy benefits management  
24           services on behalf of a group health plan from  
25           placing reasonable restrictions on the public dis-

1 closure of the information contained in a report  
2 described in paragraph (1), except that such  
3 issuer or entity may not restrict disclosure of  
4 such report to the Department of Health and  
5 Human Services, the Department of Labor, or  
6 the Department of the Treasury.

7 “(C) LIMITED FORM OF REPORT.—The  
8 Secretary shall define through rulemaking a  
9 limited form of the report under paragraph (1)  
10 required of plan sponsors who are drug manu-  
11 facturers, drug wholesalers, or other direct par-  
12 ticipants in the drug supply chain, in order to  
13 prevent anti-competitive behavior.

14 “(4) REPORT TO GAO.—A health insurance  
15 issuer offering group health insurance coverage or  
16 an entity providing pharmacy benefits management  
17 services on behalf of a group health plan shall sub-  
18 mit to the Comptroller General of the United States  
19 each of the first 4 reports submitted to a plan spon-  
20 sor under paragraph (1) with respect to such cov-  
21 erage or plan, and other such reports as requested,  
22 in accordance with the privacy requirements under  
23 paragraph (2) and the disclosure and redisclosure  
24 standards under paragraph (3), and such other in-  
25 formation that the Comptroller General determines

1 necessary to carry out the study under section  
2 30606(b) of An Act to provide for reconciliation pur-  
3 suant to title II of S. Con. Res. 14.

4 “(c) ENFORCEMENT.—

5 “(1) IN GENERAL.—The Secretary, in consulta-  
6 tion with the Secretary of Labor and the Secretary  
7 of the Treasury, shall enforce this section.

8 “(2) FAILURE TO PROVIDE TIMELY INFORMA-  
9 TION.—A health insurance issuer or an entity pro-  
10 viding pharmacy benefit management services that  
11 violates subsection (a) or fails to provide information  
12 required under subsection (b), or a drug manufac-  
13 turer that fails to provide information under sub-  
14 section (b)(1)(A) in a timely manner, shall be sub-  
15 ject to a civil monetary penalty in the amount of  
16 \$10,000 for each day during which such violation  
17 continues or such information is not disclosed or re-  
18 ported.

19 “(3) FALSE INFORMATION.—A health insurance  
20 issuer, entity providing pharmacy benefit manage-  
21 ment services, or drug manufacturer that knowingly  
22 provides false information under this section shall be  
23 subject to a civil money penalty in an amount not  
24 to exceed \$100,000 for each item of false informa-

1       tion. Such civil money penalty shall be in addition to  
2       other penalties as may be prescribed by law.

3           “(4) PROCEDURE.—The provisions of section  
4       1128A of the Social Security Act, other than sub-  
5       section (a) and (b) and the first sentence of sub-  
6       section (c)(1) of such section shall apply to civil  
7       monetary penalties under this subsection in the  
8       same manner as such provisions apply to a penalty  
9       or proceeding under section 1128A of the Social Se-  
10      curity Act.

11          “(5) WAIVERS.—The Secretary may waive pen-  
12      alties under paragraph (2), or extend the period of  
13      time for compliance with a requirement of this sec-  
14      tion, for an entity in violation of this section that  
15      has made a good-faith effort to comply with this sec-  
16      tion.

17          “(d) RULE OF CONSTRUCTION.—Nothing in this sec-  
18      tion shall be construed to permit a health insurance issuer,  
19      group health plan, or other entity to restrict disclosure to,  
20      or otherwise limit the access of, the Department of Health  
21      and Human Services to a report described in subsection  
22      (b)(1) or information related to compliance with sub-  
23      section (a) by such issuer, plan, or entity.

1 “(e) DEFINITION.—In this section, the term ‘whole-  
2 sale acquisition cost’ has the meaning given such term in  
3 section 1847A(c)(6)(B) of the Social Security Act.”; and

4 (2) in section 2723 (42 U.S.C. 300gg-22)—

5 (A) in subsection (a)—

6 (i) in paragraph (1), by inserting  
7 “(other than subsections (a) and (b) of  
8 section 2799A-12)” after “part D”; and

9 (ii) in paragraph (2), by inserting  
10 “(other than subsections (a) and (b) of  
11 section 2799A-12)” after “part D”;

12 (B) in subsection (b)—

13 (i) in paragraph (1), by inserting  
14 “(other than subsections (a) and (b) of  
15 section 2799A-12)” after “part D”;

16 (ii) in paragraph (2)(A), by inserting  
17 “(other than subsections (a) and (b) of  
18 section 2799A-12)” after “part D”; and

19 (iii) in paragraph (2)(C)(ii), by insert-  
20 ing “(other than subsections (a) and (b) of  
21 section 2799A-12)” after “part D”.

22 (b) GAO STUDY.—

23 (1) IN GENERAL.—Not later than 3 years after  
24 the date of enactment of this Act, the Comptroller



1       General of the United States shall report to Con-  
2       gress on—

3               (A) pharmacy networks of group health  
4               plans, health insurance issuers, and entities  
5               providing pharmacy benefit management serv-  
6               ices under such group health plan or group or  
7               individual health insurance coverage, including  
8               networks that have pharmacies that are under  
9               common ownership (in whole or part) with  
10              group health plans, health insurance issuers, or  
11              entities providing pharmacy benefit manage-  
12              ment services or pharmacy benefit administra-  
13              tive services under group health plan or group  
14              or individual health insurance coverage;

15              (B) as it relates to pharmacy networks  
16              that include pharmacies under common owner-  
17              ship described in subparagraph (A)—

18                      (i) whether such networks are de-  
19                      signed to encourage enrollees of a plan or  
20                      coverage to use such pharmacies over other  
21                      network pharmacies for specific services or  
22                      drugs, and if so, the reasons the networks  
23                      give for encouraging use of such phar-  
24                      macies; and

1                   (ii) whether such pharmacies are used  
2                   by enrollees disproportionately more in the  
3                   aggregate or for specific services or drugs  
4                   compared to other network pharmacies;

5                   (C) whether group health plans and health  
6                   insurance issuers offering group or individual  
7                   health insurance coverage have options to elect  
8                   different network pricing arrangements in the  
9                   marketplace with entities that provide phar-  
10                  macy benefit management services, the preva-  
11                  lence of electing such different network pricing  
12                  arrangements;

13                  (D) pharmacy network design parameters  
14                  that encourage enrollees in the plan or coverage  
15                  to fill prescriptions at mail order, specialty, or  
16                  retail pharmacies that are wholly or partially-  
17                  owned by that issuer or entity; and

18                  (E) the degree to which mail order, spe-  
19                  cialty, or retail pharmacies that dispense pre-  
20                  scription drugs to an enrollee in a group health  
21                  plan or health insurance coverage that are  
22                  under common ownership (in whole or part)  
23                  with group health plans, health insurance  
24                  issuers, or entities providing pharmacy benefit  
25                  management services or pharmacy benefit ad-

1           ministrative services under group health plan or  
2           group or individual health insurance coverage  
3           receive reimbursement that is greater than the  
4           median price charged to the group health plan  
5           or health insurance issuer when the same drug  
6           is dispensed to enrollees in the plan or coverage  
7           by other pharmacies included in the pharmacy  
8           network of that plan, issuer, or entity that are  
9           not wholly or partially owned by the health in-  
10          surance issuer or entity providing pharmacy  
11          benefit management services.

12           (2) REQUIREMENT.—The Comptroller General  
13          of the United States shall ensure that the report  
14          under paragraph (1) does not contain information  
15          that would allow a reader to identify a specific plan  
16          or entity providing pharmacy benefits management  
17          services or otherwise contain commercial or financial  
18          information that is privileged or confidential.

19           (3) DEFINITIONS.—In this subsection, the  
20          terms “group health plan”, “health insurance cov-  
21          erage”, and “health insurance issuer” have the  
22          meanings given such terms in section 2791 of the  
23          Public Health Service Act (42 U.S.C. 300gg–91).

1 **SEC. 30607. FUNDING TO SUPPORT STATE APPLICATIONS**  
2 **FOR SECTION 1332 WAIVERS AND ADMINIS-**  
3 **TRATION.**

4 Section 1332 of the Patient Protection and Afford-  
5 able Care Act (42 U.S.C. 18052) is amended by adding  
6 at the end the following:

7 “(f) ADMINISTRATION AND PLANNING GRANTS.—

8 “(1) APPROPRIATION.—In addition to any other  
9 amounts made available, there is appropriated to the  
10 Secretary of Health and Human Services for fiscal  
11 year 2022, out of any amounts in the Treasury not  
12 otherwise appropriated, \$50,000,000, to remain  
13 available until expended, for purposes of imple-  
14 menting the grant program under paragraph (2) and  
15 awarding grants under such paragraph.

16 “(2) GRANTS.—From the amount appropriated  
17 under paragraph (1), the Secretary of Health and  
18 Human Services shall award grants to States for  
19 purposes of developing a new waiver application,  
20 preparing an application for a waiver extension or  
21 amendment, or implementing a State plan under  
22 this section. The amount of a grant awarded to a  
23 State under this subsection shall remain available  
24 until expended.

1           “(3) LIMITATION.—Each grant awarded to a  
2           State under this subsection shall be in an amount  
3           not to exceed \$5,000,000.”.

4 **SEC. 30608. ADJUSTMENTS TO UNCOMPENSATED CARE**  
5                                   **POOLS AND DISPROPORTIONATE SHARE HOS-**  
6                                   **PITAL PAYMENTS.**

7           (a) ADJUSTMENTS TO UNCOMPENSATED CARE  
8 POOLS.—Section 1903 of the Social Security Act (42  
9 U.S.C. 1396b) is amended by adding at the end the fol-  
10 lowing new subsection:

11           “(cc) EXCLUDING EXPENDITURES FOR EXPANSION  
12 POPULATION FROM ASSISTANCE UNDER WAIVERS RE-  
13 LATING TO UNCOMPENSATED CARE.—With respect to a  
14 State with a State plan (or waiver of such plan) that does  
15 not provide, with respect to a fiscal year (beginning with  
16 fiscal year 2023), to all individuals described in section  
17 1902(a)(10)(A)(i)(VIII) benchmark coverage described in  
18 section 1937(b)(1) or benchmark equivalent coverage de-  
19 scribed in section 1937(b)(2), in the case of any experi-  
20 mental, pilot, or demonstration project undertaken under  
21 section 1115, with respect to such State and fiscal year,  
22 that provides for Federal financial participation with re-  
23 spect to expenditures for payments to providers for other-  
24 wise uncompensated care that is furnished to low-income  
25 individuals, uninsured individuals, or underinsured indi-

1 viduals, notwithstanding any waiver authority available  
2 under such section, such project shall exclude from Fed-  
3 eral financial participation any expenditures for care that  
4 is furnished with respect to such fiscal year to individuals  
5 described in section 1902(a)(10)(A)(i)(VIII).”.

6 (b) ADJUSTMENTS TO DISPROPORTIONATE SHARE  
7 HOSPITAL PAYMENTS.—

8 (1) IN GENERAL.—Section 1923(f) of the Social  
9 Security Act (42 U.S.C.1396r-4(f)) is amended—

10 (A) in paragraph (3)(A), by striking  
11 “paragraphs (6), (7), and (8)” and inserting  
12 “paragraphs (6), (7), (8), and (10)”;

13 (B) in paragraph (6)(A)(vi), by inserting  
14 “(except paragraph (10))” before “, any other  
15 provision of law”;

16 (C) in paragraph (7)(A)(i), by inserting  
17 “without regard to paragraph (10),” before  
18 “the Secretary”; and

19 (D) by adding at the end the following new  
20 paragraph:

21 “(10) STATE DSH ALLOTMENTS FOR NON-EX-  
22 PANSION STATES BEGINNING WITH FISCAL YEAR  
23 2023.—

24 “(A) IN GENERAL.—For fiscal year 2023  
25 and each subsequent fiscal year—

1           “(i) in the case of a State with a  
2           State plan (or waiver of such plan) that,  
3           with respect to such fiscal year, does not  
4           provide to all individuals described in sec-  
5           tion 1902(a)(10)(A)(i)(VIII) benchmark  
6           coverage described in section 1937(b)(1) or  
7           benchmark equivalent coverage described  
8           in section 1937(b)(2), the Secretary shall  
9           reduce the DSH allotment to the State for  
10          such fiscal year in the amount equal to  
11          12.5 percent of the DSH allotment that  
12          would (after the application of paragraph  
13          (6), and without the application of para-  
14          graphs (7), (8), or this paragraph) be de-  
15          termined under this subsection for the  
16          State for such fiscal year;

17          “(ii) in the case of a State with a  
18          State plan (or waiver of such plan) that,  
19          with respect to such fiscal year, initially  
20          provides to all individuals described in sec-  
21          tion 1902(a)(10)(A)(i)(VIII) benchmark  
22          coverage described in 1937(b)(1) or bench-  
23          mark equivalent coverage described in sec-  
24          tion 1937(b)(2), but during such fiscal  
25          year stops providing to any such individual

1 such benchmark or benchmark equivalent  
2 coverage, the Secretary shall reduce the  
3 DSH allotment to the State for such fiscal  
4 year in the amount equal to the product  
5 of—

6 “(I) 12.5 percent of the DSH al-  
7 lotment that would (after the applica-  
8 tion of paragraph (6), and without the  
9 application of paragraphs (7), (8), or  
10 this paragraph) be determined under  
11 this subsection for the State for such  
12 fiscal year; and

13 “(II) expressed as a percentage,  
14 the number of days of such fiscal year  
15 during which such State plan (or  
16 waiver of such plan), with respect to  
17 such fiscal year, did not provide to  
18 such individuals such benchmark or  
19 benchmark equivalent coverage; or

20 “(iii) in the case of a State with a  
21 State plan (or waiver of such plan) that,  
22 with respect to such fiscal year, either—

23 “(I) initially does not provide to  
24 all individuals described in section  
25 1902(a)(10)(A)(i)(VIII) benchmark



1 coverage described in 1937(b)(1) or  
2 benchmark equivalent coverage de-  
3 scribed in section 1937(b)(2), but  
4 during the fiscal year establishes a  
5 State plan (or waiver of such plan)  
6 that provides, for the remainder of the  
7 fiscal year, all such individuals such  
8 benchmark or benchmark equivalent  
9 coverage; or

10 “(II) did not provide to all such  
11 individuals such benchmark or bench-  
12 mark equivalent coverage during the  
13 fiscal year preceding such fiscal year  
14 described in the matter preceding sub-  
15 clause (I), but on the first day of such  
16 fiscal year establishes a State plan (or  
17 waiver of such plan) that provides, for  
18 the entirety of such fiscal year, all  
19 such individuals such benchmark or  
20 benchmark equivalent coverage;

21 the DSH allotment for such State for such  
22 fiscal year is equal to the DSH allotment  
23 under this subsection (without application  
24 of this paragraph) for the State for the en-  
25 tirety of such fiscal year.

1           “(B) CALCULATION OF DSH ALLOTMENTS  
2           AFTER EXPANSION PERIOD.—The DSH allot-  
3           ment for a State for fiscal years after which a  
4           State provides under a State plan (or waiver of  
5           such plan) to all individuals described in section  
6           1902(a)(10)(A)(i)(VIII) benchmark coverage  
7           described in section 1937(b)(1) or benchmark  
8           equivalent coverage described in section  
9           1937(b)(2) and, for which the State continues  
10          to provide under the State plan (or waiver of  
11          such plan) such benchmark or benchmark  
12          equivalent coverage to such individuals, without  
13          the providing of such benchmark or benchmark  
14          equivalent coverage being stopped during a fis-  
15          cal year (as described in the matter preceding  
16          subclause (I) of subparagraph (A)(ii)), shall be  
17          calculated under paragraph (3) without regard  
18          to this paragraph.”.

19          (2)       TECHNICAL        AMENDMENT.—Section  
20          1923(f)(7)(A)(i)(II) of the Social Security Act (42  
21          U.S.C.1396r-4(f)(7)(A)(i)(II)) is amended by add-  
22          ing at period at the end.

1 **SEC. 30609. FURTHER INCREASE IN FMAP FOR MEDICAL AS-**  
2 **SISTANCE FOR NEWLY ELIGIBLE MANDA-**  
3 **TORY INDIVIDUALS.**

4 Section 1905(y)(1) of the Social Security Act (42  
5 U.S.C. 1396d(y)(1)) is amended—

6 (1) in subparagraph (D), by striking at the end  
7 “and”;

8 (2) in subparagraph (E), by striking “2020 and  
9 each year thereafter.” and inserting “2020, 2021,  
10 and 2022; and”; and

11 (3) by adding at the end the following new sub-  
12 paragraphs:

13 “(F) 93 percent for calendar quarters in  
14 2023, 2024, and 2025; and

15 “(G) 90 percent for calendar quarters in  
16 2026 and each year thereafter.”.

17 **Subtitle F—Medicaid**

18 **PART 1—INVESTMENTS IN HOME AND COMMU-**  
19 **NITY-BASED SERVICES AND LONG-TERM**  
20 **CARE QUALITY AND WORKFORCE**

21 **SEC. 30711. HCBS IMPROVEMENT PLANNING GRANTS.**

22 (a) FUNDING.—

23 (1) IN GENERAL.—In addition to amounts oth-  
24 erwise available, there is appropriated to the Sec-  
25 retary for fiscal year 2022, out of any money in the  
26 Treasury not otherwise appropriated, \$130,000,000,

1 to remain available until expended, for carrying out  
2 this section.

3 (2) TECHNICAL ASSISTANCE AND GUIDANCE.—

4 In addition to amounts otherwise available, there is  
5 appropriated to the Secretary for fiscal year 2022,  
6 out of any money in the Treasury not otherwise ap-  
7 propriated, \$5,000,000, to remain available until ex-  
8 pended, for purposes of issuing guidance and pro-  
9 viding technical assistance to States intending to  
10 apply for, or which are awarded, a planning grant  
11 under this section, and for other administrative ex-  
12 penses related to awarding planning grants under  
13 this section.

14 (b) AWARD AND USE OF GRANTS.—

15 (1) DEADLINE FOR AWARD OF GRANTS.—From  
16 the amount appropriated under subsection (a)(1),  
17 the Secretary, not later than 12 months after the  
18 date of enactment of this Act, shall solicit State re-  
19 quests for HCBS improvement planning grants and  
20 award such grants to all States that meet such re-  
21 quirements as determined by the Secretary.

22 (2) USE OF FUNDS.—Subject to paragraph (3),  
23 a State awarded a planning grant under this section  
24 shall use the grant to carry out planning activities  
25 for purposes of developing and submitting to the

1 Secretary an HCBS improvement plan for the State  
2 that meets the requirements of subsections (c) and  
3 (d). A State may use planning grant funds to sup-  
4 port activities related to the implementation of the  
5 HCBS improvement plan for the State, collect and  
6 report information described in subsection (c), iden-  
7 tify areas for improvement to the service delivery  
8 systems for home and community-based services,  
9 carry out activities related to evaluating payment  
10 rates for home and community-based services and  
11 identifying improvements to update the rate setting  
12 process, and make related infrastructure investments  
13 (such as case management or other information  
14 technology systems).

15 (3) LIMITATION ON USE OF FUNDS.—None of  
16 the funds awarded to a State under this section may  
17 be used by a State as the source of the non-Federal  
18 share of expenditures under the State plan (or waiv-  
19 er of such plan).

20 (c) HCBS IMPROVEMENT PLAN REQUIREMENTS.—  
21 In order to meet the requirements of this subsection, an  
22 HCBS improvement plan developed using funds awarded  
23 to a State under this section shall include, with respect  
24 to the State and subject to subsection (d), the following:

25 (1) EXISTING MEDICAID HCBS LANDSCAPE.—

1 (A) ELIGIBILITY AND BENEFITS.—A de-  
2 scription of the existing standards, pathways,  
3 and methodologies for eligibility for home and  
4 community-based services pursuant to the State  
5 plan (or waiver of such plan), including limits  
6 on assets and income, the home and commu-  
7 nity-based services available under the State  
8 Medicaid program and the types of settings in  
9 which they may be provided, and utilization  
10 management standards for such services.

11 (B) ACCESS.—

12 (i) BARRIERS.—A description of the  
13 barriers to accessing home and community-  
14 based services in the State identified by  
15 Medicaid eligible individuals, the families  
16 of such individuals, and direct care work-  
17 ers and home care agencies, or other simi-  
18 lar organizations.

19 (ii) AVAILABILITY; UNMET NEED.—A  
20 summary, in accordance with guidance  
21 issued by the Secretary and as able to be  
22 practicably determined by the State, of the  
23 extent to which home and community-  
24 based services are available to all individ-  
25 uals in the State who would be eligible for

1           such services under the State Medicaid  
2           program (including individuals who are on  
3           a waiting list for such services).

4           (C) UTILIZATION.—An assessment of the  
5           utilization of home and community-based serv-  
6           ices in the State (including the number of indi-  
7           viduals receiving such services) during such pe-  
8           riod specified by the Secretary.

9           (D) SERVICE DELIVERY STRUCTURES AND  
10          SUPPORTS.—A description of the service deliv-  
11          ery structures for providing home and commu-  
12          nity-based services in the State.

13          (E) WORKFORCE.—A description of the di-  
14          rect care workforce, including estimates of the  
15          number of full- and part-time direct care work-  
16          ers, the average and range of direct care worker  
17          wages, the benefits provided to direct care  
18          workers, and the turnover and vacancy rates of  
19          direct care worker positions.

20          (F) PAYMENT RATES.—

21                 (i) IN GENERAL.—A description of the  
22                 payment rates for home and community-  
23                 based services, including, to the extent ap-  
24                 plicable, how payments for such services  
25                 are factored into the development of man-

1 aged care capitation rates, when the State  
2 last updated payment rates for home and  
3 community-based services, and an estimate  
4 of the portion of the payment rate that  
5 goes toward direct care worker compensa-  
6 tion.

7 (ii) ASSESSMENT.—An assessment of  
8 the relationship between payment rates for  
9 such services and workforce shortages, av-  
10 erage beneficiary wait times for such serv-  
11 ices, and provider-to-beneficiary ratios in  
12 the geographic region.

13 (G) QUALITY.—A description of how the  
14 quality of home and community-based services  
15 is measured and monitored.

16 (H) LONG-TERM SERVICES AND SUPPORTS  
17 PROVIDED IN INSTITUTIONAL SETTINGS.—A de-  
18 scription of the number of individuals enrolled  
19 in the State Medicaid program in a year who  
20 receive items and services furnished by an insti-  
21 tution for greater than 30 days in an institu-  
22 tional setting.

23 (I) HCBS SHARE OF OVERALL MEDICAID  
24 LTSS SPENDING.—For the most recent State  
25 fiscal year for which complete data is available,



1 the percentage of expenditures made by the  
2 State under the State Medicaid program for  
3 long-term services and supports that are for  
4 home and community-based services.

5 (J) DEMOGRAPHIC DATA.—To the extent  
6 available and as applicable with respect to the  
7 information required under subparagraphs (B),  
8 (C), and (H), demographic data for such infor-  
9 mation, disaggregated by age groups, primary  
10 disability, income brackets, gender, race, eth-  
11 nicity, geography, primary language, and type  
12 of service setting.

13 (2) GOALS FOR HCBS IMPROVEMENTS.—A de-  
14 scription of how the State will do the following:

15 (A) Conduct the activities required under  
16 subsection (jj) of section 1905 of the Social Se-  
17 curity Act (as added under section 30712).

18 (B) Reduce barriers to and disparities in  
19 access or utilization of home and community-  
20 based services in the State.

21 (C) Monitor and report on access to home  
22 and community-based services under the State  
23 Medicaid program, disparities in access to such  
24 services, and the utilization of such services.

1           (D) Monitor and report the amount of  
2 State Medicaid expenditures for home and com-  
3 munity-based services under the State Medicaid  
4 program as a proportion of the total amount of  
5 State expenditures under the State Medicaid  
6 program for long-term services and supports.

7           (E) Monitor and report on wages, benefits,  
8 and vacancy and turnover rates for direct care  
9 workers.

10          (F) Assess and monitor the sufficiency of  
11 payment rates under the State Medicaid pro-  
12 gram, in a manner specified by the Secretary,  
13 for the specific types of home and community-  
14 based services available under such program for  
15 purposes of supporting direct care worker re-  
16 cruitment and retention and ensuring the avail-  
17 ability of home and community-based services.

18          (G) Coordinate implementation of the  
19 HCBS improvement plan among the State  
20 Medicaid agency and State health and human  
21 services agencies serving individuals with dis-  
22 abilities and the elderly.

23       (d) DEVELOPMENT AND APPROVAL REQUIRE-  
24 MENTS.—

1           (1) DEVELOPMENT REQUIREMENTS.—In order  
2 to meet the requirements of this subsection, a State  
3 awarded a planning grant under this section shall  
4 develop an HCBS improvement plan for the State  
5 through a public notice and comment process that  
6 includes consultation with Medicaid eligible individ-  
7 uals who are recipients of home and community-  
8 based services, family caregivers of such recipients,  
9 providers, health plans, direct care workers, chosen  
10 representatives of direct care workers, and aging,  
11 disability, and workforce advocates.

12           (2) AUTHORITY TO ADJUST CERTAIN PLAN  
13 CONTENT REQUIREMENTS.—The Secretary may  
14 modify the requirements for any of the information  
15 specified in subsection (c)(1) if a State requests a  
16 modification and demonstrates to the satisfaction of  
17 the Secretary that it is impracticable for the State  
18 to collect and submit the information.

19           (3) SUBMISSION AND APPROVAL.—Not later  
20 than 24 months after the date on which a State is  
21 awarded a planning grant under this section, the  
22 State shall submit an HCBS improvement plan for  
23 approval by the Secretary, along with assurances by  
24 the State that the State will implement the plan in  
25 accordance with the requirements of the HCBS Im-

1       provement Program established under subsection (jj)  
2       of section 1905 of the Social Security Act (42  
3       U.S.C. 1396d) (as added by section 30712). The  
4       Secretary shall approve and make publicly available  
5       the HCBS improvement plan for a State after the  
6       plan and such assurances are submitted to the Sec-  
7       retary for approval and the Secretary determines the  
8       plan meets the requirements of subsection (c). A  
9       State may amend its HCBS improvement plan, sub-  
10      ject to the approval of the Secretary that the plan  
11      as so amended meets the requirements of subsection  
12      (c). The Secretary may withhold or recoup funds  
13      provided under this section to a State, if the State  
14      fails to comply with the requirements of this section.

15      (e) DEFINITIONS.—In the part:

16           (1) DIRECT CARE WORKER.—The term “direct  
17      care worker” means, with respect to a State, any of  
18      the following individuals who are paid to provide di-  
19      rectly to Medicaid eligible individuals home and com-  
20      munity-based services available under the State  
21      Medicaid program:

22           (A) A registered nurse, licensed practical  
23      nurse, nurse practitioner, or clinical nurse spe-  
24      cialist, or a licensed nursing assistant who pro-  
25      vides such services under the supervision of a

1 registered nurse, licensed practical nurse, nurse  
2 practitioner, or clinical nurse specialist.

3 (B) A direct support professional.

4 (C) A personal care attendant.

5 (D) A home health aide.

6 (E) Any other paid health care profes-  
7 sional or worker determined to be appropriate  
8 by the State and approved by the Secretary.

9 (2) HCBS PROGRAM IMPROVEMENT STATE.—

10 The term “HCBS program improvement State”  
11 means a State that is awarded a planning grant  
12 under subsection (b) and has an HCBS improve-  
13 ment plan approved by the Secretary under sub-  
14 section (d)(3).

15 (3) HEALTH PLAN.—The term “health plan”  
16 means any of the following entities that provide or  
17 arrange for home and community-based services for  
18 Medicaid eligible individuals who are enrolled with  
19 the entities under a contract with a State:

20 (A) A medicaid managed care organiza-  
21 tion, as defined in section 1903(m)(1)(A) of the  
22 Social Security Act (42 U.S.C.  
23 1396b(m)(1)(A)).

24 (B) A prepaid inpatient health plan or pre-  
25 paid ambulatory health plan, as defined in sec-

1           tion 438.2 of title 42, Code of Federal Regula-  
2           tions (or any successor regulation).

3           (4) HOME AND COMMUNITY-BASED SERV-  
4           ICES.—The term “home and community-based serv-  
5           ices” means any of the following (whether provided  
6           on a fee-for-service, risk, or other basis):

7                   (A) Home health care services authorized  
8                   under paragraph (7) of section 1905(a) of the  
9                   Social Security Act (42 U.S.C. 1396d(a)).

10                   (B) Private duty nursing services author-  
11                   ized under paragraph (8) of such section, when  
12                   such services are provided in a Medicaid eligible  
13                   individual’s home.

14                   (C) Personal care services authorized  
15                   under paragraph (24) of such section.

16                   (D) PACE services authorized under para-  
17                   graph (26) of such section.

18                   (E) Home and community-based services  
19                   authorized under subsections (b), (c), (i), (j),  
20                   and (k) of section 1915 of such Act (42 U.S.C.  
21                   1396n), authorized under a waiver under sec-  
22                   tion 1115 of such Act (42 U.S.C. 1315), or  
23                   provided through coverage authorized under  
24                   section 1937 of such Act (42 U.S.C. 1396u–7).

1 (F) Case management services authorized  
2 under section 1905(a)(19) of the Social Secu-  
3 rity Act (42 U.S.C. 1396d(a)(19)) and section  
4 1915(g) of such Act (42 U.S.C. 1396n(g)).

5 (G) Rehabilitative services, including those  
6 related to behavioral health, described in section  
7 1905(a)(13) of such Act (42 U.S.C.  
8 1396d(a)(13)).

9 (H) Such other services specified by the  
10 Secretary.

11 (5) INSTITUTIONAL SETTING.—The term “insti-  
12 tutional setting” means—

13 (A) a skilled nursing facility (as defined in  
14 section 1819(a) of the Social Security Act (42  
15 U.S.C. 1395i–3(a)));

16 (B) a nursing facility (as defined in section  
17 1919(a) of such Act (42 U.S.C. 1396r(a)));

18 (C) a long-term care hospital (as described  
19 in section 1886(d)(1)(B)(iv) of such Act (42  
20 U.S.C. 1395ww(d)(1)(B)(iv)));

21 (D) a facility described in section 1905(d)  
22 of such Act (42 U.S.C. 1396d(d));

23 (E) an institution which is a psychiatric  
24 hospital (as defined in section 1861(f) of such  
25 Act (42 U.S.C. 1395x(f))) or that provides in-

1 patient psychiatric services in a residential set-  
2 ting specified by the Secretary; and

3 (F) an institution described in section  
4 1905(i) of such Act (42 U.S.C. 1396d(i)).

5 (6) MEDICAID ELIGIBLE INDIVIDUAL.—The  
6 term “Medicaid eligible individual” means an indi-  
7 vidual who is eligible for and receiving medical as-  
8 sistance under a State Medicaid plan or a waiver of  
9 such plan. Such term includes an individual who is  
10 on a waiting list and who would become eligible for  
11 medical assistance and enrolled under a State Med-  
12 icaid plan, or waiver of such plan, upon receipt of  
13 home and community-based services.

14 (7) STATE MEDICAID PROGRAM.—The term  
15 “State Medicaid program” means, with respect to a  
16 State, the State program under title XIX of the So-  
17 cial Security Act (42 U.S.C. 1396 through 1396w-  
18 6) (including any waiver or demonstration under  
19 such title or under section 1115 of such Act (42  
20 U.S.C. 1315) relating to such title).

21 (8) SECRETARY.—The term “Secretary” means  
22 the Secretary of Health and Human Services.

23 (9) STATE.—The term “State” means each of  
24 the 50 States, the District of Columbia, Puerto Rico,



1 the Virgin Islands, Guam, the Northern Mariana Is-  
2 lands, and American Samoa.

3 **SEC. 30712. HCBS IMPROVEMENT PROGRAM.**

4 (a) INCREASED FMAP FOR HCBS PROGRAM IM-  
5 PROVEMENT STATES.—Section 1905 of the Social Secu-  
6 rity Act (42 U.S.C. 1396d) is amended—

7 (1) in subsection (b), by striking “and (ii)” and  
8 inserting “(ii), and (jj)”; and

9 (2) by adding at the end the following new sub-  
10 section:

11 “(jj) ADDITIONAL SUPPORT FOR HCBS PROGRAM  
12 IMPROVEMENT STATES.—

13 “(1) IN GENERAL.—

14 “(A) ADDITIONAL SUPPORT.—Subject to  
15 paragraph (5), in the case of a State that is an  
16 HCBS program improvement State, for each  
17 fiscal quarter that begins on or after the first  
18 date on which the State is an HCBS program  
19 improvement State—

20 “(i) and for which the State meets the  
21 requirements described in paragraphs (2)  
22 and (4), notwithstanding subsection (b) or  
23 (ff), subject to subparagraph (B), with re-  
24 spect to amounts expended during the  
25 quarter by such State for medical assist-

1           ance for home and community-based serv-  
2           ices, the Federal medical assistance per-  
3           centage for such State and quarter (as de-  
4           termined for the State under subsection  
5           (b) and, if applicable, increased under sub-  
6           section (y), (z), (aa), or (ii), section  
7           6008(a) of the Families First Coronavirus  
8           Response Act), or section 1915(k)(2) shall  
9           be increased by 6 percentage points; and

10           “ (ii) with respect to the State meeting  
11           the requirements described in paragraphs  
12           (2) and (4) and with respect to amounts  
13           expended during the quarter and before  
14           October 1, 2031, for administrative costs  
15           for expanding and enhancing home and  
16           community-based services, including for  
17           enhancing Medicaid data and technology  
18           infrastructure, modifying rate setting pro-  
19           cesses, adopting or improving training pro-  
20           grams for direct care workers and family  
21           caregivers, home and community-based  
22           services ombudsman office activities (as re-  
23           imbursable under section 1903(a)(7)), de-  
24           veloping processes to identify direct care  
25           workers and assign such workers unique

1            identifiers (as so reimbursable), and adopt-  
2            ing, carrying out, or enhancing programs  
3            that register direct care workers or connect  
4            beneficiaries to direct care workers, the per  
5            centum specified in sections 1903(a)(7)  
6            and 1903(a)(3) shall be increased to 80  
7            percent.

8            In no case may the application of clause (i) re-  
9            sult in the Federal medical assistance percent-  
10           age determined for a State being more than 95  
11           percent with respect to such expenditures. In no  
12           case shall the application of clause (ii) result in  
13           a reduction to the per centum otherwise speci-  
14           fied without application of such clause. Any in-  
15           crease pursuant to clause (ii) shall be available  
16           to a State before the State meets the require-  
17           ments of paragraphs (2) and (4).

18            “(B) ADDITIONAL HCBS IMPROVEMENT  
19            EFFORTS.—Subject to paragraph (5), in addi-  
20            tion to the increase to the Federal medical as-  
21            sistance percentage under subparagraph (A)(i)  
22            for amounts expended during a quarter for  
23            medical assistance for home and community-  
24            based services by an HCBS program improve-  
25            ment State that meets the requirements of

1 paragraphs (2) and (4) for the quarter, the  
2 Federal medical assistance percentage for  
3 amounts expended by the State during the  
4 quarter for medical assistance for home and  
5 community-based services shall be further in-  
6 creased by 2 percentage points (but not to ex-  
7 ceed 95 percent) during the first 6 fiscal quar-  
8 ters throughout which the State has imple-  
9 mented and has in effect a program that meets  
10 the requirements of paragraph (3).

11 “(C) NONAPPLICATION OF TERRITORIAL  
12 FUNDING CAPS.—Any payment made to Puerto  
13 Rico, the Virgin Islands, Guam, the Northern  
14 Mariana Islands, or American Samoa for ex-  
15 penditures that are subject to an increase in the  
16 Federal medical assistance percentage under  
17 subparagraph (A)(i) or (B), or an increase in  
18 an applicable Federal matching percentage  
19 under subparagraph (A)(ii), shall not be taken  
20 into account for purposes of applying payment  
21 limits under subsections (f) and (g) of section  
22 1108.

23 “(D) NONAPPLICATION TO CHIP EFMAP.—  
24 Any increase described in subparagraph (A) (or  
25 payment made for expenditures on medical as-

1           sistance that are subject to such increase) shall  
2           not be taken into account in calculating the en-  
3           hanced FMAP of a State under section 2105.

4           “(2) REQUIREMENTS.—Subject to the last sen-  
5           tence of paragraph (1)(A), as conditions for receipt  
6           of the increase under paragraph (1) to the Federal  
7           medical assistance percentage determined for a  
8           State, with respect to a fiscal year quarter, the State  
9           shall meet each of the following requirements:

10                   “(A) NONSUPPLANTATION.—The State  
11           uses the Federal funds attributable to the in-  
12           crease in the Federal medical assistance per-  
13           centage for amounts expended during a quarter  
14           for medical assistance for home and commu-  
15           nity-based services under paragraph (1)(A) and  
16           paragraph (1)(B) (if applicable) to supplement,  
17           and not supplant, the level of State funds ex-  
18           pended for home and community-based services  
19           for eligible individuals through programs in ef-  
20           fect as of the date the State is awarded a plan-  
21           ning grant under section 30711 of the Act ti-  
22           tled ‘An Act to provide for reconciliation pursu-  
23           ant to title II of S. Con. Res. 14’. In applying  
24           this subparagraph, the Secretary shall provide  
25           that a State shall have a 3-year period, as spec-

1           ified by the Secretary, to spend any accumu-  
2           lated unspent State funds attributable to the  
3           increase described in clause (i) in the Federal  
4           medical assistance percentage.

5           “(B) MAINTENANCE OF EFFORT.—

6           “(i) IN GENERAL.—The State does  
7           not—

8           “(I) reduce the amount, dura-  
9           tion, or scope of home and commu-  
10          nity-based services available under the  
11          State plan (or waiver of such plan)  
12          relative to the home and community-  
13          based services available under the  
14          plan or a waiver of such plan as of  
15          the date on which the State was  
16          awarded a planning grant under sec-  
17          tion 30711 of the Act titled ‘An Act  
18          to provide for reconciliation pursuant  
19          to title II of S. Con. Res. 14’;

20          “(II) reduce payment rates for  
21          home and community-based services  
22          lower than such rates that were in  
23          place as of the date described in sub-  
24          clause (I), including, to the extent ap-  
25          plicable, assumed payment rates for

1 such services that are included in  
2 managed care capitation rates as such  
3 rates are being prospectively built; or

4 “(III) except to the extent per-  
5 mitted under clause (ii), adopt more  
6 restrictive standards, methodologies,  
7 or procedures for determining eligi-  
8 bility for or the scope of medical as-  
9 sistance of home and community-  
10 based services, including with respect  
11 to cost-sharing, than the standards,  
12 methodologies, or procedures applica-  
13 ble as of the date described in sub-  
14 clause (I).

15 “(ii) CONDITIONS FOR FLEXI-  
16 BILITY.—A State may make modifications  
17 that would otherwise violate the mainte-  
18 nance of effort described in clause (i) if the  
19 State demonstrates to the satisfaction of  
20 the Secretary that such modifications shall  
21 not result in—

22 “(I) home and community-based  
23 services that are less comprehensive  
24 or lower in amount, duration, or  
25 scope;

1                   “(II) fewer individuals (overall  
2                   and within particular eligibility  
3                   groups) receiving home and commu-  
4                   nity-based services, the calculation of  
5                   which may be adjusted for demo-  
6                   graphic changes since the date de-  
7                   scribed in clause (i)(I); or

8                   “(III) increased cost-sharing  
9                   (other than resulting from the rate of  
10                  inflation) for home and community-  
11                  based services.

12                  “(C) ACCESS TO SERVICES.—Not later  
13                  than an implementation date as specified by the  
14                  Secretary (which may vary for each of the fol-  
15                  lowing clauses) after the first day of the first  
16                  fiscal quarter for which a State receives an in-  
17                  crease to the Federal medical assistance per-  
18                  centage or other applicable Federal matching  
19                  percentage under paragraph (1), the State does  
20                  all of the following to improve access to serv-  
21                  ices:

22                         “(i) Reduce access barriers and dis-  
23                         parities in access or utilization of home  
24                         and community-based services, as de-



1 scribed in the State HCBS improvement  
2 plan.

3 “(ii) Provides coverage of personal  
4 care services authorized under subsection  
5 (a)(24) for all individuals eligible for and  
6 enrolled in medical assistance in the State.

7 “(iii) Provides for navigation of home  
8 and community-based services through ‘no  
9 wrong door’ programs, provides expedited  
10 eligibility for home and community-based  
11 services, and improves home and commu-  
12 nity-based services counseling and edu-  
13 cation programs.

14 “(iv) Expands access to behavioral  
15 health services furnished in home and com-  
16 munity-based settings.

17 “(v) Improves coordination of home  
18 and community-based services with em-  
19 ployment, housing, and transportation sup-  
20 ports.

21 “(vi) Provides supports to family care-  
22 givers.

23 “(vii) Newly provides coverage under,  
24 or expands existing eligibility criteria for, 1  
25 or more of the eligibility categories author-

1            ized under subclause (XIII), (XV), or  
2            (XVI) of section 1902(a)(10)(A)(ii).

3            “(D) WORKFORCE.—

4                  “(i) IN GENERAL.—The State  
5            strengthens and expands the direct care  
6            workforce that provides home and commu-  
7            nity-based services by—

8                          “(I) adopting processes to ensure  
9            that payment rates for home and com-  
10            munity-based services are sufficient  
11            (as defined by the Secretary) to en-  
12            sure that care and services are avail-  
13            able to the extent described in the  
14            State HCBS improvement plan; and

15                          “(II) updating qualification  
16            standards as appropriate, and devel-  
17            oping and adopting training opportu-  
18            nities for direct care workers and fam-  
19            ily caregivers, at such times as the  
20            Secretary shall prescribe.

21                  “(ii) PAYMENT RATES.—In carrying  
22            out clause (i)(I), the State shall—

23                          “(I) update and, as appropriate,  
24            increase payment rates for home and  
25            community-based services to support

1 recruitment and retention of the di-  
2 rect care workforce by not later than  
3 2 years after approval of the HCBS  
4 improvement plan and, at least every  
5 3 years thereafter, using, through ex-  
6 isting or other processes to determine  
7 provider payment, a transparent proc-  
8 ess involving meaningful input from  
9 nongovernmental stakeholders; and

10 “(II) ensure that increases in the  
11 payment rates for home and commu-  
12 nity-based services—

13 “(aa) at a minimum, result  
14 in a proportionate increase to  
15 payments for direct care workers  
16 and in a manner that is deter-  
17 mined with input from the stake-  
18 holders described in subclause  
19 (I); and

20 “(bb) are incorporated into  
21 provider payment rates for home  
22 and community-based services  
23 provided under this title by a  
24 health plan, under a contract and

1                   paid through capitation rates  
2                   with the State.

3                   “(3) SELF-DIRECTED MODELS FOR THE DELIV-  
4                   ERY OF SERVICES.—As conditions for receipt of the  
5                   increase under paragraph (1)(B) to the Federal  
6                   medical assistance percentage determined for a  
7                   State, with respect to a fiscal year quarter, the State  
8                   shall establish directly, or by contract with 1 or  
9                   more entities, including an agency with choice or a  
10                  similar service delivery model, a program for the  
11                  performance of all of the following functions to fa-  
12                  cilitate beneficiary use of self-directed care in the  
13                  case the State covers home and community-based  
14                  services under authorities that permit self-direction:

15                  “(A) Registering qualified direct care  
16                  workers and assisting beneficiaries in finding  
17                  direct care workers.

18                  “(B) Undertaking activities to recruit and  
19                  train independent providers to enable bene-  
20                  ficiaries to direct their own care, including by  
21                  providing or coordinating training for bene-  
22                  ficiaries on self-directed care.

23                  “(C) Ensuring the safety of, and sup-  
24                  porting the quality of, care provided to bene-  
25                  ficiaries.

1           “(D) Facilitating coordination between  
2 State and local agencies and direct care workers  
3 for matters of public health, training opportuni-  
4 ties, changes in program requirements, work-  
5 place health and safety, or related matters.

6           “(E) Supporting beneficiary hiring, if se-  
7 lected by the beneficiary, of independent pro-  
8 viders of home and community-based services,  
9 including by processing applicable tax informa-  
10 tion, collecting and processing timesheets, sub-  
11 mitting claims and processing payments to such  
12 providers.

13           “(F) To the extent a State permits bene-  
14 ficiaries to hire a family member or individual  
15 with whom they have an existing relationship to  
16 provide home and community-based services,  
17 providing support to beneficiaries who wish to  
18 hire a caregiver who is a family member or in-  
19 dividual with whom they have an existing rela-  
20 tionship.

21           “(G) Ensuring that the program under  
22 this paragraph does not promote or deter the  
23 ability of workers to form a labor organization  
24 or discriminate against workers who may join  
25 or decline to join such an organization.

1           “(4) REPORTING AND OVERSIGHT.—As condi-  
2           tions for receipt of the increase under paragraph (1)  
3           to the Federal medical assistance percentage deter-  
4           mined for a State, with respect to a fiscal year quar-  
5           ter, the State shall meet each of the following re-  
6           quirements:

7                   “(A) The State designates (by a date spec-  
8                   ified by the Secretary) an HCBS ombudsman  
9                   office (or a long-term care ombudsman program  
10                  office) that—

11                           “(i) operates independently from the  
12                           State Medicaid agency and health plans;

13                           “(ii) provides direct assistance to re-  
14                           cipients of home and community-based  
15                           services available under the State Medicaid  
16                           program and their families; and

17                           “(iii) identifies and reports systemic  
18                           problems to State officials, the public, and  
19                           the Secretary.

20                   “(B) Beginning with the last day of the  
21                   5th fiscal quarter for which the state is an  
22                   HCBS program improvement State, and annu-  
23                   ally thereafter, the State reports to the Sec-  
24                   retary, in a manner the Secretary shall pre-  
25                   scribe, on the progress of implementation of the

1 activities described in subparagraphs (C) and  
2 (D) of paragraph (2), paragraph (3) (if applica-  
3 ble), the use of enhanced Federal funding pro-  
4 vided under this subsection, and progress with  
5 respect to home and community-based services  
6 availability, utilization, disparities in access and  
7 use of services, spending on HCBS, and the  
8 status of the direct care workforce.

9 “(5) BENCHMARKS FOR DEMONSTRATING IM-  
10 PROVEMENTS.—An HCBS program improvement  
11 State shall cease to be eligible for an increase in the  
12 Federal medical assistance percentage under para-  
13 graph (1)(A)(i) or (1)(B) or an increase in an appli-  
14 cable Federal matching percentage under paragraph  
15 (1)(A)(ii) on or after the first date on which a State  
16 is an HCBS program improvement State if the  
17 State is found to be out of compliance with the re-  
18 quirements of this subsection and unless, at the end  
19 of the 29th fiscal quarter, the State demonstrates  
20 the following in the annual report required in para-  
21 graph (4) for such quarter:

22 “(A) Increased availability (above a mar-  
23 ginal increase) of home and community-based  
24 services in the State relative to such availability  
25 as reported in the State HCBS improvement

1 plan and adjusted for demographic changes in  
2 the State since the submission of such plan.

3 “(B) With respect to the percentage of ex-  
4 penditures made by the State for long-term  
5 services and supports that are for home and  
6 community-based services, in the case of an  
7 HCBS program improvement State for which  
8 such percentage (as reported in the State  
9 HCBS improvement plan) was—

10 “(i) less than 50 percent, the State  
11 demonstrates that the percentage of such  
12 expenditures has increased to at least 50  
13 percent since the plan was approved; and

14 “(ii) at least 50 percent, the State  
15 demonstrates that such percentage has not  
16 decreased since the plan was approved.

17 “(6) DEFINITIONS.—In this subsection, the  
18 terms ‘State Medicaid plan’, ‘direct care worker’,  
19 ‘HCBS program improvement State’, ‘health plan’;  
20 and ‘home and community-based services’ have the  
21 meaning given those terms in section 30711(e) of  
22 the Act titled ‘An Act to provide for reconciliation  
23 pursuant to title II of S. Con. Res. 14.’.”



1 **SEC. 30713. FUNDING FOR FEDERAL ACTIVITIES RELATED**  
2 **TO MEDICAID HCBS.**

3 In addition to amounts otherwise available, there is  
4 appropriated to the Secretary for fiscal year 2022, out of  
5 any money in the Treasury not otherwise appropriated,  
6 \$40,000,000, to remain available until expended, to carry  
7 out section 30712 (including the amendments made by  
8 such section), including by issuing necessary guidance and  
9 technical assistance to States, conducting program integ-  
10 rity and oversight efforts, and preparing and submitting  
11 to the Committee on Energy and Commerce of the House  
12 of Representatives and the Committee on Finance of the  
13 Senate, beginning 5 years after the date of the enactment  
14 of this Act and every three years thereafter, a report de-  
15 scribing the progress of the HCBS planning and improve-  
16 ment activities undertaken by States as applicable and as  
17 described in sections 30711 and 30712 (including the  
18 amendments made by such sections), and describing the  
19 impact of such activities on access to care, including with  
20 respect to disparities in access and utilization, and the di-  
21 rect care workforce.

22 **SEC. 30714. FUNDING FOR HCBS QUALITY MEASUREMENT**  
23 **AND IMPROVEMENT.**

24 (a) INCREASED FEDERAL MATCHING RATE FOR  
25 ADOPTION AND REPORTING OF HCBS QUALITY MEAS-  
26 URES.—

1           (1) IN GENERAL.—Section 1903(a)(3) of the  
2 Social Security Act (42 U.S.C. 1396b(a)(3)) is  
3 amended—

4           (A) in subparagraph (F)(ii), by striking  
5 “plus” after the semicolon and inserting “and”;  
6 and

7           (B) by inserting after subparagraph (F),  
8 the following:

9           “(G) 80 percent of so much of the sums  
10 expended during such quarter as are attrib-  
11 utable to the reporting of information regarding  
12 the quality of home and community-based serv-  
13 ices in accordance with sections  
14 1139A(a)(4)(B)(ii) and 1139B(b)(3)(C); and”.

15           (2) EXEMPTION FROM TERRITORIES’ PAYMENT  
16 LIMITS.—Section 1108(g)(4) of the Social Security  
17 Act is amended by adding at the end the following  
18 new subparagraph:

19           “(C) ADDITIONAL EXEMPTION RELATING  
20 TO HCBS QUALITY REPORTING.—Payments  
21 under section 1903(a)(3)(G) shall not be taken  
22 into account in applying payment limits under  
23 subsections (f) and (g) of this subsection.”.

1 (b) HCBS QUALITY MEASURES FOR INCREASE.—  
2 Title XI of the Social Security Act (42 U.S.C. 1301  
3 through 1320e-3) is amended—

4 (1) in section 1139A—

5 (A) in subsection (a)(4)(B)—

6 (i) by striking “Beginning with the  
7 annual State report on fiscal year 2024”  
8 and inserting the following:

9 “(i) IN GENERAL.—Subject to clause  
10 (ii), beginning with the annual State report  
11 on fiscal year 2024”; and

12 (ii) by adding at the end the following  
13 new clause:

14 “(ii) REPORTING HCBS QUALITY  
15 MEASURES.—With respect to reporting on  
16 information regarding the quality of home  
17 and community-based services provided to  
18 children under title XIX or title XXI, be-  
19 ginning with the annual State report re-  
20 quired under subsection (c)(1) for the first  
21 fiscal year that begins on or after the date  
22 that is 2 years after the date that the Sec-  
23 retary publishes the home and community-  
24 based services quality measures developed  
25 under subsection (b)(5)(B) the Secretary

1 shall require States to report such infor-  
2 mation using the standardized format for  
3 reporting information and procedures de-  
4 veloped under subparagraph (A) and using  
5 all such home and community-based qual-  
6 ity measures developed under subsection  
7 (b)(5) (including any updates or changes  
8 to such measures).”; and

9 (B) in subsection (b)(5)—

10 (i) by striking “Beginning no later  
11 than January 1, 2013” and inserting the  
12 following:

13 “(A) IN GENERAL.—Beginning no later  
14 than January 1, 2013”; and

15 (ii) by adding at the end the following  
16 new subparagraph:

17 “(B) HCBS QUALITY MEASURES.—Begin-  
18 ning with the first year that begins on the date  
19 that is 2 years after the date of enactment of  
20 this subparagraph (or, in the case of measures  
21 that require development and testing prior to  
22 availability, not later than 4 years after the  
23 date of enactment of this subparagraph), the  
24 requirements of subparagraph (A) shall apply,  
25 and the core measures described in subsection

1 (a) (and any updates or changes to such meas-  
2 ures) shall include home and community-based  
3 services quality measures developed by the Sec-  
4 retary. The Secretary shall ensure that such  
5 measures reflect the full array of home and  
6 community-based services, and consult with  
7 nongovernmental stakeholders with expertise in  
8 home and community-based services (including  
9 recipients and providers of such services).”;

10 (C) in subsection (b)(6)—

11 (i) by inserting “or support services”  
12 before “that is capable of”;

13 (ii) by striking “and ambulatory  
14 health care settings” and inserting “, am-  
15 bulatory health care, and home and com-  
16 munity-based settings”; and

17 (iii) by inserting “and home and com-  
18 munity-based” before “care system”; and

19 (D) in subsection (c)(1), in the matter pre-  
20 ceeding subparagraph (A), by inserting “, sub-  
21 ject to subsection (a)(4)(B)(ii),” before “annu-  
22 ally report”; and

23 (2) in section 1139B—

24 (A) in subsection (b)—

1 (i) in paragraph (3), by adding at the  
2 end the following new subparagraph:

3 “(C) MANDATORY REPORTING WITH RE-  
4 SPECT TO HCBS QUALITY MEASURES.—Begin-  
5 ning with the State report required under sub-  
6 section (d)(1) for the first year that begins on  
7 or after the date that is 2 years after the date  
8 that the Secretary publishes the home and com-  
9 munity-based quality measures developed under  
10 paragraph (5)(D), the Secretary shall require  
11 States to report information, using the stand-  
12 ardized format for reporting information and  
13 procedures developed under subparagraph (A),  
14 regarding the quality of home and community-  
15 based services for Medicaid eligible adults using  
16 all of the home and community-based services  
17 quality measures included in the core set of  
18 adult health quality measures under paragraph  
19 (5)(D), and any updates or changes to such  
20 measures.”; and

21 (ii) in paragraph (5), by adding at the  
22 end the following new subparagraph:

23 “(D) HCBS QUALITY MEASURES.—

24 “(i) FUNDING.—In addition to  
25 amounts otherwise available, there is ap-

1           appropriated to the Secretary, for fiscal year  
2           2022, to be available until expended, out of  
3           any money in the Treasury not otherwise  
4           appropriated, \$22,000,000, for carrying  
5           out this subparagraph.

6           “(ii) INCLUSION OF HCBS QUALITY  
7           MEASURES.—Beginning with respect to  
8           State reports required under subsection  
9           (d)(1) for the first year that begins on or  
10          after the date that is 2 years after the date  
11          of enactment of this subparagraph (or, in  
12          the case of measures that require develop-  
13          ment and testing prior to availability, not  
14          later than 4 years after the date of enact-  
15          ment of this subparagraph) the core set of  
16          adult health quality measures maintained  
17          under this paragraph (and any updates or  
18          changes to such measures) shall include  
19          home and community-based services qual-  
20          ity measures developed in accordance with  
21          this subparagraph.

22          “(iii) REQUIREMENTS.—

23                 “(I) IN GENERAL.—In devel-  
24                 oping, reviewing and updating the  
25                 home and community-based services

1 quality measures included in the core  
2 set of adult health quality measures  
3 maintained under this paragraph, the  
4 Secretary shall consult with non-  
5 governmental stakeholders with exper-  
6 tise in home and community-based  
7 services (including recipients and pro-  
8 viders of such services) and ensure  
9 such measures reflect the full array of  
10 home and community-based services  
11 and recipients of such services.

12 “(II) DEFINITION.—For pur-  
13 poses of this section and section  
14 1139A, the term ‘home and commu-  
15 nity-based services’ has the meaning  
16 given such term in section 30711(e) of  
17 the Act titled ‘An Act to provide for  
18 reconciliation pursuant to title II of S.  
19 Con. Res. 14’.”; and

20 (B) in subsection (d)(1)(A), by striking “;  
21 and” and inserting “and, beginning with the re-  
22 port for the first year that begins after the date  
23 that is 2 years after the Secretary publishes the  
24 home and community-based quality measures  
25 developed under subsection (b)(5)(D), all home



1 and community-based services quality measures  
2 included in the core set of adult health quality  
3 measures maintained under subsection (b)(5)  
4 and any updates or changes to such measures;  
5 and”.

6 **SEC. 30715. PERMANENT EXTENSION OF MEDICAID PRO-**  
7 **TECTIONS AGAINST SPOUSAL IMPOVERISH-**  
8 **MENT FOR RECIPIENTS OF HOME AND COM-**  
9 **MUNITY-BASED SERVICES.**

10 (a) IN GENERAL.—Section 1924(h)(1)(A) of the So-  
11 cial Security Act (42 U.S.C. 1396r–5(h)(1)(A)) is amend-  
12 ed by striking “(at the option of the State) is described  
13 in section 1902(a)(10)(A)(ii)(VI)” and inserting the fol-  
14 lowing: “is eligible for medical assistance for home and  
15 community-based services provided under subsection (c),  
16 (d), or (i) of section 1915 or under a waiver approved  
17 under section 1115, or who is eligible for such medical  
18 assistance by reason of being determined eligible under  
19 section 1902(a)(10)(C) or by reason of section 1902(f) or  
20 otherwise on the basis of a reduction of income based on  
21 costs incurred for medical or other remedial care, or who  
22 is eligible for medical assistance for home and community-  
23 based attendant services and supports under section  
24 1915(k)”.

1 (b) CONFORMING AMENDMENT.—Section 2404 of the  
2 Patient Protection and Affordable Care Act (42 U.S.C.  
3 1396r–5 note) is amended by striking “September 30,  
4 2023” and inserting “the date of the enactment of the  
5 Act titled ‘An Act to provide for reconciliation pursuant  
6 to title II of S. Con. Res. 14’ ”.

7 **SEC. 30716. PERMANENT EXTENSION OF MONEY FOLLOWS**  
8 **THE PERSON REBALANCING DEMONSTRATION.**  
9 **TION.**

10 (a) IN GENERAL.—Subsection (h) of section 6071 of  
11 the Deficit Reduction Act of 2005 (42 U.S.C. 1396a note)  
12 is amended—

13 (1) in paragraph (1)—

14 (A) in subparagraph (I), by inserting  
15 “and” after the semicolon;

16 (B) by amending subparagraph (J) to read  
17 as follows:

18 “(J) \$450,000,000 for each fiscal year  
19 after fiscal year 2022.”;

20 (C) by striking subparagraph (K);

21 (2) in paragraph (2), by striking “September  
22 30, 2023” and inserting “September 30 of the sub-  
23 sequent fiscal year”; and

24 (3) by adding at the end the following new  
25 paragraph:

1           “(3) TECHNICAL ASSISTANCE.—In addition to  
2 amounts otherwise available, there is appropriated to  
3 the Secretary for fiscal year 2022 and for each sub-  
4 sequent 3-year period, out of any money in the  
5 Treasury not otherwise appropriated, \$5,000,000, to  
6 remain available until expended, for carrying out  
7 subsections (f), (g), and (i).”.

8           (b) REDISTRIBUTION OF UNEXPENDED GRANT  
9 AWARDS.—Subsection (e)(2) of section 6071 of the Deficit  
10 Reduction Act of 2005 (42 U.S.C. 1396a note) is amended  
11 by adding at the end the following new sentence: “Any  
12 portion of a State grant award for a fiscal year under this  
13 section that is unexpended by the State at the end of the  
14 fourth succeeding fiscal year shall be rescinded by the Sec-  
15 retary and added to the appropriation for the fifth suc-  
16 ceeding fiscal year.”.

17 **SEC. 30717. FUNDING TO IMPROVE THE ACCURACY AND RE-**  
18 **LIABILITY OF CERTAIN SKILLED NURSING**  
19 **FACILITY DATA.**

20           Section 1888 of the Social Security Act (42 U.S.C.  
21 1395yy) is amended—

22           (1) in subsection (h)(12)—

23                   (A) in subparagraph (A), by striking “and  
24 the data submitted under subsection (e)(6) a  
25 process to validate such measures and data”

1 and inserting “, the data submitted under sub-  
2 section (e)(6), and, during the period beginning  
3 with fiscal year 2024 and ending with fiscal  
4 year 2031, the resident assessment data de-  
5 scribed in section 1819(b)(3) and the direct  
6 care staffing information described in section  
7 1128I(g) a process to validate such measures,  
8 data, and information”; and

9 (B) in subparagraph (B)—

10 (i) by striking “FUNDING.—For pur-  
11 poses” and inserting “FUNDING.—

12 “(i) FISCAL YEARS 2023 THROUGH  
13 2025.—For purposes”; and

14 (ii) by adding at the end the following  
15 new clause:

16 “(ii) ADDITIONAL FUNDING.—There  
17 is appropriated to the Secretary, out of  
18 any monies in the Treasury not otherwise  
19 appropriated, \$50,000,000 for fiscal year  
20 2022, to remain available through fiscal  
21 year 2031, for purposes of carrying out  
22 this paragraph.”; and

23 (2) in subsection (e)(6)(A)—

24 (A) in the header, by striking “FOR FAIL-  
25 URE TO REPORT”; and

1 (B) in clause (i)—

2 (i) by striking “For fiscal years begin-  
3 ning with fiscal year 2018, in the case of  
4 a skilled nursing facility that does not sub-  
5 mit” and inserting the following:

6 “(I) FAILURE TO REPORT.—For  
7 fiscal years beginning with fiscal year  
8 2018, in the case of a skilled nursing  
9 facility that does not submit quality  
10 measure data specified by the Sec-  
11 retary and”; and

12 (ii) by adding at the end the following  
13 new subclause:

14 “(II) REPORTING OF INAC-  
15 CURATE INFORMATION.—For fiscal  
16 years during the period beginning  
17 with fiscal year 2026 and ending with  
18 fiscal year 2031, in the case of a  
19 skilled nursing facility that submits  
20 data under this paragraph, measures  
21 under subsection (h), resident assess-  
22 ment data described in section  
23 1819(b)(3), or direct care staffing in-  
24 formation described in section  
25 1128I(g) with respect to such fiscal

1 year that is inaccurate (as determined  
2 by the Secretary through the valida-  
3 tion process described in section  
4 1888(h)(12) or otherwise), after de-  
5 termining the percentage described in  
6 paragraph (5)(B)(i), and after appli-  
7 cation of clauses (ii) and (iii) of para-  
8 graph (5)(B) and of subclause (I) of  
9 this clause (if applicable), the Sec-  
10 retary shall reduce such percentage  
11 for payment rates during such fiscal  
12 year by 2 percentage points.”.

13 **SEC. 30718. ENSURING ACCURATE INFORMATION ON COST**  
14 **REPORTS.**

15 Section 1888(f) of the Social Security Act (42 U.S.C.  
16 1395yy(f)) is amended by adding at the end the following  
17 new paragraph:

18 “(5) **AUDIT OF COST REPORTS.**—There is ap-  
19 propriated to the Secretary, out of any monies in the  
20 Treasury not otherwise appropriated, \$250,000,000  
21 for fiscal year 2022, to remain available through fis-  
22 cal year 2031, for purposes of conducting an annual  
23 audit (beginning with 2023 and ending with 2031)  
24 of cost reports submitted under this title for a rep-  
25 resentative sample of skilled nursing facilities.”.

1 **SEC. 30719. SURVEY IMPROVEMENTS.**

2 Section 1819 of the Social Security Act (42 U.S.C.  
3 1395i-3) is amended by adding at the end the following  
4 new subsection:

5 “(1) SURVEY IMPROVEMENTS.—

6 “(1) IN GENERAL.—There is appropriated to  
7 the Secretary, out of any monies in the Treasury not  
8 otherwise appropriated, \$325,000,000 for fiscal year  
9 2022, to remain available through fiscal year 2031,  
10 for purposes of—

11 “(A) conducting reviews and identifying  
12 plans under paragraph (2); and

13 “(B) providing training, tools, technical as-  
14 sistance, and financial support in accordance  
15 with paragraph (3).

16 “(2) REVIEW.—The Secretary shall conduct re-  
17 views, during the period specified in paragraph (1),  
18 of (and, as appropriate, identify plans to improve)  
19 the following:

20 “(A) The extent to which surveys con-  
21 ducted under subsection (g) and the enforce-  
22 ment process under subsection (h) result in in-  
23 creased compliance with requirements under  
24 this section and subpart B of part 483 of title  
25 42, Code of Federal Regulations, with respect

1 to skilled nursing facilities (in this subsection  
2 referred to as ‘facilities’).

3 “(B) The timeliness and thoroughness of  
4 State agency verification of deficiency correc-  
5 tions at facilities.

6 “(C) The accuracy of the identification and  
7 appropriateness of the scope and severity of de-  
8 ficiencies cited at facilities.

9 “(D) The accuracy of the identification  
10 and appropriateness of the scoping and severity  
11 of life safety, infection control, and emergency  
12 preparedness deficiencies cited at facilities.

13 “(E) The timeliness of State agency inves-  
14 tigations of—

15 “(i) complaints at facilities;

16 “(ii) facility-reported incidents at fa-  
17 cilities; and

18 “(iii) reported allegations of abuse,  
19 neglect, and exploitation at facilities.

20 “(F) The consistency of facility reporting  
21 of substantiated complaints to law enforcement.

22 “(G) The ability of the State agency to  
23 sufficiently hire, train, and retain individuals  
24 who conduct surveys.



1           “(H) Any other area related to surveys of  
2 facilities, or the individuals conducting such  
3 surveys, determined appropriate by the Sec-  
4 retary.

5           “(3) SUPPORT.—Based on the review under  
6 paragraph (2), the Secretary shall, during the period  
7 specified in paragraph (1), provide training, tools,  
8 technical assistance, and financial support to State  
9 and Federal agencies that perform surveys of facili-  
10 ties for the purpose of improving the surveys con-  
11 ducted under subsection (g) and the enforcement  
12 process under subsection (h) with respect to the  
13 areas reviewed under paragraph (2).”.

14 **SEC. 30720. NURSE STAFFING REQUIREMENTS.**

15           Section 1819(d) of the Social Security Act (42 U.S.C.  
16 1395i–3(d)) is amended—

17           (1) in paragraph (4)(A), by inserting “and any  
18 regulations promulgated under paragraph (5)(C)”  
19 after “section 1124”; and

20           (2) by adding at the end the following new  
21 paragraph:

22           “(5) NURSE STAFFING REQUIREMENTS.—

23           “(A) FUNDING.—There is appropriated to  
24 the Secretary, out of any monies in the Treas-  
25 ury not otherwise appropriated, \$50,000,000

1 for fiscal year 2022, to remain available  
2 through fiscal year 2031, for purposes of car-  
3 rying out this paragraph.

4 “(B) STUDY.—Not later than 3 years after  
5 the date of the enactment of this paragraph,  
6 and not less frequently than once every 5 years  
7 thereafter, the Secretary shall, out of funds ap-  
8 propriated under subparagraph (A), conduct a  
9 study and submit to Congress a report on the  
10 appropriateness of establishing minimum staff  
11 to resident ratios for nursing staff for skilled  
12 nursing facilities. Each such report shall in-  
13 clude—

14 “(i) with respect to the first such re-  
15 port, recommendations regarding appro-  
16 priate minimum ratios of registered nurses  
17 (and, if practicable, licensed practical  
18 nurses (or licensed vocational nurses) and  
19 certified nursing assistants) to residents at  
20 such skilled nursing facilities; and

21 “(ii) with respect to each subsequent  
22 such report, recommendations regarding  
23 appropriate minimum ratios of registered  
24 nurses, licensed practical nurses (or li-  
25 censed vocational nurses), and certified

1 nursing assistants to residents at such  
2 skilled nursing facilities.

3 “(C) PROMULGATION OF REGULATIONS.—

4 “(i) IN GENERAL.—Not later than 1  
5 year after the Secretary first submits a re-  
6 port under subparagraph (B), the Sec-  
7 retary shall, out of funds appropriated  
8 under subparagraph (A)—

9 “(I) specify through regulations,  
10 consistent with such report, appro-  
11 priate minimum ratios (if any) of reg-  
12 istered nurses (and, if practicable, li-  
13 censed practical nurses (or licensed  
14 vocational nurses) and certified nurs-  
15 ing assistants) to residents at skilled  
16 nursing facilities; and

17 “(II) except as provided in clause  
18 (ii), require such skilled nursing facili-  
19 ties to comply with such ratios.

20 “(ii) EXCEPTION.—

21 “(I) IN GENERAL.—In addition  
22 to the authority to waive the applica-  
23 tion of clause (i)(II) under section  
24 1135, the Secretary may waive the  
25 application of such clause with respect

1 to a skilled nursing facility if the Sec-  
2 retary finds that—

3 “(aa) the facility is located  
4 in a rural area and the supply of  
5 skilled nursing facility services in  
6 such area is not sufficient to  
7 meet the needs of individuals re-  
8 siding therein;

9 “(bb) the Secretary provides  
10 notice of the waiver to the State  
11 long-term care ombudsman (es-  
12 tablished under section  
13 307(a)(12) of the Older Ameri-  
14 cans Act of 1965) and the pro-  
15 tection and advocacy system in  
16 the State for the mentally ill; and

17 “(cc) the facility that is  
18 granted such a waiver notifies  
19 residents of the facility (or,  
20 where appropriate, the guardians  
21 or legal representatives of such  
22 residents) and members of their  
23 immediate families of the waiver.



1 (A) IN GENERAL.—Paragraph (5) of sec-  
2 tion 1902(e) of the Social Security Act (42  
3 U.S.C. 1396a(e)) is amended—

4 (i) by striking “(5) A woman who”  
5 and inserting “(5)(A) For any fiscal year  
6 quarter (beginning with the first fiscal  
7 year quarter beginning one year after the  
8 date of the enactment of the Act titled ‘An  
9 Act to provide for reconciliation pursuant  
10 to title II of S. Con. Res. 14’) with respect  
11 to which subparagraph (B) does not apply,  
12 an individual who”; and

13 (ii) by adding at the end the following  
14 new subparagraph:

15 “(B) For any fiscal year quarter (beginning  
16 with the first fiscal year quarter beginning one year  
17 after the date of the enactment of the Act titled ‘An  
18 Act to provide for reconciliation pursuant to title II  
19 of S. Con. Res. 14’), any individual who, while preg-  
20 nant, is eligible for and received medical assistance  
21 under the State plan or a waiver of such plan (re-  
22 gardless of the basis for the individual’s eligibility  
23 for medical assistance and including during a period  
24 of retroactive eligibility under subsection (a)(34)),  
25 shall remain eligible, notwithstanding section

1 1916(e)(3) or any other limitation under this title,  
2 for medical assistance through the end of the month  
3 in which the 12-month period (beginning on the last  
4 day of pregnancy of the individual) ends, and such  
5 medical assistance shall be in accordance with  
6 clauses (i) and (ii) of paragraph (16)(B).”.

7 (B) CONFORMING AMENDMENTS.—Title  
8 XIX of the Social Security Act (42 U.S.C. 1396  
9 through 1396w-6) is amended—

10 (i) in section 1902(a)(10), in the mat-  
11 ter following subparagraph (G), by striking  
12 “(VII) the medical assistance” and all that  
13 follows through “, (VIII)” and inserting  
14 “(VIII)”;

15 (ii) in section 1902(e)(6), by striking  
16 “In the case of” and inserting “For any  
17 fiscal year quarter with respect to which  
18 paragraph (5)(B) does not apply, in the  
19 case of”;

20 (iii) in section 1902(l)(1)(A), by strik-  
21 ing “60-day period” and inserting “12-  
22 month period (or, for any fiscal year quar-  
23 ter with respect to which subsection  
24 (e)(5)(B) does not apply and for which the

1 State has not adopted the option under  
2 section 1902(e)(16)(A), 60-day period”;

3 (iv) in section 1903(v)(4)—

4 (I) in subparagraph (A)(i), by  
5 striking “the 60-day period” and in-  
6 sserting “the applicable period (as de-  
7 scribed in subparagraph (D))”;

8 (II) in subparagraph (A)(ii), by  
9 striking the period and inserting “,  
10 and, in the case of such an individual  
11 who is or becomes pregnant, such in-  
12 dividual (regardless of age) during  
13 pregnancy and during the applicable  
14 period (as described in subparagraph  
15 (D)).”;

16 (III) by adding at the end the  
17 following new subparagraph:

18 “(D) For purposes of subparagraph (A),  
19 the applicable period described in this subpara-  
20 graph is—

21 “(i) beginning with the first fiscal  
22 year quarter that begins one year after the  
23 date of the enactment of the American  
24 Rescue Plan Act of 2021, for a State that  
25 has adopted the option under section



1 1902(e)(16)(A), the 12-month period;”;  
2 and

3 (IV) in the subparagraph (D)  
4 added by subclause (III), by adding at  
5 the end the following new clauses:

6 “(ii) beginning with the first fiscal  
7 year quarter beginning one year after the  
8 date of the enactment of the Act titled ‘An  
9 Act to provide for reconciliation pursuant  
10 to title II of S. Con. Res. 14’, the 12-  
11 month period; and

12 “(iii) for any fiscal year quarter (be-  
13 ginning with such first fiscal year quarter)  
14 with respect to which section  
15 1902(e)(5)(B) does not apply and for  
16 which the State has not adopted the option  
17 under section 1902(e)(16)(A), the 60-day  
18 period.”;

19 (v) in section 1905(a), in the 4th sen-  
20 tence in the matter following paragraph  
21 (31), by striking “60-day period” and in-  
22 sserting “12-month period (or, for any fis-  
23 cal year quarter with respect to which sec-  
24 tion 1902(e)(5)(B) does not apply and for  
25 which the State has not adopted the option

1 under section 1902(e)(16)(A), 60-day pe-  
2 riod)”; and

3 (vi) in section 1905(y), by adding at  
4 the end the following new paragraph:

5 “(3) TREATMENT FOR CERTAIN INDIVIDUALS.—  
6 Notwithstanding paragraphs (1) and (2), section  
7 1902(a)(10)(A)(i)(III), and section  
8 1902(a)(10)(A)(i)(IV), the term ‘newly eligible’ in  
9 paragraph (2)(A) and the phrase ‘newly eligible indi-  
10 viduals described in subclause (VIII) of section  
11 1902(a)(10)(A)(i)’ in paragraph (1) shall apply to  
12 individuals who but for the amendments made by  
13 section 30721(a) of the Act titled ‘An Act to provide  
14 for reconciliation pursuant to title II of S. Con. Res.  
15 14’ would be eligible under the State plan (or waiv-  
16 er) for medical assistance under section  
17 1902(a)(10)(A)(i)(VIII) for the period beginning on  
18 the first day occurring after the end of such 60-day  
19 period and ending on the last day of the month in  
20 which the 12-month period (beginning on the last  
21 day of the pregnancy) ends.”.

22 (2) TRANSITION FROM STATE OPTION.—

23 (A) IN GENERAL.—Section 1902(e)(16)(A)  
24 of the Social Security Act (42 U.S.C.  
25 1396a(e)(16)(A)) is amended by striking “At

1 the option of the State” and inserting “For any  
2 fiscal year quarter with respect to which para-  
3 graph (5)(B) does not apply, at the option of  
4 the State”.

5 (B) CONFORMING AMENDMENT.—Section  
6 9812(b) of the American Rescue Plan Act of  
7 2021 (Public Law 117–2) is amended by strik-  
8 ing “during the 5-year period”.

9 (3) EFFECTIVE DATE.—

10 (A) IN GENERAL.—Subject to subpara-  
11 graphs (B) and (C), the amendments made by  
12 this paragraph shall take effect on the 1st day  
13 of the 1st fiscal year quarter that begins one  
14 year after the date of the enactment of this Act  
15 and shall apply with respect to medical assist-  
16 ance provided on or after such date.

17 (B) EXCEPTION FOR CERTAIN AMERICAN  
18 RESCUE PLAN ACT OF 2021 CONFORMING  
19 AMENDMENTS.—The amendments made by sub-  
20 clauses (I), (II), and (III) of paragraph  
21 (1)(B)(iv) shall take effect on the first day of  
22 the first fiscal year quarter that begins one year  
23 after the date of the enactment of the American  
24 Rescue Plan Act of 2021 and shall apply with

1           respect to medical assistance provided on or  
2           after such date.

3           (C) EXCEPTION FOR STATE LEGISLA-  
4           TION.—In the case of a State plan under title  
5           XIX of the Social Security Act (42 U.S.C. 1396  
6           through 1396w-6) that the Secretary of Health  
7           and Human Services determines requires State  
8           legislation in order for the plan to meet any re-  
9           quirement imposed by amendments made by  
10          this subsection, the plan shall not be regarded  
11          as failing to comply with the requirements of  
12          such title solely on the basis of its failure to  
13          meet such a requirement before the first day of  
14          the first calendar quarter beginning after the  
15          close of the first regular session of the State  
16          legislature that begins after the date of the en-  
17          actment of this Act. For purposes of the pre-  
18          vious sentence, in the case of a State that has  
19          a 2-year legislative session, each year of the ses-  
20          sion shall be considered to be a separate regular  
21          session of the State legislature.

22          (b) CHIP.—

23                  (1) REQUIRING FULL BENEFITS FOR PREGNANT  
24                  AND POSTPARTUM WOMEN FOR 12-MONTH PERIOD  
25                  POST PREGNANCY.—

1 (A) IN GENERAL.—Section 2107(e)(1)(J)  
2 of the Social Security Act (42 U.S.C.  
3 1397gg(e)(1)(J)) is amended—

4 (i) by striking “Paragraphs (5) and  
5 (16)” and inserting “(i) For any fiscal  
6 year quarter with respect to which para-  
7 graph (5)(B) of section 1902(e) does not  
8 apply, paragraphs (5)(A) and (16) of such  
9 section”; and

10 (ii) by adding at the end the following  
11 new clause:

12 “(ii) For any fiscal year quarter (beginning  
13 with the first fiscal year quarter beginning one  
14 year after the date of the enactment of the Act  
15 titled ‘An Act to provide for reconciliation pur-  
16 suant to title II of S. Con. Res. 14’), section  
17 1902(e)(5)(B) (requiring, notwithstanding sec-  
18 tion 2103(e)(3)(C)(ii)(I) or any other limitation  
19 under this title, continuous coverage for preg-  
20 nant and postpartum individuals, including 12  
21 months postpartum, of medical assistance) if  
22 the State provides child health assistance to  
23 targeted low-income children or pregnancy-re-  
24 lated assistance to targeted low-income preg-  
25 nant women, under the State child health plan

1 or waiver, including coverage of all items or  
2 services provided to a targeted low-income child  
3 or targeted low-income pregnant woman (as ap-  
4 plicable) under the State child health plan or  
5 waiver).”.

6 (B) CONFORMING AMENDMENTS.—Section  
7 2112 of the Social Security Act (42 U.S.C.  
8 1397ll) is amended—

9 (i) in subsection (d)—

10 (I) in paragraph (1), by inserting  
11 “and includes, through application of  
12 section 1902(e)(5)(B) pursuant to  
13 section 2107(e)(1)(J)(ii), continuous  
14 coverage for pregnant and postpartum  
15 individuals, including 12 months  
16 postpartum” before the period at the  
17 end; and

18 (II) in paragraph (2)(A), by  
19 striking “60-day period” and all that  
20 follows through “ends” and inserting  
21 “12-month period (or, for any fiscal  
22 year quarter with respect to which  
23 section 2107(e)(1)(J)(ii) does not  
24 apply and for which the State has not  
25 adopted the option under section

1 1902(e)(16)(A), 60-day period) ends”;

2 and

3 (ii) in subsection (f)(2), by striking  
4 “60-day period” and inserting “12-month  
5 period (or, for any fiscal year quarter (be-  
6 ginning with the first fiscal year quarter  
7 beginning one year after the date of the  
8 enactment of the Act titled ‘An Act to pro-  
9 vide for reconciliation pursuant to title II  
10 of S. Con. Res. 14’) with respect to which  
11 section 2107(e)(1)(J)(ii) does not apply  
12 and for which the State has not adopted  
13 the option under section 1902(e)(16)(A),  
14 60-day period)”.

15 (2) TRANSITION FROM STATE PLAN OPTION.—  
16 Section 9822(b) of the American Rescue Plan Act of  
17 2021 (Public Law 117–2) is amended by striking “,  
18 during the 5-year period”.

19 (3) EFFECTIVE DATE.—

20 (A) IN GENERAL.—Subject to subpara-  
21 graph (B), the amendments made by this sub-  
22 section shall take effect on the 1st day of the  
23 1st fiscal year quarter that begins one year  
24 after the date of the enactment of this Act and  
25 shall apply with respect to child health assist-

1           ance and pregnancy-related assistance, as appli-  
2           cable, provided on or after such date.

3           (B) EXCEPTION FOR STATE LEGISLA-  
4           TION.—In the case of a State child health plan  
5           under title XXI of the Social Security Act (42  
6           U.S.C. 1397aa through 1397mm) that the Sec-  
7           retary of Health and Human Services deter-  
8           mines requires State legislation in order for the  
9           plan to meet any requirement imposed by  
10          amendments made under this subsection, the  
11          plan shall not be regarded as failing to comply  
12          with the requirements of such title solely on the  
13          basis of its failure to meet such a requirement  
14          before the first day of the first calendar quarter  
15          beginning after the close of the first regular  
16          session of the State legislature that begins after  
17          the date of the enactment of this Act. For pur-  
18          poses of the previous sentence, in the case of a  
19          State that has a 2-year legislative session, each  
20          year of the session shall be considered to be a  
21          separate regular session of the State legislature.



1 **SEC. 30722. STATE OPTION TO PROVIDE COORDINATED**  
2 **CARE THROUGH A MATERNAL HEALTH HOME**  
3 **FOR PREGNANT AND POSTPARTUM INDIVID-**  
4 **UALS.**

5 Title XIX of the Social Security Act (42 U.S.C.  
6 1396a) is amended by inserting after section 1945A the  
7 following new section:

8 **“SEC. 1945B. STATE OPTION TO PROVIDE COORDINATED**  
9 **CARE THROUGH A MATERNAL HEALTH HOME**  
10 **FOR PREGNANT AND POSTPARTUM INDIVID-**  
11 **UALS.**

12 “(a) IN GENERAL.—Notwithstanding section  
13 1902(a)(1) (relating to statewideness) and section  
14 1902(a)(10)(B) (relating to comparability), beginning 24  
15 months after the date of enactment of this section, a  
16 State, at its option as a State plan amendment, may pro-  
17 vide for medical assistance under this title to eligible indi-  
18 viduals who choose to enroll in a maternal health home  
19 under this section and receive maternal health home serv-  
20 ices from a designated provider, a team of health profes-  
21 sionals operating with such a provider, or a health team.

22 “(b) MATERNAL HEALTH HOME QUALIFICATION  
23 STANDARDS.—A maternal health home under this section  
24 shall demonstrate to the State the ability to do the fol-  
25 lowing:

1           “(1) Develop an individualized comprehensive  
2           care plan for each eligible individual, working in a  
3           culturally and linguistically appropriate manner with  
4           such individual to develop and incorporate such care  
5           plan in a manner consistent with such individual’s  
6           needs and choices, including—

7                   “(A) primary care;

8                   “(B) inpatient care;

9                   “(C) social support services;

10                  “(D) local hospital emergency care;

11                  “(E) care management and planning re-  
12                  lated to a change in an eligible individual’s eli-  
13                  gibility for medical assistance or a change in  
14                  health insurance coverage as needed; and

15                  “(F) behavioral health services.

16           “(2) Coordinate all necessary services to sup-  
17           port prenatal, labor and delivery, and postpartum  
18           care for eligible individuals.

19           “(3) Coordinate access to specialists, behavioral  
20           health providers, early intervention services, and pe-  
21           diatricians.

22           “(4) Collect and report information under sub-  
23           section (d).

24           “(c) PAYMENTS.—

1           “(1) IN GENERAL.—A State shall provide a des-  
2           ignated provider, a team of health professionals op-  
3           erating with such a provider, or a health team with  
4           payments for the provision of maternal health home  
5           services to each eligible individual enrolled in a ma-  
6           ternal health home. Payments for maternal health  
7           home services made to a designated provider, a team  
8           of health professionals operating with such a pro-  
9           vider, or a health team shall be treated as payments  
10          for medical assistance for purposes of section  
11          1903(a), except that, during the first 8 fiscal quar-  
12          ters that the State plan amendment is in effect, the  
13          Federal medical assistance percentage otherwise ap-  
14          plicable to such payments shall be increased by 15  
15          percentage points, not to exceed 90 percent.

16           “(2) METHODOLOGY.—

17           “(A) IN GENERAL.—The State shall speci-  
18           fy in the State plan amendment the method-  
19           ology the State will use for determining pay-  
20           ment for the provision of maternal health home  
21           services. Such methodology for determining  
22           payment—

23           “(i) may be tiered or adjusted to re-  
24           flect, with respect to each individual pro-  
25           vided such services by a designated pro-

1           vider, a team of health care professionals  
2           operating with such a provider, or a health  
3           team, the acuity of each individual receiv-  
4           ing care, or the specific capabilities of the  
5           provider, team of health care providers, or  
6           health team; and

7           “(ii) shall be established consistent  
8           with section 1902(a)(30)(A).

9           “(B) ALTERNATE MODEL OF PAYMENT.—

10          The methodology for determining payment for  
11          provision of maternal health home services  
12          under this section shall not be limited to a fee-  
13          for-service or per-member per-month payment  
14          model, and may provide for alternate models of  
15          payment that reflect the needs of a State, sub-  
16          ject to the approval of the Secretary.

17          “(3) PLANNING GRANTS.—

18          “(A) IN GENERAL.—Beginning 12 months  
19          after the date of enactment of this section, the  
20          Secretary may award planning grants to States  
21          for purposes of developing a State plan amend-  
22          ment under this section. A planning grant  
23          awarded to a State under this paragraph shall  
24          remain available until expended.

1           “(B) STATE CONTRIBUTION.—A State  
2 awarded a planning grant shall contribute an  
3 amount equal to the State percentage deter-  
4 mined under section 1905(b) for each fiscal  
5 year for which the grant is awarded.

6           “(C) APPROPRIATIONS.—In addition to  
7 amounts otherwise available, there is appro-  
8 priated for fiscal year 2022, out of any money  
9 in the Treasury not otherwise appropriated, to  
10 remain available until expended, to carry out  
11 this paragraph, \$5,000,000 for awarding grants  
12 under this section.

13       “(d) DATA COLLECTION AND REPORTING.—

14           “(1) PROVIDER REPORTING REQUIREMENTS.—

15           “(A) IN GENERAL.—In order to receive  
16 payments from a State under subsection (c), a  
17 designated provider, a team of health profes-  
18 sionals operating with such a provider, or a  
19 health team shall report to the State, in accord-  
20 ance with such requirements as the Secretary  
21 shall specify, the following:

22           “(i) With respect to each such des-  
23 ignated provider, team of health profes-  
24 sionals, or health team, the name, national  
25 provider identification number, address,

1 and specific maternal health home services  
2 offered to be provided to eligible individ-  
3 uals who have selected such designated  
4 provider, team of health professionals, or  
5 health team as the maternal health home  
6 of such eligible individuals.

7 “(ii) Information on all applicable  
8 measures for determining the quality of  
9 maternal health home services provided by  
10 such designated provider, team of health  
11 professionals, or health team, including, to  
12 the extent applicable, the core set of child  
13 health quality measures published under  
14 section 1139A, the core set of adult health  
15 quality measures for Medicaid eligible  
16 adults published under section 1139B, and  
17 maternal health quality measures.

18 “(B) USE OF HEALTH INFORMATION  
19 TECHNOLOGY.—A designated provider, a team  
20 of health professionals operating with such a  
21 provider, or a health team shall use, to the ex-  
22 tent practicable, health information technology  
23 to provide a State with the information required  
24 under subparagraph (A) and to improve care

1 coordination for eligible individuals, such as  
2 by—

3 “(i) facilitating the review of person-  
4 centered care plans;

5 “(ii) monitoring service delivery and  
6 identifying gaps in treatment; and

7 “(iii) communicating with eligible in-  
8 dividuals and with primary, behavioral  
9 health and specialty care providers.

10 “(2) STATE REPORTING REQUIREMENTS.—A  
11 State with a State plan amendment approved under  
12 this section shall collect and report to the Secretary,  
13 at such time and in such form and manner as re-  
14 quired by the Secretary, the following information:

15 “(A) The number of maternal health  
16 homes in a State in which individuals are en-  
17 rolled pursuant to a State plan amendment  
18 under this section.

19 “(B) The number of individuals served  
20 who selected a maternal health home,  
21 disaggregated by race and ethnicity, pursuant  
22 to a State plan amendment under this section.

23 “(C) Information on the quality measures  
24 applicable for maternal health home services,  
25 including, to the extent applicable, the core set

1 of child health quality measures published  
2 under section 1139A, and the core set of adult  
3 health quality measures for Medicaid eligible  
4 adults published under section 1139B, and ma-  
5 ternal health quality measures.

6 “(D) The type of delivery systems and pay-  
7 ment models used to provide health home serv-  
8 ices to eligible individuals enrolled in a mater-  
9 nal health home under a State plan amendment  
10 under this section.

11 “(E) The number and characteristics of  
12 designated providers, teams of health profes-  
13 sionals, and health teams selected as maternal  
14 health homes pursuant to a State plan amend-  
15 ment under this section.

16 “(F) Information on hospitalizations, mor-  
17 bidity, and mortality of eligible individuals and  
18 their infants enrolled in a maternal health home  
19 in such State alongside comparable data from a  
20 State’s maternal mortality review committee.

21 “(G) A report on best practices for effec-  
22 tive strategies in coordinating care to support  
23 access to comprehensive maternal health serv-  
24 ices.



1           “(H) Information reported to the State  
2           under paragraph (1).

3           “(e) STATE PLAN AMENDMENT.—

4           “(1) IN GENERAL.—A State plan amendment  
5           submitted pursuant to this section shall include—

6           “(A) eligibility criteria for maternal health  
7           homes;

8           “(B) services available to eligible individ-  
9           uals through the maternal health home;

10           “(C) a description of providers that may  
11           provide care through a maternal health home,  
12           and that include how such State will ensure any  
13           provider arrangement offered includes a person-  
14           centered planning approach to determining nec-  
15           essary services and supports and providing the  
16           appropriate care coordination to meet clinical  
17           and non-clinical needs of eligible individuals;  
18           and

19           “(D) reimbursement methodologies (as de-  
20           scribed in subsection (c)(2)).

21           “(2) HOSPITAL NOTIFICATION.—A State with a  
22           State plan amendment approved under this section  
23           shall require each hospital that is a participating  
24           provider under the State plan (or a waiver of such  
25           plan) to establish procedures for, in the case of an

1 individual who is enrolled in a maternal health home  
2 pursuant to this section and seeks treatment in the  
3 emergency department of such hospital, notifying  
4 the health home of such individual of such treat-  
5 ment.

6 “(3) EDUCATION WITH RESPECT TO AVAIL-  
7 ABILITY OF MATERNAL HEALTH HOME SERVICES.—  
8 In order for a State plan amendment to be approved  
9 under this section, a State shall include in the State  
10 plan amendment—

11 “(A) a description of the State’s process  
12 for educating providers participating in the  
13 State plan (or a waiver of such plan) on the  
14 availability of maternal health home services,  
15 including the process by which such providers  
16 can refer individuals to a designated provider,  
17 team of health care professionals operating such  
18 a provider, or health team for the purpose of  
19 establishing a maternal health home through  
20 which such individuals may receive such serv-  
21 ices; and

22 “(B) a description of the State’s process  
23 for educating individuals on the availability of  
24 such services.

1           “(4) CONFIDENTIALITY.—A State with a State  
2 plan amendment approved under this section shall  
3 establish confidentiality protections to ensure, at a  
4 minimum, that the State does not disclose any iden-  
5 tifying information with respect to any specific mor-  
6 tality case (including pursuant to the reporting of  
7 information required under subsection (d)(2)(F)).

8           “(f) RULE OF CONSTRUCTION.—Nothing in this sec-  
9 tion shall be construed—

10           “(1) to require an eligible individual to enroll  
11 in, or prohibit an eligible individual from disenrolling  
12 at any time from, a maternal health home under this  
13 section; or

14           “(2) to require a designated provider, team of  
15 health professionals, or health team to act as a ma-  
16 ternal health home and provide services in accord-  
17 ance with this section if the designated provider,  
18 team of health professionals, or health team does not  
19 voluntarily agree to act as a maternal health home.

20           “(g) DEFINITIONS.—In this section:

21           “(1) DESIGNATED PROVIDER.—The term ‘des-  
22 ignated provider’ means a physician, clinical practice  
23 or clinical group practice, rural health clinic, free-  
24 standing birth center, community health center, ob-  
25 stetrician gynecologist, midwife who meets at a min-

1 imum the international definition of the midwife and  
2 global standards for midwifery education as estab-  
3 lished by the International Confederation of Mid-  
4 wives, or any other health care entity or provider de-  
5 termined by the State and approved by the Sec-  
6 retary to be qualified to act as a maternal health  
7 home.

8 “(2) ELIGIBLE INDIVIDUAL.—The term ‘eligible  
9 individual’ means an individual eligible for medical  
10 assistance under the State plan or under a waiver of  
11 such plan who—

12 “(A) is pregnant or in the postpartum pe-  
13 riod that begins on the last day of the preg-  
14 nancy and ends on the last day of the month  
15 in which the 12-month period (beginning on the  
16 last day of the pregnancy of the individual)  
17 ends (or, if the State provides for a longer pe-  
18 riod of postpartum coverage period under such  
19 plan or waiver, on the last day of such longer  
20 period); and

21 “(B) is not enrolled in a health home  
22 under section 1945 or 1945A.

23 “(3) HEALTH TEAM.—The term ‘health team’  
24 has the meaning given such term for purposes of  
25 section 3502 of Public Law 111–148.

1           “(4) MATERNAL HEALTH HOME.—The term  
2           ‘maternal health home’ means a designated provider  
3           (including a provider that operates in coordination  
4           with a team of health care professionals), or a health  
5           team selected by a State to provide maternal health  
6           home services to pregnant and postpartum individ-  
7           uals.

8           “(5) MATERNAL HEALTH HOME SERVICES.—

9           “(A) IN GENERAL.—The term ‘maternal  
10           health home services’ means comprehensive and  
11           timely high-quality services described in sub-  
12           paragraph (B) that are provided by a des-  
13           ignated provider, a team of health professionals  
14           operating with such a provider, or a health  
15           team.

16           “(B) SERVICES DESCRIBED.—The services  
17           described in this subparagraph shall include—

18                   “(i) a standardized risk assessment  
19                   for all participants to determine needs;

20                   “(ii) comprehensive care management;

21                   “(iii) care coordination and health  
22                   promotion;

23                   “(iv) comprehensive transitional care,  
24                   including arranging appropriate follow-up,

1 for individuals transitioning from inpatient  
2 care to other settings;

3 “(v) individual and family support (in-  
4 cluding authorized representatives);

5 “(vi) making referrals to other med-  
6 ical, community, and social support serv-  
7 ices, if relevant; and

8 “(vii) the use of health information  
9 technology to link services and coordinate  
10 care, to the extent practicable.

11 “(6) STANDARDIZED RISK ASSESSMENT.—The  
12 term ‘standardized risk assessment’ means an as-  
13 sessment to determine the needs of an eligible indi-  
14 vidual, and shall include an assessment of medical,  
15 obstetric, behavioral health, and social needs per-  
16 formed at the initial prenatal or postpartum visit.

17 “(7) TEAM OF HEALTH PROFESSIONALS.—The  
18 term ‘team of health professionals’ means a team of  
19 health professionals (as described in the State plan  
20 amendment under this section) that may—

21 “(A) include physicians, midwives who  
22 meet at a minimum the international definition  
23 of the midwife and global standards for mid-  
24 wifery education as established by the Inter-  
25 national Confederation of Midwives, nurses,

1 nurse care coordinators, nutritionists, social  
 2 workers, doulas, behavioral health professionals,  
 3 community health workers, translators and in-  
 4 terpreters, and other professionals determined  
 5 to be appropriate by the State;

6 “(B) a health care entity or individual who  
 7 is designated to coordinate such a team; and

8 “(C) provide care at a facility that is free-  
 9 standing, virtual, or based at a hospital, free-  
 10 standing birth center, community health center,  
 11 community mental health center, rural clinic,  
 12 clinical practice or clinical group practice, aca-  
 13 demic health center, children’s hospital, or any  
 14 health care entity determined to be appropriate  
 15 by the State and approved by the Secretary.”.

16 **PART 3—TERRITORIES**

17 **SEC. 30731. INCREASING MEDICAID CAP AMOUNTS AND**  
 18 **THE FEDERAL MEDICAL ASSISTANCE PER-**  
 19 **CENTAGE FOR THE TERRITORIES.**

20 (a) CAP AMOUNT ADJUSTMENTS.—Section  
 21 1108(g)(2) of the Social Security Act (42 U.S.C.  
 22 1308(g)(2)) is amended—

23 (1) in subparagraph (A)—

24 (A) in clause (i)—

1 (i) by striking “except as provided in  
2 clause (ii)” and inserting “for each of fis-  
3 cal years 1999 through 2019”; and

4 (ii) by striking “and” at the end; and  
5 (B) by adding at the end the following new  
6 clauses:

7 “(iii) for fiscal year 2022,  
8 \$3,600,000,000; and

9 “(iv) for fiscal year 2023 and each  
10 subsequent year, the sum of the amount  
11 provided in this subsection for the pre-  
12 ceding fiscal year, increased by the per-  
13 centage increase, if any, in Medicaid  
14 spending under title XIX during the pre-  
15 ceding year (as determined based on the  
16 most recent National Health Expenditure  
17 data with respect to such year), rounded to  
18 the nearest \$100,000;”;

19 (2) in subparagraph (B)—

20 (A) in clause (i), by striking “except as  
21 provided in clause (ii),” and inserting “for each  
22 of fiscal years 1999 through 2019,”;

23 (B) in clause (ii), by striking “and” at the  
24 end;

25 (C) by adding at the end the following:



1           “(iv) for fiscal year 2022,  
2           \$135,000,000; and

3           “(v) for fiscal year 2023 and each  
4           subsequent year, the sum of the amount  
5           provided in this subsection for the pre-  
6           ceding fiscal year, increased by the per-  
7           centage increase described in subparagraph  
8           (A)(iv) for the preceding year, rounded to  
9           the nearest \$10,000;”;

10          (3) in subparagraph (C)—

11           (A) in clause (i), by striking “except as  
12           provided in clause (ii),” and inserting “for each  
13           of fiscal years 1999 through 2019,”;

14           (B) in clause (ii), by striking “and” at the  
15           end;

16           (C) by adding at the end the following:

17           “(iv) for fiscal year 2022,  
18           \$140,000,000; and

19           “(v) for fiscal year 2023 and each  
20           subsequent year, the sum of the amount  
21           provided in this subsection for the pre-  
22           ceding fiscal year, increased by the per-  
23           centage increase described in subparagraph  
24           (A)(iv) for the preceding year, rounded to  
25           the nearest \$10,000;”;

1 (4) in subparagraph (D)—

2 (A) in clause (i), by striking “except as  
3 provided in clause (ii),” and inserting “for each  
4 of fiscal years 1999 through 2019,”;

5 (B) in clause (ii), by striking “and” at the  
6 end;

7 (C) in clause (iii), by striking “and” at the  
8 end; and

9 (D) by adding at the end the following new  
10 clauses:

11 “(iv) for fiscal year 2022,  
12 \$70,000,000; and

13 “(v) for fiscal year 2023 and each  
14 subsequent year, the sum of the amount  
15 provided in this subsection for the pre-  
16 ceding fiscal year, increased by the per-  
17 centage increase described in subparagraph  
18 (A)(iv) for the preceding year, rounded to  
19 the nearest \$10,000; and”;

20 (5) in subparagraph (E)—

21 (A) in clause (i), by striking “except as  
22 provided in clause (ii),” and inserting “for each  
23 of fiscal years 1999 through 2019,”;

24 (B) in clause (ii), by striking “and” at the  
25 end;

1 (C) in clause (iii), by striking the period  
2 and inserting a semicolon; and

3 (D) by adding at the end the following:

4 “(iv) for fiscal year 2022,  
5 \$90,000,000; and

6 “(v) for fiscal year 2023 and each  
7 subsequent year, the sum of the amount  
8 provided in this subsection for the pre-  
9 ceding fiscal year, increased by the per-  
10 centage increase described in subparagraph  
11 (A)(iv) for the preceding year, rounded to  
12 the nearest \$10,000.”; and

13 (6) by striking the flush matter following sub-  
14 paragraph (E).

15 (b) FMAP ADJUSTMENTS.—Section 1905(ff) of the  
16 Social Security Act (42 U.S.C. 1396d(ff)) is amended—

17 (1) by redesignating paragraphs (1) through  
18 (3) as subparagraphs (A) through (C), respectively,  
19 and adjusting the margins accordingly;

20 (2) by striking “Notwithstanding” and insert-  
21 ing the following:

22 “(1) IN GENERAL.—Notwithstanding”;

23 (3) in paragraph (1), as so inserted—

1 (A) in the matter preceding subparagraph  
2 (A), as so redesignated, by inserting “para-  
3 graph (2) and” after “subject to”;

4 (B) in subparagraph (B), as so redesign-  
5 nated—

6 (i) by striking “December 3, 2021,”  
7 and inserting “September 30, 2021”; and

8 (ii) by striking “and” at the end;

9 (C) in subparagraph (C), as so redesign-  
10 nated, by striking “December 3, 2021,” and in-  
11 sserting “September 30, 2021”;

12 (D) by adding at the end the following:

13 “(D) for fiscal year 2022 and each subse-  
14 quent fiscal year, the Federal medical assist-  
15 ance percentage for the Virgin Islands, Guam,  
16 the Northern Mariana Islands, and American  
17 Samoa shall be equal to 83 percent;

18 “(E) for fiscal year 2022, the Federal  
19 medical assistance percentage for Puerto Rico  
20 shall be equal to 76 percent; and

21 “(F) for fiscal year 2023 and each subse-  
22 quent fiscal year, the Federal medical assist-  
23 ance percentage for Puerto Rico shall be equal  
24 to 83 percent.”; and

1           (4) by adding at the end the following new  
2 paragraph:

3           “(2) SPECIAL RULE FOR PUERTO RICO RELAT-  
4 ING TO ESTABLISHING A PAYMENT FLOOR.—

5           “(A) IN GENERAL.—For each fiscal quar-  
6 ter (beginning with the first fiscal quarter be-  
7 ginning on or after the date of the enactment  
8 of this paragraph), Puerto Rico’s State plan (or  
9 waiver of such plan) shall establish a reimburse-  
10 ment floor, implemented through a directed  
11 payment arrangement plan, for physician serv-  
12 ices that are covered under the Medicare part  
13 B fee schedule in the Puerto Rico locality estab-  
14 lished under section 1848(b) that is not less  
15 than 70 percent of the payment that would  
16 apply to such services if they were furnished  
17 under part B of title XVIII during such fiscal  
18 quarter.

19           “(B) APPLICATION TO MANAGED CARE.—  
20 In determining whether Puerto Rico has estab-  
21 lished a reimbursement floor under a directed  
22 payment arrangement plan that satisfies the re-  
23 quirements of subparagraph (A) for a fiscal  
24 quarter occurring during fiscal year 2022 or a  
25 subsequent fiscal year—

1           “(i) the Secretary shall disregard pay-  
2           ments made under sub-capitated arrange-  
3           ments for services such as primary care  
4           case management; and

5           “(ii) if the reimbursement floor for  
6           physician services applicable under a man-  
7           aged care contract satisfies the require-  
8           ments of subparagraph (A) for a fiscal  
9           quarter occurring during a year in which  
10          the contract is entered into or renewed,  
11          such reimbursement floor shall be deemed  
12          to satisfy such requirements for each sub-  
13          sequent fiscal quarter occurring during  
14          such year and for each fiscal quarter oc-  
15          curring during the subsequent fiscal year.

16          “(C) FMAP REDUCTION FOR FAILURE TO  
17          ESTABLISH PAYMENT FLOOR.—

18                 “(i) IN GENERAL.—In the case that  
19                 the Secretary determines that Puerto Rico  
20                 has failed to meet the requirement of sub-  
21                 paragraph (A) with respect to a fiscal  
22                 quarter, the Federal medical assistance  
23                 percentage otherwise determined under  
24                 this subsection for Puerto Rico shall be re-  
25                 duced for such quarter by the applicable

1 number of percentage points described in  
2 clause (ii).

3 “(ii) APPLICABLE NUMBER OF PER-  
4 CENTAGE POINTS.—For purposes of clause  
5 (i), the applicable number of percentage  
6 points described in this clause is, with re-  
7 spect to a fiscal quarter, the following:

8 “(I) In the case no reduction was  
9 made under this subparagraph for the  
10 preceding fiscal quarter, 0.5 percent-  
11 age points.

12 “(II) In the case a reduction was  
13 made under this subparagraph for the  
14 preceding fiscal quarter, the number  
15 of percentage points of such reduction  
16 for such preceding fiscal quarter, plus  
17 0.25 percentage points, except that in  
18 no case may the application of this  
19 subclause result in a reduction of  
20 more than 5 percentage points.”.

**PART 4—OTHER MEDICAID****SEC. 30741. INVESTMENTS TO ENSURE CONTINUED ACCESS  
TO HEALTH CARE FOR CHILDREN AND  
OTHER INDIVIDUALS.**

(a) PROVIDING FOR 1 YEAR OF CONTINUOUS ELIGIBILITY FOR CHILDREN.—

(1) UNDER THE MEDICAID PROGRAM.—

(A) IN GENERAL.—Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended—

(i) in paragraph (12), by inserting “before the date that is one year after the date of the enactment of paragraph (17)” after “subsection (a)(10)(A)”; and

(ii) by adding at the end following new paragraph:

“(17) 1 YEAR OF CONTINUOUS ELIGIBILITY FOR CHILDREN.—The State plan (or waiver of such State plan) shall provide that an individual who is under the age of 19 and who is determined to be eligible for benefits under a State plan (or waiver of such plan) approved under subsection (a)(10)(A) shall remain eligible for such benefits until the earlier of—

“(A) the end of the 12-month period beginning on the date of such determination;



1           “(B) the time that such individual attains  
2 the age of 19; or

3           “(C) the date that such individual ceases  
4 to be a resident of such State.”.

5           (B) EFFECTIVE DATE.—

6           (i) IN GENERAL.—Subject to clause  
7 (ii), the amendments made by subpara-  
8 graph (A)(ii) shall take effect one year  
9 after the date of enactment of this Act.

10           (ii) EXCEPTION FOR STATE LEGISLA-  
11 TION.—In the case of a State plan under  
12 title XIX of the Social Security Act (42  
13 U.S.C. 1396 through 1396w-6) that the  
14 Secretary of Health and Human Services  
15 determines requires State legislation in  
16 order for the plan to meet any requirement  
17 imposed by amendments made under sub-  
18 paragraph (A)(ii), the plan shall not be re-  
19 garded as failing to comply with the re-  
20 quirements of such title solely on the basis  
21 of its failure to meet such a requirement  
22 before the first day of the first calendar  
23 quarter beginning after the close of the  
24 first regular session of the State legislature  
25 that begins after the date of the enactment

1 of this Act. For purposes of the previous  
2 sentence, in the case of a State that has a  
3 2-year legislative session, each year of the  
4 session shall be considered to be a separate  
5 regular session of the State legislature.

6 (2) UNDER THE CHILDREN’S HEALTH INSUR-  
7 ANCE PROGRAM.—Section 2107(e)(1) of the Social  
8 Security Act (42 U.S.C. 1397gg(e)(1)) is amended—

9 (A) by redesignating subparagraphs (K)  
10 through (T) as subparagraphs (L) through (U),  
11 respectively; and

12 (B) by inserting after subparagraph (J)  
13 the following new subparagraph:

14 “(K) Section 1902(e)(17) (relating to 1  
15 year of continuous eligibility for children).”.

16 (b) REVISIONS TO TEMPORARY INCREASE OF MED-  
17 ICAID FMAP UNDER THE FAMILIES FIRST CORONAVIRUS  
18 RESPONSE ACT.—Section 6008 of the Families First  
19 Coronavirus Response Act (42 U.S.C. 1396d note) is  
20 amended—

21 (1) in subsection (a)—

22 (A) by striking “IN GENERAL.—Subject  
23 to” and inserting “TEMPORARY INCREASE.—

24 “(1) IN GENERAL.—Subject to”;

1 (B) in the paragraph (1) inserted by sub-  
2 paragraph (A)—

3 (i) by striking “the last day of the cal-  
4 endar quarter in which the last day of such  
5 emergency period occurs” and inserting  
6 “September 30, 2022”; and

7 (ii) by striking “6.2 percentage  
8 points” and inserting “the number of per-  
9 centage points specified in paragraph (2)  
10 with respect to such calendar quarter”;  
11 and

12 (C) by adding at the end the following new  
13 paragraph:

14 “(2) PERCENTAGE POINTS SPECIFIED.—For  
15 purposes of paragraph (1), the number of percent-  
16 age points specified in this paragraph is—

17 “(A) 6.2 percentage points with respect to  
18 each calendar quarter occurring during the pe-  
19 riod beginning on the first day of the emer-  
20 gency period defined in paragraph (1)(B) of  
21 section 1135(g) of the Social Security Act (42  
22 U.S.C. 1320b-5(g)) and ending March 31,  
23 2022;

1           “(B) 3.0 percentage points with respect to  
2           the calendar quarter beginning on April 1,  
3           2022, and ending on June 30, 2022; and

4           “(C) 1.5 percentage points with respect to  
5           the calendar quarter beginning on July 1, 2022,  
6           and ending on September 30, 2022.”;

7           (2) in subsection (b)(3)—

8                 (A) by striking “the State fails” and in-  
9                 serting “subject to subsection (f), the State  
10                fails”;

11               (B) by striking “and ending the last day of  
12                the month in which the emergency period de-  
13                scribed in subsection (a) ends” and inserting  
14                “and ending on March 31, 2022,”; and

15               (C) by striking “through the end of the  
16                month in which such emergency period ends”  
17                and inserting “through September 30, 2022,”;  
18                and

19           (3) by adding at the end the following new sub-  
20           section:

21           “(f) SPECIAL RULE FOR ENROLLMENTS AS OF APRIL  
22           1, 2022.—For calendar quarters during the period de-  
23           scribed in subsection (a) that begin on or after April 1,  
24           2022, a State described in such subsection may, in accord-  
25           ance with paragraph (3), terminate coverage for an indi-

1 vidual who is determined to be no longer eligible for med-  
2 ical assistance and who has been enrolled for at least 12  
3 consecutive months under the State plan of such State  
4 under title XIX of the Social Security Act (42 U.S.C.  
5 1396) (or waiver of such plan), and such State shall not  
6 be ineligible for the increase to the Federal medical assist-  
7 ance percentage of the State described in such subsection  
8 on the basis that the State is in violation of the require-  
9 ment of subsection (b)(3), if the State, with respect to  
10 such terminations of coverage conducted through Sep-  
11 tember 30, 2022, for such individuals, is in compliance  
12 with each of the following:

13           “(1) The State shall conduct such eligibility re-  
14           determinations, with respect to such an individual,  
15           in accordance with the provisions of section 435.916  
16           of title 42 of the Code of Federal Regulations (or  
17           any successor regulation) and the provisions of sec-  
18           tion 1943 of the Social Security Act, as applicable.

19           “(2) Prior to terminating coverage for an indi-  
20           vidual, the State shall undertake a good faith effort  
21           to ensure that the State has contact information (in-  
22           cluding an up-to-date mailing address, phone num-  
23           ber, or email address) for such individuals by coordi-  
24           nating with Medicaid managed care organizations

1 (where applicable), and other applicable State health  
2 and human services agencies.

3 “(3) The State may not disenroll from the  
4 State plan (or waiver) such an individual determined  
5 ineligible pursuant to such a redetermination for  
6 medical assistance under the State plan (or waiver)  
7 on the basis of returned mail unless—

8 “(A) there have been at least two failed at-  
9 tempts to contact such individual through at  
10 least 2 modalities; and

11 “(B) after the second attempt, the indi-  
12 vidual had 30 days notice, through at least 2  
13 modalities, before such disenrollment takes ef-  
14 fect.

15 “(4) The State may not initiate eligibility rede-  
16 terminations for more than 1/12 of individuals en-  
17 rolled in the State plan (or waiver) with respect to  
18 any month during the period beginning on April 1,  
19 2022, and ending on September 30, 2022.

20 “(5) The State shall submit to the Secretary  
21 monthly reports during the period described in sub-  
22 section (a) that begin on or after April 1, 2022  
23 which the State receives an increase pursuant to  
24 such subsection period on the activities of the State,

1 including, with respect to the period for which the  
2 report is submitted—

3 “(A) the number of eligibility renewals ini-  
4 tiated, beneficiaries renewed, and individuals  
5 whose eligibility was terminated;

6 “(B) the number of such cases in which  
7 eligibility for medical assistance under the State  
8 plan (or waiver) were so terminated due to the  
9 individual’s failure to return a renewal form or  
10 other information needed by the state to make  
11 an eligibility determination;

12 “(C) the number of such cases in which  
13 eligibility for medical assistance under the State  
14 plan (or waiver) were so terminated pursuant to  
15 such a redetermination due to a known change  
16 in circumstance;

17 “(D) the number of individuals whose cov-  
18 erage was terminated pursuant to such a rede-  
19 termination whose accounts were, during such  
20 period, transitioned to the Exchange, CHIP, or  
21 basic health program; and

22 “(E) with respect to eligibility redeter-  
23 minations, the daily average volume, wait times,  
24 and abandonment rate (as determined by the

1 Secretary) for each call center during such  
2 month.”.

3 (c) MEDICAL ASSISTANCE UNDER MEDICAID FOR IN-  
4 MATES DURING 30-DAY PERIOD PRECEDING RELEASE.—

5 (1) IN GENERAL.—The subdivision (A) fol-  
6 lowing paragraph (31) of section 1905(a) of the So-  
7 cial Security Act (42 U.S.C. 1396d(a)) is amended  
8 by inserting “and, beginning on the first day of the  
9 first fiscal year quarter that begins two years after  
10 the date of the enactment of the Act titled ‘An Act  
11 to provide for reconciliation pursuant to title II of  
12 S. Con. Res. 14’, except during the 30-day period  
13 preceding the date of release of an inmate of a pub-  
14 lic institution” after “medical institution”.

15 (2) CONFORMING AMENDMENTS IN TITLE  
16 XIX.—Section 1902(a) of the Social Security Act (42  
17 U.S.C. 1396a(a)) is amended—

18 (A) in paragraph (74), by striking at the  
19 end “and”; and

20 (B) in paragraph (84)—

21 (i) in subparagraph (A), by inserting  
22 “, except, beginning on the first day of the  
23 first fiscal year quarter that begins two  
24 years after the date of the enactment of  
25 the Act titled ‘An Act to provide for rec-



1           conciliation pursuant to title II of S. Con.  
2           Res. 14’, the State may not suspend cov-  
3           erage during the 30-day period preceding  
4           the date of release of the juvenile” after  
5           “during the period the juvenile is such an  
6           inmate”; and

7                   (ii) in subparagraph (C), by striking  
8           “upon release” and inserting “30 days  
9           prior to release”.

10           (3) CONFORMING AMENDMENT IN TITLE XXI.—  
11           Section 2110(b)(2) of the Social Security Act (42  
12           U.S.C. 1397jj(b)(2))—

13                   (A) in subparagraph (A), by striking at the  
14           end “or”;

15                   (B) in subparagraph (B), by striking the  
16           period at the end and inserting “; or”; and

17                   (C) by adding at the end the following new  
18           subparagraph:

19                   “(C) except, beginning on the first day of  
20           the first fiscal year quarter that begins two  
21           years after the date of the enactment of the Act  
22           titled ‘An Act to provide for reconciliation pur-  
23           suant to title II of S. Con. Res. 14,’ except dur-  
24           ing the 30-day period preceding the date of re-

1            lease of such child from such public institu-  
2            tion.”.

3            (d) EXTENSION OF CERTAIN PROVISIONS.—

4            (1) EXPRESS LANE ELIGIBILITY OPTION.—Sec-  
5            tion 1902(e)(13) of the Social Security Act (42  
6            U.S.C. 1396a(e)(13)) is amended by striking sub-  
7            paragraph (I).

8            (2) CONFORMING AMENDMENTS FOR ASSUR-  
9            ANCE OF AFFORDABILITY STANDARD FOR CHILDREN  
10           AND FAMILIES.—Section 1902(gg)(2) of the Social  
11           Security Act (42 U.S.C. 1396a(gg)(2)) is amend-  
12           ed—

13                    (A) in the paragraph heading, by striking  
14                    “THROUGH SEPTEMBER 30, 2027”; and

15                    (B) by striking “through September 30”  
16                    and all that follows through “ends on Sep-  
17                    tember 30, 2027” and inserting “(but begin-  
18                    ning on October 1, 2019,”.

19            (e) EXPANSION OF COMMUNITY MENTAL HEALTH  
20            SERVICES DEMONSTRATION PROGRAM.—

21            (1) IN GENERAL.—Section 223 of the Pro-  
22            tecting Access to Medicare Act of 2014 (42 U.S.C.  
23            1396a note) is amended—

24                    (A) in subsection (c), by adding at the end  
25                    the following new paragraph:

1           “(3) ADDITIONAL PLANNING GRANTS.—In addi-  
2           tion to the planning grants awarded under para-  
3           graph (1), the Secretary shall award planning grants  
4           to States (other than States selected to conduct  
5           demonstration programs under paragraph (1) or (8)  
6           of subsection (d)) for the purpose of developing pro-  
7           posals to participate in time-limited demonstration  
8           programs described in subsection (d).”;

9           (B) in subsection (d)—

10           (i) in paragraph (3), by striking  
11           “Subject to paragraph (8)” and inserting  
12           “Subject to paragraphs (8) and (9)”;

13           (ii) in paragraph (5)(C)(iii)(II), by in-  
14           serting “or paragraph (9)” after “para-  
15           graph (8)”;

16           (iii) in paragraph (7)—

17           (I) in subparagraph (A), by in-  
18           serting “through the year in which  
19           the last demonstration under this sec-  
20           tion ends” after “annually there-  
21           after”; and

22           (II) in subparagraph (B)—

23           (aa) by striking “December  
24           31, 2021” and inserting “March  
25           31, 2026”;

1           (bb) by striking “rec-  
2           ommendations concerning” and  
3           all that follows through the pe-  
4           riod and inserting “recommenda-  
5           tions concerning whether and  
6           how the demonstration programs  
7           under this section should be  
8           modified.”; and

9           (cc) by adding at the end  
10          the following new sentence:  
11          “Such recommendations shall be  
12          based on data collected from  
13          States selected to conduct dem-  
14          onstration programs under para-  
15          graph (1) and, to the extent  
16          available, data collected from  
17          States selected to conduct dem-  
18          onstration programs under para-  
19          graphs (8) and (9).”; and

20          (iv) by adding at the end the following  
21          new paragraph:

22          “(9) FURTHER ADDITIONAL PROGRAMS.—

23                 “(A) IN GENERAL.—In addition to the  
24                 States selected under paragraphs (1) and (8)  
25                 and without regard to paragraph (4), the Sec-

1           retary shall select any State that meets the re-  
2           quirements described in subparagraph (B) to  
3           conduct a demonstration program that meets  
4           the requirements of this subsection for 2 years.

5           “(B) REQUIREMENTS.—The requirements  
6           described in this subparagraph with respect to  
7           a State are that the State—

8                   “(i) was awarded a planning grant  
9                   under paragraph (1) or (3) of subsection  
10                  (c); and

11                  “(ii) submits an application (in addi-  
12                  tion to any application that the State may  
13                  have previously submitted under this sec-  
14                  tion) that meets the requirements of para-  
15                  graph (2)(B).

16           “(C) REQUIREMENTS FOR SELECTED  
17           STATES.—The requirements applicable to  
18           States selected under paragraph (8) pursuant  
19           to subparagraph (C) of such paragraph shall  
20           apply in the same manner to States selected  
21           under this paragraph.”;

22           (C) in subsection (e), by amending para-  
23           graph (4) to read as follows:

24           “(4) STATE.—The term State means each of  
25           the 50 States, the District of Columbia, Puerto Rico,

1 the Virgin Islands, Guam, the Northern Mariana Is-  
2 lands, and American Samoa.”; and

3 (D) in subsection (f)(1)—

4 (i) in subparagraph (A), by striking “;  
5 and” and inserting a semicolon;

6 (ii) in subparagraph (B), by striking  
7 the period and inserting “, and  
8 \$40,000,000 for fiscal year 2022; and”;  
9 and

10 (iii) by adding at the end the fol-  
11 lowing new subparagraph:

12 “(C) for purposes of updating the criteria  
13 under subsection (a) as needed for certified  
14 community behavioral health clinics and car-  
15 rying out subsections (c)(3), (d)(7), and (d)(9)  
16 (including the provision of technical assistance  
17 to States applying for planning grants under  
18 subsection (c)(3) and conducting demonstration  
19 projects under this section), \$5,000,000 for fis-  
20 cal year 2022.”.

21 (2) EXCLUSION OF AMOUNTS ATTRIBUTABLE  
22 TO INCREASED FMAP FROM TERRITORIAL CAPS.—  
23 Section 1108 of the Social Security Act (42 U.S.C.  
24 1308) is amended—

1 (A) in subsection (f), in the matter pre-  
2 ceding paragraph (1), by striking “subsections  
3 (g) and (h)” and inserting “subsections (g),  
4 (h), and (i)”; and

5 (B) by adding at the end the following:

6 “(i) EXCLUSION FROM CAPS OF AMOUNTS ATTRIB-  
7 UTABLE TO ENHANCED FMAP FOR COMMUNITY MENTAL  
8 HEALTH SERVICES.—Any additional amount paid to  
9 Puerto Rico, the Virgin Islands, Guam, the Northern Mar-  
10 iana Islands, and American Samoa for expenditures for  
11 medical assistance that is attributable to an enhanced  
12 Federal medical assistance percentage applicable to such  
13 expenditures under section 223(d)(5) of the Protecting  
14 Access to Medicare Act of 2014 shall not be taken into  
15 account for purposes of applying payment limits under  
16 subsections (f) and (g).”.

17 (f) MAKING PERMANENT A STATE OPTION TO PRO-  
18 VIDE QUALIFYING COMMUNITY-BASED MOBILE CRISIS  
19 INTERVENTION SERVICES.—Section 1947 of the Social  
20 Security Act (42 U.S.C. 1396w–6) is amended—

21 (1) in subsection (a), by striking “during the 5-  
22 year period”;

23 (2) in subsection (c), by striking “occurring  
24 during the period described in subsection (a) that a  
25 State” and inserting “in which a State provides

1 medical assistance for qualifying community-based  
2 mobile crisis intervention services under this section  
3 and”; and

4 (3) in subsection (d)(2)—

5 (A) in subparagraph (A), by striking “for  
6 the fiscal year preceding the first fiscal quarter  
7 occurring during the period described in sub-  
8 section (a)” and inserting “for the fiscal year  
9 preceding the first fiscal quarter in which the  
10 State provides medical assistance for qualifying  
11 community-based mobile crisis intervention  
12 services under this section”; and

13 (B) in subparagraph (B), by striking “oc-  
14 ccurring during the period described in sub-  
15 section (a)” and inserting “occurring during a  
16 fiscal quarter”.

17 (g) EXTENSION OF 100 PERCENT FEDERAL MED-  
18 ICAL ASSISTANCE PERCENTAGE FOR URBAN INDIAN  
19 HEALTH ORGANIZATIONS AND NATIVE HAWAIIAN  
20 HEALTH CARE SYSTEMS.—The third sentence of section  
21 1905(b) of the Social Security Act (42 U.S.C. 1396d(b))  
22 is amended—

23 (1) by striking “for the 8 fiscal year quarters  
24 beginning with the first fiscal year quarter beginning  
25 after the date of the enactment of the American



1 Rescue Plan Act of 2021” and inserting “for the pe-  
2 riod of the 16 fiscal year quarters that begins on  
3 April 1, 2021”; and

4 (2) by striking “such 8 fiscal year quarters”  
5 and inserting “such period of 16 fiscal year quar-  
6 ters”.

7 (h) ENSURING ACCURATE PAYMENTS TO PHAR-  
8 MACIES UNDER MEDICAID.—

9 (1) IN GENERAL.—Section 1927(f) of the Social  
10 Security Act (42 U.S.C. 1396r–8(f)) is amended—

11 (A) by striking “and” after the semicolon  
12 at the end of paragraph (1)(A)(i) and all that  
13 precedes it through “(1)” and inserting the fol-  
14 lowing:

15 “(1) DETERMINING PHARMACY ACTUAL ACQUI-  
16 SITION COSTS.—The Secretary shall conduct a sur-  
17 vey of retail community pharmacy drug prices in the  
18 50 States and the District of Columbia, to determine  
19 the national average drug acquisition cost, as fol-  
20 lows:

21 “(A) USE OF VENDOR.—The Secretary  
22 may contract services for—

23 “(i) with respect to retail community  
24 pharmacies, the determination of retail  
25 survey prices of the national average drug

1 acquisition cost for covered outpatient  
2 drugs based on a monthly survey of such  
3 pharmacies, net of all discounts and re-  
4 bates (to the extent any information with  
5 respect to such discounts and rebates is  
6 available), the average reimbursement re-  
7 ceived for such drugs by such pharmacies  
8 from all sources of payment and, to the ex-  
9 tent available, the usual and customary  
10 charges to consumers for such drugs;  
11 and”;

12 (B) by adding at the end of paragraph (1)  
13 the following:

14 “(F) SURVEY REPORTING.—A State shall  
15 require that any retail community pharmacy in  
16 the State that receives any payment, reimburse-  
17 ment, administrative fee, discount, or rebate re-  
18 lated to the dispensing of covered outpatient  
19 drugs to individuals receiving benefits under  
20 this title or title XXI, regardless of whether  
21 such payment, fee, discount, or rebate is re-  
22 ceived from the State or a managed care entity  
23 directly or from a pharmacy benefit manager or  
24 another entity that has a contract with the  
25 State or a managed care entity or other speci-

1           fied entity (as such terms are defined in section  
2           1903(m)(9)(D)), shall respond to surveys of re-  
3           tail prices conducted under this subsection with  
4           the specific information requested by the ven-  
5           dor.

6           “(G) SURVEY INFORMATION.—Information  
7           on retail community actual acquisition prices  
8           obtained under this paragraph shall be made  
9           publicly available and shall include at least the  
10          following:

11           “(i) The monthly response rate of the  
12           survey, including a list of pharmacies not  
13           in compliance with subparagraph (F) and  
14           the identification numbers for such phar-  
15           macies.

16           “(ii) The sampling frame and number  
17           of pharmacies sampled monthly.

18           “(iii) Characteristics of reporting  
19           pharmacies, including type (such as inde-  
20           pendent or chain), geographic or regional  
21           location, and dispensing volume.

22           “(iv) Reporting of a separate national  
23           average drug acquisition cost for each drug  
24           for independent retail pharmacies and  
25           chain pharmacies.

1           “(v) Information on price concessions  
2 including on and off invoice discounts, re-  
3 bates, and other price concessions.

4           “(vi) Information on average profes-  
5 sional dispensing fees paid.

6           “(H) PENALTIES.—

7           “(i) FAILURE TO PROVIDE TIMELY IN-  
8 FORMATION.—A retail community phar-  
9 macy that knowingly fails to respond to a  
10 survey conducted under this subsection on  
11 a timely basis may be subject to a civil  
12 monetary penalty in an amount not to ex-  
13 ceed \$10,000 for each day in which such  
14 information has not been provided. A retail  
15 community pharmacy shall not be subject  
16 to such penalty if the pharmacy makes a  
17 good faith effort to provide the information  
18 requested by the survey on a timely basis.

19           “(ii) FALSE INFORMATION.—A retail  
20 community pharmacy that knowingly pro-  
21 vides false information in response to a  
22 survey conducted under this subsection  
23 may be subject to a civil money penalty in  
24 an amount not to exceed \$100,000 for  
25 each item of false information.”; and

1 (C) in paragraph (4), by inserting “, and  
2 \$7,000,000 for fiscal year 2023 and each fiscal  
3 year thereafter,” after “2010”.

4 (2) CONDITION FOR FEDERAL FINANCIAL PAR-  
5 TICIPATION.—Section 1903(i)(10) of the Social Se-  
6 curity Act (42 U.S.C. 1396b(i)(10)) is amended—

7 (A) in subparagraph (D), by striking  
8 “and” after the semicolon;

9 (B) in subparagraph (E), by striking “or”  
10 after the semicolon and inserting “and”; and

11 (C) by inserting after subparagraph (E),  
12 the following new subparagraph:

13 “(F) with respect to any amount expended for  
14 reimbursement to a retail community pharmacy  
15 under this title unless the State requires the retail  
16 community pharmacy to respond to surveys of retail  
17 prices conducted under section 1927(f) in accord-  
18 ance with paragraph (1)(F) of such section; or”.

19 (3) EFFECTIVE DATE.—The amendments made  
20 by this section take effect on the 1st day of the 1st  
21 quarter that begins on or after the date that is 18  
22 months after the date of enactment of this Act.

23 (i) FUNDING FOR IMPLEMENTATION AND ADMINIS-  
24 TRATION.—In addition to amounts otherwise available,  
25 there is appropriated to the Secretary, for fiscal year

1 2022, to be available until expended, out of any money  
2 in the Treasury not otherwise appropriated, \$20,000,000,  
3 to provide technical assistance and guidance and cover ad-  
4 ministrative costs associated with implementing the  
5 amendments made by this part and part 2.

6 **PART 5—MAINTENANCE OF EFFORT**

7 **SEC. 30751. ENCOURAGING CONTINUED ACCESS AFTER THE**  
8 **END OF THE PUBLIC HEALTH EMERGENCY.**

9 Section 6008 of the Families First Coronavirus Re-  
10 sponse Act (42 U.S.C. 1396d note), as amended by section  
11 30741(b), is further amended—

12 (1) by redesignating the second subsection (d)  
13 added by section 11 of division X of Public Law  
14 116–260 as subsection (e); and

15 (2) by adding at the end the following new sub-  
16 section:

17 “(g) ENCOURAGING CONTINUED ACCESS AFTER THE  
18 END OF THE PUBLIC HEALTH EMERGENCY.—

19 “(1) IN GENERAL.—Subject to paragraph (2),  
20 if, between October 1, 2022 and December 31,  
21 2025, a State puts into effect for any calendar quar-  
22 ter occurring during such period eligibility stand-  
23 ards, methodologies, or procedures for individuals  
24 (except individuals described in subparagraph (D) of  
25 section 1902(e)(14)) who are applying for or receiv-

1       ing medical assistance under the State plan of such  
2       State under title XIX of the Social Security Act (42  
3       U.S.C. 1396 through 1396w-6) (including any waiver  
4       under such title or section 1115 of such Act (42  
5       U.S.C. 1315)) that are more restrictive than the eli-  
6       gibility standards, methodologies, or procedures, re-  
7       spectively, under the State plan (or waiver of such  
8       plan) that are in effect on October 1, 2021, the Fed-  
9       eral medical assistance percentage otherwise deter-  
10      mined under section 1905(b) of the Social Security  
11      Act (42 U.S.C. 1396d(b)) for that State shall be re-  
12      duced by 3.1 percentage points for such calendar  
13      quarter.

14               “(2) NONAPPLICATION.—During the period de-  
15      scribed in paragraph (1), at the option of the State,  
16      the condition under such paragraph may not apply  
17      to the State with respect to nonpregnant, non-  
18      disabled adults who are eligible for medical assist-  
19      ance under the State plan (or waiver such plan)  
20      whose income exceeds 133 percent of the poverty  
21      line (as defined in section 2110(c)(5)) applicable to  
22      a family of the size involved if, on or after December  
23      31, 2022, the State had certified or certifies to the  
24      Secretary that, with respect to the State fiscal year  
25      during which the certification is made, the State has

1 a budget deficit, or with respect to the succeeding  
2 State fiscal year, the State is projected to have a  
3 budget deficit. Upon submission of such a certifi-  
4 cation to the Secretary, the condition under para-  
5 graph (1) shall not apply to the State with respect  
6 to any remaining portion of the period described in  
7 the preceding sentence.”.

## 8 **Subtitle G—Children’s Health** 9 **Insurance Program**

### 10 **SEC. 30801. INVESTMENTS TO STRENGTHEN CHIP.**

11 (a) PERMANENT EXTENSION OF CHILDREN’S  
12 HEALTH INSURANCE PROGRAM.—

13 (1) IN GENERAL.—Section 2104(a)(28) of the  
14 Social Security Act (42 U.S.C. 1397dd(a)(28)) is  
15 amended to read as follows:

16 “(28) for fiscal year 2027 and each subsequent  
17 year, such sums as are necessary to fund allotments  
18 to States under subsection (m).”.

19 (2) ALLOTMENTS.—

20 (A) IN GENERAL.—Section 2104(m) of the  
21 Social Security Act (42 U.S.C. 1397dd(m)) is  
22 amended—

23 (i) in paragraph (2)(B)(i), by striking  
24 “, 2023, and 2027” and inserting “and  
25 2023”;



1 (ii) in paragraph (5)—

2 (I) by striking “(10), or (11)”  
3 and inserting “or (10)”;

4 (II) by striking “for a fiscal  
5 year” and inserting “for a fiscal year  
6 before 2027”; and

7 (III) by striking “2023, or 2027”  
8 and inserting “or 2023”;

9 (iii) in paragraph (7)—

10 (I) in subparagraph (A), by strik-  
11 ing “and ending with fiscal year  
12 2027,”; and

13 (II) in the flush left matter at  
14 the end, by striking “or fiscal year  
15 2026” and inserting “fiscal year  
16 2026, or a subsequent even-numbered  
17 fiscal year”;

18 (iv) in paragraph (9)—

19 (I) by striking “(10), or (11)”  
20 and inserting “or (10)”;

21 (II) by striking “2023, or 2027,”  
22 and inserting “or 2023”;

23 (v) by striking paragraph (11).

1 (B) CONFORMING AMENDMENT.—Section  
2 50101(b)(2) of the Bipartisan Budget Act of  
3 2018 (Public Law 115–123) is repealed.

4 (b) OTHER RELATED CHIP POLICIES.—

5 (1) PEDIATRIC QUALITY MEASURES PRO-  
6 GRAM.—Section 1139A(i)(1) of the Social Security  
7 Act (42 U.S.C. 1320b–9a(i)(1)) is amended—

8 (A) in subparagraph (C), by striking at the  
9 end “and”;

10 (B) in subparagraph (D), by striking the  
11 period at the end and inserting a semicolon;  
12 and

13 (C) by adding at the end the following new  
14 subparagraphs:

15 “(E) for fiscal year 2028, \$15,000,000 for  
16 the purpose of carrying out this section (other  
17 than subsections (e), (f), and (g)); and

18 “(F) for each subsequent fiscal year, the  
19 amount appropriated under this paragraph for  
20 the previous fiscal year, increased by the per-  
21 centage increase in the consumer price index for  
22 all urban consumers (all items; United States  
23 city average, as published by the Bureau of  
24 Labor Statistics) rounded to the nearest  
25 \$100,000 over such previous fiscal year, for the

1           purpose of carrying out this section (other than  
2           subsections (e), (f), and (g)).”.

3           (2) ASSURANCE OF ELIGIBILITY STANDARDS  
4           FOR CHILDREN.—Section 2105(d)(3) of the Social  
5           Security Act (42 U.S.C. 1397ee(d)(3)) is amended—

6                   (A) in the paragraph heading, by striking  
7                   “THROUGH SEPTEMBER 30, 2027”; and

8                   (B) in subparagraph (A)—

9                           (i) in the matter preceding clause

10                           (i)—

11                                   (I) by striking “During the pe-  
12                                   riod that begins on the date of enact-  
13                                   ment of the Patient Protection and  
14                                   Affordable Care Act and ends on Sep-  
15                                   tember 30, 2027” and inserting “Be-  
16                                   ginning on the date of the enactment  
17                                   of the Patient Protection and Afford-  
18                                   able Care Act”;

19                                   (II) by striking “During the pe-  
20                                   riod that begins on October 1, 2019,  
21                                   and ends on September 30, 2027”  
22                                   and inserting “Beginning on October  
23                                   1, 2019”; and

24                                   (III) by striking “The preceding  
25                                   sentences shall not be construed as

1 preventing a State during any such  
2 periods from” and inserting “The pre-  
3 ceding sentences shall not be con-  
4 strued as preventing a State from”;

5 (ii) in clause (i), by striking the semi-  
6 colon at the end and inserting a period;

7 (iii) by striking clauses (ii) and (iii);

8 and

9 (iv) as amended by subclause (i)(III),  
10 by striking “as preventing a State from”  
11 and all that follows through “applying eli-  
12 gibility standards” and inserting “as pre-  
13 venting a State from applying eligibility  
14 standards”.

15 (3) QUALIFYING STATES OPTION.—Section  
16 2105(g)(4) of the Social Security Act (42 U.S.C.  
17 1397ee(g)(4)) is amended—

18 (A) in the paragraph heading, by striking  
19 “FOR FISCAL YEARS 2009 THROUGH 2027” and  
20 inserting “AFTER FISCAL YEAR 2008”; and

21 (B) in subparagraph (A), by striking “for  
22 any of fiscal years 2009 through 2027” and in-  
23 serting “for any fiscal year after fiscal year  
24 2008”.

1           (4) OUTREACH AND ENROLLMENT PROGRAM.—  
2           Section 2113 of the Social Security Act (42 U.S.C.  
3           1397mm) is amended—

4                   (A) in subsection (a)—

5                           (i) in paragraph (1), by striking “dur-  
6                           ing the period of fiscal years 2009 through  
7                           2027” and inserting “, beginning with fis-  
8                           cal year 2009,”;

9                           (ii) in paragraph (2)—

10                                   (I) by striking “10 percent of  
11                                   such amounts” and inserting “10 per-  
12                                   cent of such amounts for the period or  
13                                   the fiscal year for which such amounts  
14                                   are appropriated”; and

15                                   (II) by striking “during such pe-  
16                                   riod” and inserting “, during such pe-  
17                                   riod or such fiscal year,”; and

18                                   (iii) in paragraph (3), by striking  
19                                   “For the period of fiscal years 2024  
20                                   through 2027, an amount equal to 10 per-  
21                                   cent of such amounts” and inserting “Be-  
22                                   ginning with fiscal year 2024, an amount  
23                                   equal to 10 percent of such amounts for  
24                                   the period or the fiscal year for which such  
25                                   amounts are appropriated”; and

1 (B) in subsection (g)—

2 (i) by striking “2017,,” and inserting  
3 “2017,”;

4 (ii) by striking “and \$48,000,000”  
5 and inserting “\$48,000,000”; and

6 (iii) by inserting after “through  
7 2027” the following: “, \$60,000,000 for  
8 fiscal years 2028, 2029, and 2030, and for  
9 each 3 fiscal years after fiscal year 2030,  
10 the amount appropriated under this sub-  
11 section for the previous fiscal year, in-  
12 creased by the percentage increase in the  
13 consumer price index for all urban con-  
14 sumers (all items; United States city aver-  
15 age, as published by the Bureau of Labor  
16 Statistics) rounded to the nearest  
17 \$100,000 over such previous fiscal year”.

18 (5) CHILD ENROLLMENT CONTINGENCY  
19 FUND.—Section 2104(n) of the Social Security Act  
20 (42 U.S.C. 1397dd(n)) is amended—

21 (A) in paragraph (2)—

22 (i) in subparagraph (A)(ii)—

23 (I) by striking “2024 through  
24 2026” and inserting “beginning with  
25 fiscal year 2024”; and

1 (II) by striking “2023, and  
2 2027” and inserting “and 2023”; and  
3 (ii) in subparagraph (B)—

4 (I) by striking “2024 through  
5 2026” and inserting “beginning with  
6 fiscal year 2024”; and

7 (II) by striking “2023, and  
8 2027” and inserting “and 2023”; and  
9 (B) in paragraph (3)(A)—

10 (i) by striking “fiscal years 2024  
11 through 2026” and inserting “fiscal year  
12 2024 or any subsequent fiscal year”; and

13 (ii) by striking “2023, or 2027” and  
14 inserting “or 2023”.

15 (c) CHIP DRUG REBATES.—

16 (1) IN GENERAL.—Section 2107 of the Social  
17 Security Act (42 U.S.C. 1397gg), as amended by  
18 section 30721(b)(2), is further amended—

19 (A) in subsection (e)(1) by adding at the  
20 end the following new subparagraph:

21 “(V) Beginning January 1, 2024, section  
22 1927, in accordance with subsection (h) of this  
23 section, with respect to covered outpatient  
24 drugs (as defined in section 1927) for which  
25 child health assistance or pregnancy-related as-

1           sistance (as defined in section 2112(d)(1)) is  
2           provided under the State child health plan, in-  
3           cluding such drugs dispensed to individuals en-  
4           rolled with a managed care organization that  
5           meets the requirements of subpart L of part  
6           457 of title 42, Code of Federal Regulations (or  
7           a successor regulation) if the organization is re-  
8           sponsible for coverage of such drugs.”; and

9                   (B) by adding at the end the following new  
10           subsection:

11           “(h) DRUG REBATES.—For purposes of subsection  
12 (e)(1)(V), in applying section 1927—

13                   “(1) the Secretary shall take such actions as  
14           are necessary and develop or adapt such processes  
15           and mechanisms as are necessary, including to re-  
16           port and collect data to bill and track rebates under  
17           section 1927, as applied pursuant to subsection  
18           (e)(1)(V) for covered outpatient drugs (as defined in  
19           such section 1927) for which child health assistance  
20           or pregnancy-related assistance (as defined in sec-  
21           tion 2112(d)(1)) is provided under the State child  
22           health plan;

23                   “(2) the requirements of such section 1927  
24           shall apply to any drug or biological product de-



1 scribed in paragraph (1)(A) of section 1905(ee) that  
2 is—

3 “(A) furnished as child health assistance  
4 or pregnancy-related assistance under the State  
5 child health plan; and

6 “(B) a covered outpatient drug (as defined  
7 in section 1927(k), except that, in applying  
8 paragraph (2)(A) of such section to a drug de-  
9 scribed in such paragraph (1)(A) of such sec-  
10 tion 1905(ee), such drug shall be deemed ‘a  
11 prescribed drug for purposes of subsection  
12 (a)(12)’; and

13 “(3) in order for payment to be available under  
14 section 2105 with respect to child health assistance  
15 or pregnancy-related assistance for covered out-  
16 patient drugs of a manufacturer, the manufacturer  
17 must have entered into and have in effect a single  
18 rebate agreement to—

19 “(A) provide rebates under section 1927 to  
20 a State Medicaid program under title XIX as  
21 well as a State program under this title; and

22 “(B) provide such rebates to a State pro-  
23 gram under this title in the same form and  
24 manner as the manufacturer is required to pro-  
25 vide rebates under an agreement described in

1 section 1927(b) to a State Medicaid program  
2 under title XIX.

3 Nothing in this subsection or subsection (e)(1)(V)  
4 shall be construed as limiting Federal financial par-  
5 ticipation for prescription drugs and biological prod-  
6 ucts that do not satisfy the definition of a covered  
7 outpatient drug and for which there is not a rebate  
8 agreement in effect.”.

9 (2) DRUG REBATE CONFORMING AMEND-  
10 MENT.—Section 1927(a)(1) of the Social Security  
11 Act (42 U.S.C. 1396r–8(a)(1)) is amended in the  
12 first sentence—

13 (A) by striking “or under part B of title  
14 XVIII” and inserting “, under part B of title  
15 XVIII, or, beginning with the first full calendar  
16 quarter with respect to which section  
17 2107(e)(1)(V) applies, under section 2105 with  
18 respect to child health assistance or pregnancy-  
19 related assistance under title XXI”;

20 (B) by striking “a rebate agreement de-  
21 scribed in subsection (b)” and inserting “a sin-  
22 gle rebate agreement described in subsection (b)  
23 with respect to payment under section 1903(a)  
24 and, beginning January 1, 2024, title XXI,”;  
25 and

1 (C) by inserting “and including as such  
2 subsection (b) is applied pursuant to sub-  
3 sections (e)(1)(V) and (h) of section 2107 with  
4 respect to child health assistance and preg-  
5 nancy-related assistance under a State child  
6 health plan under title XXI” before “, and  
7 must meet”.

8 (3) NON-DUPLICATION OF REBATES CON-  
9 FORMING AMENDMENT.—Section 340B(a)(5)(A) of  
10 the Public Health Service Act (42 U.S.C.  
11 256b(a)(5)(A)) is amended—

12 (A) in clause (i), by inserting before the  
13 period the following: “and shall not request  
14 payment under title XXI of such Act for child  
15 health assistance or pregnancy-related assist-  
16 ance (as defined in section 2112(d)(1) of such  
17 Act) under a State child health plan under title  
18 XXI of such Act with respect to a drug that is  
19 subject to an agreement under this section if  
20 the drug is subject to the payment of a rebate  
21 to the State under section 1927 of such Act, as  
22 applied pursuant to subsections (e)(1)(V) and  
23 (h) of section 2107 of such Act”; and

24 (B) in clause (ii), by inserting “, including  
25 as applied pursuant to subsections (e)(1)(V)

1 and (h) of section 2107 of such Act,” after “the  
2 requirements of section 1927(a)(5)(C) of the  
3 Social Security Act”.

4 (4) EXCLUSION OF REBATES FROM BEST PRICE  
5 CONFORMING AMENDMENT.—Section  
6 1927(e)(1)(C)(i) of the Social Security Act (42  
7 U.S.C. 1396r–8(c)(1)(C)(i)) is amended—

8 (A) in subclause (V), by striking “and” at  
9 the end;

10 (B) in subclause (VI), by striking the pe-  
11 riod and inserting “; and”; and

12 (C) by adding at the end the following new  
13 subclause:

14 “(VII) any rebates paid pursuant  
15 to section 2107(e)(1)(V).”.

16 (d) STATE OPTION TO EXPAND CHILDREN’S ELIGI-  
17 BILITY FOR CHIP.—

18 (1) IN GENERAL.—Section 2110(b)(1)(B)(ii) of  
19 the Social Security Act (42 U.S.C.  
20 1397jj(b)(1)(B)(ii)) is amended—

21 (A) in subclause (II), by striking “or” at  
22 the end;

23 (B) in subclause (III), by striking “and”  
24 at the end and inserting “or”; and

1 (C) by inserting after subclause (III) the  
2 following new subclause:

3 “(IV) at the option of the State,  
4 whose family income exceeds the maximum  
5 income level otherwise established for chil-  
6 dren under the State child health plan as  
7 of the date of the enactment of this sub-  
8 clause; and”.

9 (2) TREATMENT OF TERRITORIES.—Section  
10 2104(m)(7) of the Social Security Act (42 U.S.C.  
11 1397dd(m)(7)) is amended—

12 (A) in the matter preceding subparagraph  
13 (A), by striking “the 50 States or the District  
14 of Columbia” and inserting “a State (including  
15 the District of Columbia and each common-  
16 wealth and territory)”;

17 (B) in subparagraph (B)(ii), by striking  
18 “or District”; and

19 (C) in the matter following subparagraph  
20 (B), by striking each place it occurs “or Dis-  
21 trict”

22 (3) REMOVAL OF SUNSET FOR INCREASES IN  
23 ALLOTMENTS.—Section 2104(m)(7)(A) of the Social  
24 Security Act (42 U.S.C. 1397dd(m)(7)(A)) is

1 amended by striking “and ending with fiscal year  
2 2027,”.

3 (e) FUNDING FOR IMPLEMENTATION AND ADMINIS-  
4 TRATION.—In addition to amounts otherwise available,  
5 there is appropriated to the Secretary, for fiscal year  
6 2022, to be available until expended, out of any money  
7 in the Treasury not otherwise appropriated, \$5,000,000,  
8 to provide technical assistance and guidance and cover ad-  
9 ministrative costs associated with implementing the  
10 amendments made by this section.

## 11 **Subtitle H—Medicare Coverage of** 12 **Hearing Services**

### 13 **SEC. 30901. PROVIDING COVERAGE FOR HEARING CARE** 14 **UNDER THE MEDICARE PROGRAM.**

15 (a) PROVISION OF AUDIOLOGY SERVICES BY QUALI-  
16 FIED AUDIOLOGISTS AND QUALIFIED HEARING AID PRO-  
17 FESSIONALS.—

18 (1) IN GENERAL.—Section 1861(ll) of the So-  
19 cial Security Act (42 U.S.C. 1395x(ll)) is amend-  
20 ed—

21 (A) in paragraph (3)—

22 (i) by inserting “(and, beginning Jan-  
23 uary 1, 2023, such aural rehabilitation and  
24 treatment services)” after “assessment  
25 services”;

1 (ii) by inserting “, and, beginning on  
2 January 1, 2023, such hearing assessment  
3 services furnished by a qualified hearing  
4 aid professional,” after “by a qualified au-  
5 diologist”; and

6 (iii) by striking “the audiologist” and  
7 inserting “the audiologist or qualified hear-  
8 ing aid professional”; and

9 (B) in paragraph (4), by adding at the end  
10 the following new subparagraph:

11 “(C) The term ‘qualified hearing aid profes-  
12 sional’ means, with respect to hearing assessment  
13 services described in paragraph (3), an individual  
14 who—

15 “(i) is licensed or registered as a hearing  
16 aid dispenser, hearing aid specialist, hearing in-  
17 strument dispenser, or related professional by  
18 the State in which the individual furnishes such  
19 services; and

20 “(ii) meets such other requirements as the  
21 Secretary determines appropriate (including re-  
22 quirements relating to educational certifications  
23 or accreditations), taking into account any addi-  
24 tional requirements for hearing aid specialists,  
25 hearing aid dispensers, and hearing instrument

1 dispensers established by Medicare Advantage  
2 organizations under part C, State plans (or  
3 waivers of such plans) under title XIX, and the  
4 group health plans and health insurance issuers  
5 (as such terms are defined in section 2791 of  
6 the Public Health Service Act).”.

7 (2) PAYMENT FOR QUALIFIED HEARING AID  
8 PROFESSIONALS.—Section 1833(a)(1) of the Social  
9 Security Act (42 U.S.C. 1395l(a)(1)), as amended  
10 by section 139101(b), is further amended—

11 (A) by striking “and” before “(EE)”; and

12 (B) by inserting before the semicolon at  
13 the end the following: “and (FF) with respect  
14 to hearing assessment services (as described in  
15 paragraph (3) of section 1861(l)) furnished by  
16 a qualified hearing aid professional (as defined  
17 in paragraph (4)(C) of such section), the  
18 amounts paid shall be equal to 80 percent of  
19 the lesser of the actual charge for such services  
20 or 85 percent of the amount for such services  
21 determined under the payment basis determined  
22 under section 1848”.

23 (b) COVERAGE OF HEARING AIDS.—

24 (1) INCLUSION OF HEARING AIDS AS PROS-  
25 THETIC DEVICES.—Section 1861(s)(8) of the Social



1 Security Act (42 U.S.C. 1395x(s)(8)) is amended by  
2 inserting “, and including hearing aids (as described  
3 in section 1834(h)(7)) furnished on or after January  
4 1, 2023, to individuals diagnosed with moderately  
5 severe, severe, or profound hearing loss” before the  
6 semicolon at the end.

7 (2) PAYMENT LIMITATIONS FOR HEARING  
8 AIDS.—Section 1834(h) of the Social Security Act  
9 (42 U.S.C. 1395m(h)) is amended by adding at the  
10 end the following new paragraphs:

11 “(6) PAYMENT ONLY ON AN ASSIGNMENT-RE-  
12 LATED BASIS.—Payment for hearing aids for which  
13 payment may be made under this part may be made  
14 only on an assignment-related basis. The provisions  
15 of section 1842(b)(18)(B) shall apply to hearing aids  
16 in the same manner as they apply to services fur-  
17 nished by a practitioner described in subsection  
18 (b)(18)(C).

19 “(7) LIMITATIONS FOR HEARING AIDS.—Pay-  
20 ment may be made under this part with respect to  
21 an individual, with respect to hearing aids furnished  
22 on or after January 1, 2023—

23 “(A) not more than once per ear during a  
24 5-year period;

1           “(B) only for types of such hearing aids  
2 that are determined appropriate by the Sec-  
3 retary; and

4           “(C) only if furnished pursuant to a writ-  
5 ten order of a physician, qualified audiologist  
6 (as defined in section 1861(ll)(4)), qualified  
7 hearing aid professional (as so defined), physi-  
8 cian assistant, nurse practitioner, or clinical  
9 nurse specialist.”.

10           (3) APPLICATION OF COMPETITIVE ACQUISI-  
11 TION.—

12           (A) IN GENERAL.—Section 1834(h)(1)(H)  
13 of the Social Security Act (42 U.S.C.  
14 1395m(h)(1)(H)) is amended—

15           (i) in the header, by inserting “AND  
16 HEARING AIDS” after “ORTHOTICS”;

17           (ii) by inserting “, or of hearing aids  
18 described in paragraph (2)(D) of such sec-  
19 tion,” after “2011,”; and

20           (iii) in clause (i), by inserting “or  
21 such hearing aids” after “such orthotics”.

22           (B) CONFORMING AMENDMENT.—

23           (i) IN GENERAL.—Section 1847(a)(2)  
24 of the Social Security Act (42 U.S.C.

1           1395w-3(a)(2)) is amended by adding at  
2           the end the following new subparagraph:

3           “(D) HEARING AIDS.—Hearing aids de-  
4           scribed in section 1861(s)(8) for which payment  
5           would otherwise be made under section  
6           1834(h).”.

7           (ii) EXEMPTION OF CERTAIN ITEMS  
8           FROM COMPETITIVE ACQUISITION.—Sec-  
9           tion 1847(a)(7) of the Social Security Act  
10          (42 U.S.C. 1395w-3(a)(7)) is amended by  
11          adding at the end the following new sub-  
12          paragraph:

13          “(C) CERTAIN HEARING AIDS.—Those  
14          items and services described in paragraph  
15          (2)(D) if furnished by a physician or other  
16          practitioner (as defined by the Secretary) to the  
17          physician’s or practitioner’s own patients as  
18          part of the physician’s or practitioner’s profes-  
19          sional service.”.

20          (4) INCLUSION OF QUALIFIED AUDIOLOGISTS  
21          AND QUALIFIED HEARING AID PROFESSIONALS AS  
22          CERTAIN PRACTITIONERS TO RECEIVE PAYMENT ON  
23          AN ASSIGNMENT-RELATED BASIS.—Section  
24          1842(b)(18)(C) of the Social Security Act (42

1 U.S.C. 1395u(b)(18)(C)), is amended by adding at  
2 the end the following new clauses:

3 “(vii) Beginning on January 1, 2023,  
4 a qualified audiologist (as defined in sec-  
5 tion 1861(ll)(4)(B)).

6 “(viii) A qualified hearing aid profes-  
7 sional (as defined in section  
8 1861(ll)(4)(C)).”.

9 (c) EXCLUSION MODIFICATION.—Section 1862(a)(7)  
10 of the Social Security Act (42 U.S.C. 1395y(a)(7)) is  
11 amended by inserting “(except such hearing aids or exami-  
12 nations therefor as described in and otherwise allowed  
13 under section 1861(s)(8))” after “hearing aids or exami-  
14 nations therefor”.

15 (d) INCLUSION AS EXCEPTED MEDICAL TREAT-  
16 MENT.—Section 1821(b)(5)(A) of the Social Security Act  
17 (42 U.S.C. 1395i–5(b)(5)(A)) is amended—

18 (1) in clause (i), by striking “or”;

19 (2) in clause (ii), by striking the period and in-  
20 serting “, or”; and

21 (3) by adding at the end the following new  
22 clause:

23 “(iii) consisting of audiology services  
24 described in subsection (ll)(3) of section  
25 1861, or hearing aids described in sub-

1 section (s)(8) of such section, that are pay-  
2 able under part B as a result of the  
3 amendments made by An Act to provide  
4 for reconciliation pursuant to title II of S.  
5 Con. Res. 14.”.

6 (e) RURAL HEALTH CLINICS AND FEDERALLY  
7 QUALIFIED HEALTH CENTERS.—

8 (1) CLARIFYING COVERAGE OF AUDIOLOGY  
9 SERVICES AS PHYSICIANS’ SERVICES.—Section  
10 1861(aa)(1)(A) of the Social Security Act (42  
11 U.S.C. 1395x(aa)(1)(A)) is amended by inserting  
12 “(including audiology services (as defined in sub-  
13 section (ll)(3)))” after “physicians’ services”.

14 (2) INCLUSION OF QUALIFIED AUDIOLOGISTS  
15 AND QUALIFIED HEARING AID PROFESSIONALS AS  
16 RHC AND FQHC PRACTITIONERS.—Section  
17 1861(aa)(1)(B) of the Social Security Act (42  
18 U.S.C. 1395x(aa)(1)(B)) is amended by inserting  
19 “or by a qualified audiologist or a qualified hearing  
20 aid professional (as such terms are defined in sub-  
21 section (ll)),” after “(as defined in subsection  
22 (hh)(1)),”.

23 (3) TEMPORARY PAYMENT RATES FOR CERTAIN  
24 SERVICES UNDER THE RHC AIR AND FQHC PPS.—

1 (A) AIR.—Section 1833 of the Social Se-  
2 curity Act (42 U.S.C. 1395l) is amended—

3 (i) in subsection (a)(3)(A), by insert-  
4 ing “(which shall, in the case of audiology  
5 services (as defined in section 1861(l)(3)),  
6 in lieu of any limits on reasonable charges  
7 otherwise applicable, be based on the rates  
8 payable for such services under the pay-  
9 ment basis determined under section 1848  
10 until such time as the Secretary deter-  
11 mines sufficient data has been collected to  
12 otherwise apply such limits (or January 1,  
13 2029, if no such determination has been  
14 made as of such date))” after “may pre-  
15 scribe in regulations”; and

16 (ii) by adding at the end the following  
17 new subsection:

18 “(ee) DISREGARD OF COSTS ATTRIBUTABLE TO CER-  
19 TAIN SERVICES FROM CALCULATION OF RHC AIR.—  
20 Payments for rural health clinic services other than audi-  
21 ology services (as defined in section 1861(l)(3)) under the  
22 methodology for all-inclusive rates (established by the Sec-  
23 retary) under subsection (a)(3) shall not take into account  
24 the costs of such services while rates for such services are

1 based on rates payable for such services under the pay-  
2 ment basis established under section 1848.”.

3 (B) PPS.—Section 1834(o) of the Social  
4 Security Act (42 U.S.C. 1395m(o)) is amended  
5 by adding at the end the following new para-  
6 graph:

7 “(5) TEMPORARY PAYMENT RATES BASED ON  
8 PFS FOR CERTAIN SERVICES.—The Secretary shall,  
9 in establishing payment rates for audiology services  
10 (as defined in section 1861(ll)(3)) that are Federally  
11 qualified health center services under the prospective  
12 payment system established under this subsection, in  
13 lieu of the rates otherwise applicable under such sys-  
14 tem, base such rates on rates payable for such serv-  
15 ices under the payment basis established under sec-  
16 tion 1848 until such time as the Secretary deter-  
17 mines sufficient data has been collected to otherwise  
18 establish rates for such services under such system  
19 (or January 1, 2029, if no such determination has  
20 been made as of such date). Payments for Federally  
21 qualified health center services other than such audi-  
22 ology services under such system shall not take into  
23 account the costs of such services while rates for  
24 such services are based on rates payable for such

1 services under the payment basis established under  
2 section 1848.”.

3 (f) IMPLEMENTATION.—

4 (1) IN GENERAL.—In addition to amounts oth-  
5 erwise available, there is appropriated to the Sec-  
6 retary of Health and Human Services for fiscal year  
7 2022, out of any money in the Treasury not other-  
8 wise appropriated, \$370,000,000, to remain avail-  
9 able until expended, for purposes of implementing  
10 the amendments made by this section during the pe-  
11 riod beginning on January 1, 2022, and ending on  
12 September 30, 2031.

13 (2) PROGRAM INSTRUCTION.—The Secretary of  
14 Health and Human Services shall implement the  
15 provisions of, and the amendments made by, this  
16 section for 2022 and 2023 by program instruction.



# Subtitle I—Public Health

## PART 1—HEALTH CARE INFRASTRUCTURE AND WORKFORCE

### SEC. 31001. FUNDING TO SUPPORT CORE PUBLIC HEALTH INFRASTRUCTURE FOR STATE, TERRITORIAL, LOCAL, AND TRIBAL HEALTH DEPARTMENTS AT THE CENTERS FOR DISEASE CONTROL AND PREVENTION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary of Health and Human Services (in this subtitle referred to as the “Secretary”), acting through the Director of the Centers for Disease Control and Prevention (in this section referred to as the “Director”), for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, and to remain available until expended—

(1) for the purposes of carrying out subsection

(c)(1)(A)—

(A) \$200,000,000 in fiscal year 2022;

(B) \$300,000,000 in fiscal year 2023; and

(C) \$1,000,000,000 in each of fiscal years

2024 through 2026;

(2) for the purposes of carrying out subsection

(c)(1)(B)—

(A) \$100,000,000 in fiscal year 2022;

1 (B) \$150,000,000 in fiscal year 2023; and

2 (C) \$500,000,000 in each of fiscal years

3 2024 through 2026; and

4 (3) for the purposes of carrying out subsection

5 (d)—

6 (A) \$100,000,000 in fiscal year 2022;

7 (B) \$150,000,000 in fiscal year 2023; and

8 (C) \$500,000,000 in each of fiscal years

9 2024 through 2026.

10 (b) USE OF FUNDS.—Amounts made available pursu-

11 ant to subsection (a) shall be used to support core public

12 health infrastructure activities to strengthen the public

13 health system of the United States, including by awarding

14 grants under this section and expanding and improving

15 activities of the Centers for Disease Control and Preven-

16 tion under subsections (c) and (d).

17 (c) GRANTS.—

18 (1) AWARDS.—For the purpose of addressing

19 core public health infrastructure needs, the Sec-

20 retary shall award—

21 (A) a grant to each State or territorial

22 health department, and to local health depart-

23 ments that serve counties with a population of

24 at least 2,000,000 or cities with a population of

25 at least 400,000 people; and

1 (B) grants on a competitive basis to State,  
2 territorial, local, or Tribal health departments.

3 (2) REQUIRED USES.—

4 (A) REALLOCATION TO LOCAL HEALTH  
5 DEPARTMENTS.—A State health department re-  
6 ceiving funds under subparagraph (A) or (B) of  
7 paragraph (1) shall allocate at least 25 percent  
8 of such funds to local health departments, as  
9 applicable, within the State to support contribu-  
10 tions of the local health departments to core  
11 public health infrastructure.

12 (B) PROGRESS IN MEETING ACCREDITA-  
13 TION STANDARDS.—A health department receiv-  
14 ing funds under this section that is not accred-  
15 ited shall report to the Secretary on an annual  
16 basis how the department is working to meet  
17 accreditation standards.

18 (3) FORMULA GRANTS TO HEALTH DEPART-  
19 MENTS.—In awarding grants under paragraph (1),  
20 the Secretary shall award funds to each health de-  
21 partment in accordance with a formula which con-  
22 siders population size, the Social Vulnerability Index  
23 of the Centers for Disease Control and Prevention,  
24 and other factors as determined by the Secretary.

1           (4) COMPETITIVE GRANTS TO STATE, TERRI-  
2           TORIAL, LOCAL, AND TRIBAL HEALTH DEPART-  
3           MENTS.—In making grants under paragraph (1)(B),  
4           the Secretary shall give priority to applicants dem-  
5           onstrating core public health infrastructure needs  
6           for public health agencies in the applicant’s jurisdic-  
7           tion.

8           (5) PERMITTED USES.—

9           (A) IN GENERAL.—The Secretary may  
10           make available a subset of the funds available  
11           for grants under paragraph (1) for purposes of  
12           awarding grants to State, territorial, local, and  
13           Tribal health departments for planning or to  
14           support public health accreditation.

15           (B) USES.—Recipients of such grants may  
16           use the grant funds to assess core public health  
17           infrastructure needs and report to the Centers  
18           for Disease Control and Prevention on efforts  
19           to achieve accreditation, as applicable.

20           (6) REQUIREMENTS.—To be eligible for a grant  
21           under this section, an entity shall—

22           (A) submit an application in such form  
23           and containing such information as the Sec-  
24           retary shall require;

1 (B) demonstrate to the satisfaction of the  
2 Secretary that—

3 (i) funds received through the grant  
4 will be expended only to supplement, and  
5 not supplant, non-Federal and Federal  
6 funds otherwise available to the entity for  
7 the purpose of addressing core public  
8 health infrastructure needs; and

9 (ii) with respect to activities for which  
10 the grant is awarded, the entity will main-  
11 tain expenditures of non-Federal amounts  
12 for such activities at a level not less than  
13 the level of such expenditures maintained  
14 by the entity for fiscal year 2019; and

15 (C) agree to report annually to the Direc-  
16 tor regarding the use of the grant funds.

17 (d) CORE PUBLIC HEALTH INFRASTRUCTURE AND  
18 ACTIVITIES FOR THE CDC.—The Secretary, acting  
19 through the Director, shall expand and improve the core  
20 public health infrastructure and activities of the Centers  
21 for Disease Control and Prevention to support activities  
22 necessary to address unmet, ongoing, and emerging public  
23 health needs, including prevention, preparation for, and  
24 response to public health emergencies.

1 (e) DEFINITION.—In this section, the term “core  
2 public health infrastructure” includes—

- 3 (1) health equity activities;
- 4 (2) workforce capacity and competency;
- 5 (3) all hazards public health and preparedness;
- 6 (4) testing capacity, including test platforms,  
7 mobile testing units, and personnel;
- 8 (5) health information, health information sys-  
9 tems, and health information analysis (including  
10 data analytics);
- 11 (6) epidemiology and disease surveillance;
- 12 (7) contact tracing;
- 13 (8) policy and communications;
- 14 (9) financing;
- 15 (10) community partnership development; and
- 16 (11) relevant components of organizational ca-  
17 pacity.

18 (f) SUPPLEMENT NOT SUPPLANT.—Amounts made  
19 available by this section shall be used to supplement, and  
20 not supplant, amounts otherwise made available for the  
21 purposes described in this Act.

22 **SEC. 31002. FUNDING FOR HEALTH CENTER CAPITAL**  
23 **GRANTS.**

24 (a) IN GENERAL.—In addition to amounts otherwise  
25 available, there is appropriated to the Secretary for fiscal

1 year 2022, out of any money in the Treasury not otherwise  
2 appropriated, \$2,000,000,000, to remain available until  
3 expended, for necessary expenses for awarding grants and  
4 entering into cooperative agreements for capital projects  
5 to health centers funded under section 330 of the Public  
6 Health Service Act (42 U.S.C. 254b) to be awarded with-  
7 out regard to the time limitation in subsection (e)(3) and  
8 subsections (e)(6)(A)(iii), (e)(6)(B)(iii), and (r)(2)(B) of  
9 such section 330, and for necessary expenses for awarding  
10 grants and cooperative agreements for capital projects to  
11 Federally qualified health centers, as described in section  
12 1861(aa)(4)(B) of the Social Security Act (42 U.S.C.  
13 1395x(aa)(4)(B)). The Secretary shall take such steps as  
14 may be necessary to expedite the awarding of such grants  
15 to Federally qualified health centers for capital projects.

16 (b) USE OF FUNDS.—Amounts made available to a  
17 recipient of a grant or cooperative agreement pursuant to  
18 subsection (a) shall be used for—

19 (1) health center facility alteration, renovation,  
20 remodeling, expansion, construction, and other cap-  
21 ital improvement costs, including the costs of amor-  
22 tizing the principal of, and paying interest on, loans  
23 for such purposes; and

24 (2) the purchase, renovation, or maintenance of  
25 mobile clinics and related vehicles and equipment.

1 **SEC. 31003. FUNDING FOR TEACHING HEALTH CENTER**  
2 **GRADUATE MEDICAL EDUCATION.**

3 (a) **IN GENERAL.**—In addition to amounts otherwise  
4 available, and notwithstanding the limitations referred to  
5 in subsections (b)(2) and (d)(2) of section 340H of the  
6 Public Health Service Act (42 U.S.C. 256h), there is ap-  
7 propriated to the Secretary for fiscal year 2022, out of  
8 any money in the Treasury not otherwise appropriated,  
9 \$3,370,000,000, to remain available until expended, for—

10 (1) the program of payments to teaching health  
11 centers that operate graduate medical education pro-  
12 grams under such section; and

13 (2) the award of teaching health center develop-  
14 ment grants pursuant to section 749A of the Public  
15 Health Service Act (42 U.S.C. 2931–1).

16 (b) **EXEMPTION FROM AMOUNT AND DURATION LIM-**  
17 **ITATIONS.**—Subsection (b) of section 749A of the Public  
18 Health Service Act (42 U.S.C. 2931–1) shall not apply  
19 with respect to amounts awarded under such section out  
20 of amounts appropriated under subsection (a) or under  
21 section 2604 of the American Rescue Plan Act (Public  
22 Law 117–2).

23 (c) **USE OF FUNDS.**—Amounts made available pursu-  
24 ant to subsection (a) shall be used for the following activi-  
25 ties:



1           (1) For making payments to establish new ap-  
2           proved graduate medical residency training pro-  
3           grams pursuant to section 340H(a)(1)(C) of the  
4           Public Health Service Act (42 U.S.C.  
5           256h(a)(1)(C)).

6           (2) For making payments under section  
7           340H(a)(1)(A) of the Public Health Service Act (42  
8           U.S.C. 256h(a)(1)(A)) to qualified teaching health  
9           centers for maintenance of filled positions at existing  
10          approved graduate medical residency training pro-  
11          grams.

12          (3) For making payments under section  
13          340H(a)(1)(B) of the Public Health Service Act (42  
14          U.S.C. 256h(a)(1)(B)) for the expansion of existing  
15          approved graduate medical residency training pro-  
16          grams.

17          (4) For making awards under section 749A of  
18          the Public Health Service Act (42 U.S.C. 2931–1) to  
19          teaching health centers for the purpose of estab-  
20          lishing new accredited or expanded primary care  
21          residency programs.

22          (5) To provide an increase to the per resident  
23          amount described in section 340H(a)(2) of the Pub-  
24          lic Health Service Act (42 U.S.C. 256h(a)(2)).

1 (d) PRIORITY USES OF FUNDS.—In making pay-  
2 ments and awards under subsection (c), the Secretary  
3 shall, in addition to the requirements of paragraphs (3)(A)  
4 and (3)(B) of section 340H of the Public Health Service  
5 Act (42 U.S.C. 256h), make payments and awards to eligi-  
6 ble entities in a manner that accounts for States or terri-  
7 tories in which there is no existing qualified teaching  
8 health center funded by payments under such section  
9 340H.

10 **SEC. 31004. FUNDING FOR CHILDREN'S HOSPITALS THAT**  
11 **OPERATE GRADUATE MEDICAL EDUCATION**  
12 **PROGRAMS.**

13 In addition to amounts otherwise available, and not-  
14 withstanding the caps on awards specified in paragraphs  
15 (1) and (2) of subsection (b) and (h)(1) of section 340E  
16 of the Public Health Service Act (42 U.S.C. 256e), there  
17 is appropriated to the Secretary for fiscal year 2022, out  
18 of any money in the Treasury not otherwise appropriated,  
19 \$200,000,000, to remain available until expended, for car-  
20 rying out such section 340E of the Public Health Service  
21 Act (42 U.S.C. 256e).

22 **SEC. 31005. FUNDING FOR NATIONAL HEALTH SERVICE**  
23 **CORPS.**

24 In addition to amounts otherwise available, there is  
25 appropriated to the Secretary for fiscal year 2022, out of

1 any money in the Treasury not otherwise appropriated,  
2 \$2,000,000,000, to remain available until expended, for  
3 carrying out sections 338A, 338B, and 338I of the Public  
4 Health Service Act (42 U.S.C. 254l, 254l–1, 254q–1).

5 **SEC. 31006. FUNDING FOR THE NURSE CORPS.**

6 In addition to amounts otherwise available, there is  
7 appropriated to the Secretary for fiscal year 2022, out of  
8 any money in the Treasury not otherwise appropriated,  
9 \$500,000,000, to remain available until expended, for car-  
10 rying out section 846 of the Public Health Service Act  
11 (42 U.S.C. 297n).

12 **SEC. 31007. FUNDING FOR SCHOOLS OF MEDICINE IN UN-**  
13 **DERSERVED AREAS.**

14 (a) IN GENERAL.—In addition to amounts otherwise  
15 available, there is appropriated to the Secretary for fiscal  
16 year 2022, out of any money in the Treasury not otherwise  
17 appropriated, \$500,000,000, to remain available until ex-  
18 pended, for purposes of making awards to eligible entities  
19 for the establishment, improvement, or expansion of an  
20 allopathic or osteopathic school of medicine, or a branch  
21 campus of an allopathic or osteopathic school of medicine,  
22 consistent with subsection (b).

23 (b) USE OF FUNDS.—The Secretary, acting through  
24 the Administrator of the Health Resources and Services  
25 Administration, shall, with priority given to minority-serv-

1 ing institutions described in section 371(a) of the Higher  
2 Education Act of 1965 (20 U.S.C. 1067q(a)), and taking  
3 into consideration equitable distribution of awards among  
4 the geographical regions of the United States (which shall  
5 include rural regions and populations as defined by the  
6 Secretary for the purposes of this section) and the loca-  
7 tions of existing schools of medicine and osteopathic medi-  
8 cine, use amounts appropriated by subsection (a) to award  
9 grants to eligible entities to—

10           (1) recruit, enroll, and retain students, includ-  
11           ing individuals who are from disadvantaged back-  
12           grounds (including racial and ethnic groups under-  
13           represented among medical students and health pro-  
14           fessions), individuals from rural and underserved  
15           areas, low-income individuals, and first generation  
16           college students (as defined in section 402A(h)(3) of  
17           the Higher Education Act of 1965 (20 U.S.C.  
18           1070a–11(h)(3))), at a school of medicine or osteo-  
19           pathic medicine or branch campus of a school of  
20           medicine or osteopathic medicine;

21           (2) develop, implement, and expand curriculum  
22           that emphasizes care for rural and underserved pop-  
23           ulations, including accessible and culturally appro-  
24           priate and linguistically appropriate care and serv-  
25           ices, at such school or branch campus;

1           (3) plan and construct a school of medicine or  
2 osteopathic medicine in an area in which no other  
3 such school or branch campus of such a school is  
4 based;

5           (4) plan, develop, and meet criteria for accredi-  
6 tation for a school of medicine or osteopathic medi-  
7 cine or branch campus of such a school;

8           (5) hire faculty, including faculty from racial  
9 and ethnic groups who are underrepresented among  
10 the medical and other health professions, and other  
11 staff to serve at such a school or branch campus;

12           (6) support educational programs at such a  
13 school or branch campus, including modernizing cur-  
14 riculum;

15           (7) modernize and expand infrastructure at  
16 such a school or branch campus; or

17           (8) support other activities that the Secretary  
18 determines will further the establishment, improve-  
19 ment, or expansion of a school of medicine or osteo-  
20 pathic medicine or branch campus of a school of  
21 medicine or osteopathic medicine.

22 (c) DEFINITIONS.—In this section:

23           (1) ELIGIBLE ENTITY.—The term “eligible enti-  
24 ty” means an institution of higher education as de-

1       fined in section 101 of the Higher Education Act of  
2       1965 (20 U.S.C. 1001).

3           (2) BRANCH CAMPUS.—

4           (A) IN GENERAL.—The term “branch cam-  
5       pus”, with respect to a school of medicine or os-  
6       teopathic medicine, means an additional loca-  
7       tion of such school that is geographically apart  
8       and independent of the main campus, at which  
9       the school offers at least 50 percent of the pro-  
10      gram leading to a degree of doctor of medicine  
11      or doctor of osteopathy that is offered at the  
12      main campus.

13          (B) INDEPENDENCE FROM MAIN CAM-  
14      PUS.—For purposes of subparagraph (A), the  
15      location of a school described in such subpara-  
16      graph shall be considered to be independent of  
17      the main campus described in such subpara-  
18      graph if the location—

19              (i) is permanent in nature;

20              (ii) offers courses in educational pro-  
21      grams leading to a degree, certificate, or  
22      other recognized educational credential;

23              (iii) has its own faculty and adminis-  
24      trative or supervisory organization; and

1 (iv) has its own budgetary and hiring  
2 authority.

3 **SEC. 31008. FUNDING FOR SCHOOLS OF NURSING IN UN-**  
4 **DERSERVED AREAS.**

5 (a) IN GENERAL.—In addition to amounts otherwise  
6 available, there is appropriated to the Secretary for fiscal  
7 year 2022, out of any money in the Treasury not otherwise  
8 appropriated, \$500,000,000, to remain available until ex-  
9 pended, for purposes of making awards to schools of nurs-  
10 ing (as defined in section 801 of the Public Health Service  
11 Act (42 U.S.C. 296)) to enhance and modernize nursing  
12 education programs and increase the number of faculty  
13 and students at such schools.

14 (b) USE OF FUNDS.—The Secretary, acting through  
15 the Administrator of the Health Resources and Services  
16 Administration, taking into consideration equitable dis-  
17 tribution of awards among the geographical regions of the  
18 United States and the capacity of a school of nursing to  
19 provide care in underserved areas, shall use amounts ap-  
20 propriated by subsection (a) to award grants for purposes  
21 of—

22 (1) recruiting, enrolling, and retaining students  
23 at such school, with a priority for students from dis-  
24 advantaged backgrounds (including racial or ethnic  
25 groups underrepresented in the nursing workforce),

1 individuals from rural and underserved areas, low-in-  
2 come individuals, and first generation college stu-  
3 dents (as defined in section 402A(h)(3) of the High-  
4 er Education Act of 1965 (20 U.S.C. 1070a-  
5 11(h)(3)));

6 (2) creating, supporting, or modernizing edu-  
7 cational programs and curricula at such school;

8 (3) retaining current faculty, and hiring new  
9 faculty, with an emphasis on faculty from racial or  
10 ethnic groups that are underrepresented in the nurs-  
11 ing workforce;

12 (4) modernizing infrastructure at such school,  
13 including audiovisual or other equipment, personal  
14 protective equipment, simulation and augmented re-  
15 ality resources, telehealth technologies, and virtual  
16 and physical laboratories;

17 (5) partnering with a health care facility, nurse-  
18 managed health clinic, or community health center,  
19 in order to provide educational opportunities for the  
20 purpose of establishing or expanding clinical edu-  
21 cation;

22 (6) enhancing and expanding nursing programs  
23 that prepare nurse researchers and scientists;

24 (7) establishing nurse-led intradisciplinary and  
25 interprofessional educational partnerships; or



1           (8) other activities that the Secretary deter-  
2           mines will further the development, improvement,  
3           and expansion of schools of nursing.

4 **SEC. 31009. FUNDING FOR PALLIATIVE CARE AND HOSPICE**  
5 **EDUCATION AND TRAINING.**

6           (a) IN GENERAL.—In addition to amounts otherwise  
7 available, there is appropriated to the Secretary for fiscal  
8 year 2022, out of any money in the Treasury not otherwise  
9 appropriated, \$25,000,000, to remain available until ex-  
10 pended, to support the establishment or operation of pro-  
11 grams that—

12           (1) support training of health professionals in  
13 palliative and hospice care (including through  
14 traineeships or fellowships); and

15           (2) foster patient and family engagement, inte-  
16 gration of palliative and hospice care with primary  
17 care and other appropriate specialties, and collabora-  
18 tion with community partners to address gaps in  
19 health care for individuals in need of palliative or  
20 hospice care.

21           (b) USE OF FUNDS.—The Secretary shall, giving pri-  
22 ority to applicants proposing to carry out programs or ac-  
23 tivities that demonstrate coordination with other Federal  
24 or State programs and are expected to substantially ben-  
25 efit rural populations, medically underserved populations,

1 medically underserved communities, Indian Tribes or  
2 Tribal organizations, or Urban Indian organizations, use  
3 amounts appropriated by subsection (a) to carry out a pro-  
4 gram to award grants or contracts to entities defined in  
5 paragraph (1), (3), or (4) of section 799B of the Public  
6 Health Service Act (42 U.S.C. 295p) or section 801(2)  
7 of such Act (42 U.S.C. 296) for purposes of carrying out  
8 the following activities:

9           (1) Clinical training on providing integrated  
10       palliative and hospice care and primary care delivery  
11       services.

12           (2) Interprofessional or interdisciplinary train-  
13       ing to practitioners from multiple disciplines and  
14       specialties, including training on the provision of  
15       care to individuals with palliative or hospice care  
16       needs.

17           (3) Establishing or maintaining training-related  
18       community-based programs for individuals with pal-  
19       liative or hospice care needs and caregivers to im-  
20       prove quality of life, and where appropriate, health  
21       outcomes for individuals who have palliative or hos-  
22       pice care needs.

1 **SEC. 31010. FUNDING FOR PALLIATIVE MEDICINE PHYSI-**  
2 **CIAN TRAINING.**

3 (a) IN GENERAL.—In addition to amounts otherwise  
4 available, there is appropriated to the Secretary for fiscal  
5 year 2022, out of any money in the Treasury not otherwise  
6 appropriated, \$20,000,000, to remain available until ex-  
7 pended, to carry out a program to award grants and con-  
8 tracts to accredited schools of medicine, schools of osteo-  
9 pathic medicine, teaching hospitals, and graduate medical  
10 education programs for the purpose of providing support  
11 for projects that fund the training of physicians or special-  
12 ists who plan to teach or practice palliative medicine.

13 (b) USE OF FUNDS.—Amounts made available to an  
14 awardee pursuant to subsection (a) shall be used to—

15 (1) provide training in interprofessional or  
16 interdisciplinary team-based palliative medicine  
17 through a variety of service rotations, such as rota-  
18 tions with respect to consultation services or acute  
19 and chronic care services, and rotations in other  
20 health care settings, including extended care facili-  
21 ties, ambulatory care and comprehensive evaluation  
22 units, hospices, home care, and community care pro-  
23 grams;

24 (2) develop specific performance-based meas-  
25 ures to evaluate the competency of trainees; and

1           (3) provide training in interprofessional or  
2           interdisciplinary, team-based palliative medicine.

3           (c) GRADUATE MEDICAL EDUCATION PROGRAM DE-  
4 FINED.—In this section, the term “graduate medical edu-  
5 cation program” means a program sponsored by an ac-  
6 credited school of medicine, an accredited school of osteo-  
7 pathic medicine, a hospital, or a public or private institu-  
8 tion that—

9           (1) offers postgraduate medical training in the  
10          specialties and subspecialties of medicine; and

11          (2) has been accredited by—

12                 (A) the Accreditation Council for Graduate  
13                 Medical Education; or

14                 (B) the American Osteopathic Association  
15                 through its Committee on Postdoctoral Train-  
16                 ing (or a successor committee).

17 **SEC. 31011. FUNDING FOR PALLIATIVE CARE AND HOSPICE**  
18 **ACADEMIC CAREER AWARDS.**

19          In addition to amounts otherwise available, there is  
20 appropriated to the Secretary for fiscal year 2022, out of  
21 any money in the Treasury not otherwise appropriated,  
22 \$20,000,000, to remain available until expended, to estab-  
23 lish a program, consistent with section 753(b) of the Pub-  
24 lic Health Service Act (42 U.S.C. 294e(b)), including  
25 paragraphs (5)(A) and (5)(B) of such section 753(b) con-

1 cerning the amount and duration of awards, respectively,  
2 except that such program shall be to provide awards to  
3 accredited schools of medicine, osteopathic medicine, nurs-  
4 ing, social work, psychology, allied health, dentistry, or  
5 chaplaincy applying on behalf of board-certified or board-  
6 eligible individuals in hospice and palliative medicine that  
7 have an early-career junior (non-tenured) faculty appoint-  
8 ment at an accredited school of medicine, or osteopathic  
9 medicine, nursing, social work, psychology, allied health,  
10 dentistry, or chaplaincy, to promote the academic career  
11 development of individuals as hospice and palliative care  
12 specialists.

13 **SEC. 31012. FUNDING FOR HOSPICE AND PALLIATIVE NURS-**  
14 **ING.**

15 (a) IN GENERAL.—In addition to amounts otherwise  
16 available, there is appropriated to the Secretary for fiscal  
17 year 2022, out of any money in the Treasury not otherwise  
18 appropriated, \$20,000,000, to remain available until ex-  
19 pended, to establish a program to award grants and con-  
20 tracts to accredited schools of nursing, health care facili-  
21 ties, programs leading to certification as a certified nurse  
22 assistant, partnerships of such schools and facilities, or  
23 partnerships of such programs and facilities to develop  
24 and implement, in coordination with other hospice and  
25 palliative care programs administered by the Department

1 of Health and Human Services, programs and initiatives  
2 to train and educate individuals in providing interprofes-  
3 sional, interdisciplinary, team-based palliative care in  
4 health-related educational, hospital, hospice, home, or  
5 long-term care settings.

6 (b) USE OF FUNDS.—Amounts made available to an  
7 awardee pursuant to subsection (a) shall be used to—

8 (1) provide training to individuals who will pro-  
9 vide palliative care in health-related educational,  
10 hospital, home, hospice, or long-term care settings;

11 (2) develop and disseminate curricula relating  
12 to palliative care in health-related educational, hos-  
13 pital, home, hospice, or long-term care settings;

14 (3) train faculty members in palliative care in  
15 health-related educational, hospital, home, hospice,  
16 or long-term care settings; and

17 (4) provide continuing education to individuals  
18 who provide palliative care in health-related edu-  
19 cational, home, hospice, or long-term care settings.

20 **SEC. 31013. FUNDING FOR DISSEMINATION OF PALLIATIVE**  
21 **CARE INFORMATION.**

22 (a) IN GENERAL.—In addition to amounts otherwise  
23 available, there is appropriated to the Secretary for fiscal  
24 year 2022, out of any money in the Treasury not otherwise

1 appropriated, \$5,000,000, to remain available until ex-  
2 pended, for the purpose described in subsection (b).

3 (b) USE OF FUNDS.—The Secretary, after consulta-  
4 tion with appropriate medical and other health profes-  
5 sional societies and palliative care and hospice stake-  
6 holders, shall use amounts appropriated by subsection (a)  
7 to award grants or contracts to public and nonprofit pri-  
8 vate entities to disseminate information to inform pa-  
9 tients, families, caregivers, direct care workers, and health  
10 professionals about the benefits of palliative care through-  
11 out the continuum of care for patients with serious or life-  
12 threatening illness. Such awareness campaign shall in-  
13 clude—

14 (1) information, resources, communication, and  
15 education materials about palliative care for patients  
16 and families facing serious or life-threatening ill-  
17 nesses;

18 (2) information regarding hospice and palliative  
19 care services, including information on how such  
20 services may—

21 (A) incorporate age-friendly, patient-cen-  
22 tered, and family-centered support throughout  
23 the continuum of care for serious and life-  
24 threatening illness;

25 (B) anticipate, prevent, and treat pain;

1 (C) optimize quality of life; and

2 (D) facilitate and support the goals and  
3 values of patients and families;

4 (3) materials that explain the role of profes-  
5 sionals trained in hospice and palliative care in pro-  
6 viding team-based care for patients and families  
7 throughout the continuum of care for serious or life-  
8 threatening illness; and

9 (4) materials for specific populations, including  
10 patients with serious or life-threatening illness who  
11 are among medically underserved populations (as de-  
12 fined in section 330(b)(3) of the Public Health Serv-  
13 ice Act (42 U.S.C. 254b(b)(3)) and families of such  
14 patients or health professionals serving medically un-  
15 derserved populations.

16 **PART 2—PANDEMIC PREPAREDNESS**

17 **SEC. 31021. FUNDING FOR LABORATORY ACTIVITIES AT**  
18 **THE CENTERS FOR DISEASE CONTROL AND**  
19 **PREVENTION.**

20 (a) IN GENERAL.—In addition to amounts otherwise  
21 available, there is appropriated to the Secretary for fiscal  
22 year 2022, out of any money in the Treasury not otherwise  
23 appropriated, \$1,400,000,000 to remain available until ex-  
24 pended, for purposes of carrying out activities consistent  
25 with subsection (b).



1 (b) USE OF FUNDS.—The Secretary, acting through  
2 the Director of the Centers for Disease Control and Pre-  
3 vention, shall use amounts made available pursuant to  
4 subsection (a) for the following activities:

5 (1) Supporting renovation, improvement, expansion,  
6 and modernization of State and local public  
7 health laboratory infrastructure (as the term “lab-  
8 oratory” is defined in section 353 of the Public  
9 Health Service Act (42 U.S.C. 263a)), including—

10 (A) the improvement and enhancement of  
11 testing and response capacity;

12 (B) improvements and expansion of the  
13 Laboratory Response Network for rapid out-  
14 break detection;

15 (C) the improvement and expansion of  
16 genomic sequencing capabilities to detect  
17 emerging diseases and variant strains; and

18 (D) the improvement and expansion of bio-  
19 safety and biosecurity capacity.

20 (2) Enhancing the capacity of the laboratories  
21 of the Centers for Disease Control and Prevention  
22 as described in subparagraphs (A) through (D) of  
23 paragraph (1).

24 (3) Enhancing the ability of the Centers for  
25 Disease Control and Prevention to monitor and exer-

1       cise oversight over the biosafety and biosecurity of  
2       State and local public health laboratories.

3 **SEC. 31022. FUNDING FOR PUBLIC HEALTH AND PRE-**  
4                   **PAREDNESS RESEARCH, DEVELOPMENT, AND**  
5                   **COUNTERMEASURE CAPACITY.**

6       (a) IN GENERAL.—In addition to amounts otherwise  
7 available, there is appropriated to the Secretary for fiscal  
8 year 2022, out of any money in the Treasury not otherwise  
9 appropriated, \$1,300,000,000, to carry out activities to  
10 prepare for, and respond to, public health emergencies de-  
11 clared under section 319 of the Public Health Service Act  
12 (42 U.S.C. 247d), as described in subsection (b), to re-  
13 main available until expended.

14       (b) USE OF FUNDS.—The Secretary, acting through  
15 the Assistant Secretary for Preparedness and Response,  
16 shall use amounts made available pursuant to subsection  
17 (a)—

18               (1) to support surge capacity, including through  
19 construction, expansion, or modernization of facili-  
20 ties, to respond to a public health emergency, and  
21 for development, procurement, and domestic manu-  
22 facture of drugs, active pharmaceutical ingredients,  
23 vaccines and other biological products, diagnostic  
24 technologies and products, medical devices (including  
25 personal protective equipment), vials, syringes, nee-

1 dles, and other components or supplies for the Stra-  
2 tegic National Stockpile under section 319F–2 of  
3 the Public Health Service Act (42 U.S.C. 247d–6b);

4 (2) to support expanded vaccine production ca-  
5 pacity and capabilities, including by developing or  
6 acquiring new technology and expanding manufac-  
7 turing capacity through construction, expansion, or  
8 modernization of facilities;

9 (3) to support activities to mitigate supply  
10 chain risks and enhance supply chain elasticity and  
11 resilience for critical drugs, active pharmaceutical in-  
12 gredients, and supplies (including essential medi-  
13 cines, medical countermeasures, and supplies in  
14 shortage or at risk of shortage), drug and vaccine  
15 raw materials, and other supplies, as the Secretary  
16 determines appropriate, including construction, ex-  
17 pansion, or modernization of facilities, adoption of  
18 advanced manufacturing processes, and other activi-  
19 ties to support domestic manufacturing of such sup-  
20 plies;

21 (4) to support activities conducted by the Bio-  
22 medical Advanced Research and Development Au-  
23 thority for advanced research, standards develop-  
24 ment, and domestic manufacturing capacity for  
25 drugs, including essential medicines, diagnostics,

1 vaccines, therapeutics, and personal protective equip-  
2 ment; and

3 (5) to support increased biosafety and biosecu-  
4 rity in research on infectious diseases, including by  
5 modernization or improvement of facilities.

6 **SEC. 31023. FUNDING FOR INFRASTRUCTURE MODERNIZA-**  
7 **TION AND INNOVATION AT THE FOOD AND**  
8 **DRUG ADMINISTRATION.**

9 In addition to amounts otherwise available, there is  
10 appropriated to the Secretary for fiscal year 2022, out of  
11 any money in the Treasury not otherwise appropriated,  
12 to remain available until expended, with respect to improv-  
13 ing and modernizing infrastructure at the Food and Drug  
14 Administration and enhancing food and medical product  
15 safety—

16 (1) \$150,000,000 for improving technological  
17 infrastructure, including through developing inte-  
18 grated systems and improving the interoperability of  
19 information technology systems; and

20 (2) \$150,000,000 for modernizing laboratory  
21 infrastructure of, or used by, the Food and Drug  
22 Administration, including modernization of facilities  
23 related to, and supporting, such laboratory infra-  
24 structure, including through planning for, and the  
25 construction, repair, improvement, extension, alter-

1        ation, demolition, and purchase of, fixed equipment  
2        or facilities.

3                                    **PART 3—MATERNAL MORTALITY**

4 **SEC. 31031. FUNDING FOR LOCAL ENTITIES ADDRESSING**  
5                                    **SOCIAL DETERMINANTS OF MATERNAL**  
6                                    **HEALTH.**

7        (a) IN GENERAL.—In addition to amounts otherwise  
8 available, there is appropriated to the Secretary for fiscal  
9 year 2022, out of any money in the Treasury not otherwise  
10 appropriated, \$100,000,000, to remain available until ex-  
11 pended, for carrying out a program to award grants or  
12 contracts to community-based organizations, Indian  
13 Tribes and Tribal organizations, Urban Indian organiza-  
14 tions, Native Hawaiian organizations, or other nonprofit  
15 organizations working with a community-based organiza-  
16 tion, or consortia of any such entities, operating in areas  
17 with high rates of adverse maternal health outcomes or  
18 with significant racial or ethnic disparities in maternal  
19 health outcomes.

20        (b) USE OF FUNDING.—Amounts made available by  
21 subsection (a) shall be used for the following activities:

22                    (1) Addressing social determinants of health,  
23                    including social determinants of maternal health, for  
24                    pregnant and postpartum individuals and elimi-

1 nating racial and ethnic disparities in maternal  
2 health outcomes by—

3 (A) hiring, training, or retaining staff;

4 (B) developing or distributing culturally  
5 and linguistically appropriate resources for so-  
6 cial services programs;

7 (C) offering programs and resources to ad-  
8 dress social determinants of health;

9 (D) conducting demonstration projects to  
10 address social determinants of health;

11 (E) establishing a culturally and linguis-  
12 tically appropriate resource center that provides  
13 multiple social services programs in a single lo-  
14 cation; and

15 (F) consulting with pregnant and  
16 postpartum individuals to conduct an assess-  
17 ment of the activities conducted under this sec-  
18 tion.

19 (2) Promoting evidence-based health literacy  
20 and pregnancy, childbirth, and parenting education  
21 for pregnant and postpartum individuals, and indi-  
22 viduals seeking to become pregnant.

23 (3) Providing support from perinatal health  
24 workers, including clinical and community-based

1 staff members that provide direct care and support  
2 services to pregnant and postpartum individuals.

3 (4) Providing culturally congruent, linguistically  
4 appropriate, and trauma-informed training to  
5 perinatal health workers, including clinical and com-  
6 munity-based staff members that provide direct care  
7 and support services to pregnant and postpartum in-  
8 dividuals.

9 (c) TECHNICAL ASSISTANCE.—Using amounts made  
10 available under subsection (a), the Secretary shall—

11 (1) conduct outreach to eligible entities to apply  
12 for grants or contracts under subsection (a); and

13 (2) provide technical assistance, including  
14 through a grant or contract, to eligible entities re-  
15 ceiving funding pursuant to subsection (a).

16 **SEC. 31032. FUNDING FOR THE OFFICE OF MINORITY**  
17 **HEALTH.**

18 (a) IN GENERAL.—In addition to amounts otherwise  
19 available, there is appropriated to the Secretary for fiscal  
20 year 2022, out of any money in the Treasury not otherwise  
21 appropriated, \$75,000,000, to remain available until ex-  
22 pended, for carrying out a program to award grants or  
23 contracts to community-based organizations operating in  
24 areas with high rates of adverse maternal health outcomes

1 or with significant racial or ethnic disparities in maternal  
2 health outcomes.

3 (b) USE OF FUNDS.—The Secretary, acting through  
4 the Deputy Assistant Secretary for Minority Health, shall  
5 use amounts made available under subsection (a) to award  
6 grants for the following activities:

7 (1) Addressing social determinants of health,  
8 including social determinants of maternal health, for  
9 pregnant and postpartum individuals and elimi-  
10 nating racial and ethnic disparities in maternal  
11 health outcomes by—

12 (A) hiring, training, or retaining staff;

13 (B) developing or distributing culturally  
14 and linguistically appropriate resources for so-  
15 cial services programs;

16 (C) offering programs and resources to ad-  
17 dress social determinants of health;

18 (D) conducting demonstration projects to  
19 address social determinants of health;

20 (E) establishing a culturally and linguis-  
21 tically appropriate resource center that provides  
22 multiple social services programs in a single lo-  
23 cation; and

24 (F) consulting with pregnant and  
25 postpartum individuals to conduct an assess-



1           ment of the activities conducted under this sec-  
2           tion.

3           (2) Promoting evidence-based health literacy  
4           and pregnancy, childbirth, and parenting education  
5           for pregnant and postpartum individuals, and indi-  
6           viduals seeking to become pregnant.

7           (3) Providing support from perinatal health  
8           workers, including clinical and community-based  
9           staff members that provide direct care and support  
10          services to pregnant and postpartum individuals.

11          (4) Providing culturally congruent, linguistically  
12          appropriate, and trauma-informed training to  
13          perinatal health workers, including clinical and com-  
14          munity-based staff members that provide direct care  
15          and support services to pregnant and postpartum in-  
16          dividuals.

17          (c) TECHNICAL ASSISTANCE.—Using amounts made  
18          available under subsection (a), the Secretary shall—

19               (1) conduct outreach to eligible entities to apply  
20               for grants or contracts under subsection (a); and

21               (2) provide technical assistance, including  
22               through a grant or contract, to eligible entities re-  
23               ceiving funding pursuant to subsection (a).

1 **SEC. 31033. FUNDING TO GROW AND DIVERSIFY THE NURS-**  
2 **ING WORKFORCE IN MATERNAL AND**  
3 **PERINATAL HEALTH.**

4 (a) IN GENERAL.—In addition to amounts otherwise  
5 available, there is appropriated to the Secretary for fiscal  
6 year 2022, out of any money in the Treasury not otherwise  
7 appropriated, \$170,000,000, to remain available until ex-  
8 pended, for carrying out a program to award grants or  
9 contracts to accredited schools of nursing for the purpose  
10 of growing and diversifying the perinatal nursing work-  
11 force, including through improving the capacity and sup-  
12 ply of health care providers.

13 (b) USES OF FUNDS.—

14 (1) AWARDEES.—Prioritizing students and reg-  
15 istered nurses who plan to practice or currently  
16 practice in an underserved area, amounts made  
17 available to awardees by subsection (a) shall, con-  
18 sistent with section 846 of the Public Health Service  
19 Act (42 U.S.C. 297n), be used for the following ac-  
20 tivities:

21 (A) Providing scholarships to students, in-  
22 cluding those from racial and ethnic groups  
23 underrepresented in the health professions,  
24 seeking to become nurse practitioners whose  
25 education includes a focus on maternal and  
26 perinatal health.

1           (B) Providing scholarships to students  
2 seeking to become clinical nurse specialists  
3 whose education includes a focus on maternal  
4 and perinatal health.

5           (C) Providing scholarships to students  
6 seeking to become certified nurse midwives.

7           (D) Providing scholarships to registered  
8 nurses seeking certification as an obstetrics and  
9 gynecology registered nurse.

10          (2) SECRETARY.—The Secretary shall use  
11 amounts made available pursuant to subsection (a)  
12 for the following activities:

13           (A) Developing and implementing strate-  
14 gies to recruit and retain a diverse pool of stu-  
15 dents seeking to enter careers focused on ma-  
16 ternal and perinatal health.

17           (B) Developing partnerships with practice  
18 settings in an underserved area for the clinical  
19 placements of students at the schools receiving  
20 such grants.

21           (C) Developing curriculum for students  
22 seeking to enter careers focused on maternal  
23 and perinatal health that includes training pro-  
24 grams on bias, racism, discrimination, providing

1           culturally competent care, or trauma-informed  
2           care.

3 **SEC. 31034. FUNDING FOR PERINATAL QUALITY**  
4           **COLLABORATIVES.**

5           In addition to amounts otherwise available, there is  
6 appropriated to the Secretary for fiscal year 2022, out of  
7 any money in the Treasury not otherwise appropriated,  
8 \$50,000,000, to remain available until expended, for car-  
9 rying out a program to establish or support perinatal qual-  
10 ity collaboratives to improve perinatal care and perinatal  
11 health outcomes for pregnant and postpartum individuals  
12 and their infants.

13 **SEC. 31035. FUNDING TO GROW AND DIVERSIFY THE DOULA**  
14           **WORKFORCE.**

15           (a) IN GENERAL.—In addition to amounts otherwise  
16 available, there is appropriated to the Secretary for fiscal  
17 year 2022, out of any money in the Treasury not otherwise  
18 appropriated, \$50,000,000, to remain available until ex-  
19 pended, for carrying out a program to award grants or  
20 contracts to health professions schools, academic health  
21 centers, State or local governments, territories, Indian  
22 Tribes and Tribal organizations, Urban Indian organiza-  
23 tions, Native Hawaiian organizations, or other appropriate  
24 public or private nonprofit entities (or consortia of any  
25 such entities, including entities promoting multidisci-

1 plinary approaches), to establish or expand programs to  
2 grow and diversify the doula workforce, including through  
3 improving the capacity and supply of health care pro-  
4 viders.

5 (b) USE OF FUNDS.—Amounts made available by  
6 subsection (a) shall be used for the following activities:

7 (1) Establishing programs that provide edu-  
8 cation and training to individuals seeking appro-  
9 priate training or certification as doulas.

10 (2) Expanding the capacity of existing pro-  
11 grams described in paragraph (1), for the purpose of  
12 increasing the number of students enrolled in such  
13 programs, including by awarding scholarships for  
14 students who agree to work in underserved commu-  
15 nities after receiving such education and training.

16 (3) Developing and implementing strategies to  
17 recruit and retain students from underserved com-  
18 munities, particularly from demographic groups ex-  
19 perienceing high rates of maternal mortality and se-  
20 vere maternal morbidity, including racial and ethnic  
21 minority groups, into programs described in para-  
22 graphs (1) and (2).

1 **SEC. 31036. FUNDING TO GROW AND DIVERSIFY THE MA-**  
2 **TERNAL MENTAL HEALTH AND SUBSTANCE**  
3 **USE DISORDER TREATMENT WORKFORCE.**

4 (a) **IN GENERAL.**—In addition to amounts otherwise  
5 available, there is appropriated to the Secretary for fiscal  
6 year 2022, out of any money in the Treasury not otherwise  
7 appropriated, \$75,000,000, to remain available until ex-  
8 pended, for carrying out a program to award grants or  
9 contracts to health professions schools, academic health  
10 centers, State or local governments, territories, Indian  
11 Tribes and Tribal organizations, Urban Indian organiza-  
12 tions, Native Hawaiian organizations, or other appropriate  
13 public or private nonprofit entities (or consortia of any  
14 such entities, including entities promoting multidisci-  
15 plinary approaches), to establish or expand programs to  
16 grow and diversify the maternal mental health and sub-  
17 stance use disorder treatment workforce, including  
18 through improving the capacity and supply of health care  
19 providers.

20 (b) **USE OF FUNDS.**—Amounts made available by  
21 subsection (a) shall be used for the following activities:

22 (1) Establishing programs that provide edu-  
23 cation and training to individuals seeking appro-  
24 priate licensing or certification as mental health or  
25 substance use disorder treatment providers who plan

1 to specialize in maternal mental health conditions or  
2 substance use disorders.

3 (2) Expanding the capacity of existing pro-  
4 grams described in paragraph (1), for the purposes  
5 of increasing the number of students enrolled in  
6 such programs, including by awarding scholarships  
7 for students.

8 (3) Developing and implementing strategies to  
9 recruit and retain students from underserved com-  
10 munities into programs described in paragraphs (1)  
11 and (2).

12 **SEC. 31037. FUNDING FOR MATERNAL MENTAL HEALTH EQ-**  
13 **UITY GRANT PROGRAMS.**

14 (a) IN GENERAL.—In addition to amounts otherwise  
15 available, there is appropriated to the Secretary for fiscal  
16 year 2022, out of any money in the Treasury not otherwise  
17 appropriated, \$100,000,000, to remain available until ex-  
18 pended, for carrying out a program to award grants or  
19 contracts to community-based organizations, Indian  
20 Tribes and Tribal organizations, Urban Indian organiza-  
21 tions, Native Hawaiian organizations, health care pro-  
22 viders, accredited medical schools, accredited schools of  
23 nursing, teaching hospitals, accredited midwifery pro-  
24 grams, physician assistant education programs, residency  
25 or fellowship programs, or other nonprofit organizations,

1 schools, or programs determined appropriate by the Sec-  
2 retary, or consortia of any such entities, to address mater-  
3 nal mental health conditions and substance use disorders  
4 with respect to pregnant, lactating, and postpartum indi-  
5 viduals in areas with high rates of adverse maternal health  
6 outcomes or with significant racial or ethnic disparities in  
7 maternal health outcomes.

8 (b) USE OF FUNDS.—Amounts made available pursu-  
9 ant to subsection (a), prioritizing community-based orga-  
10 nizations, shall be for the following activities:

11 (1) Establishing or expanding maternity care  
12 programs to improve—

13 (A) the integration of mental health and  
14 substance use disorder treatment services into  
15 primary care settings where pregnant individ-  
16 uals regularly receive health care services; and

17 (B) the coordination between such primary  
18 care settings and mental health and substance  
19 use disorder professionals who treat maternal  
20 mental health conditions and substance use dis-  
21 orders.

22 (2) Establishing or expanding programs that  
23 improve maternal mental health and substance use  
24 disorder treatment from the preconception through  
25 the postpartum periods, with a focus on individuals



1 from racial and ethnic minority groups with high  
2 rates of maternal mortality and morbidity.

3 (3) Establishing or expanding programs to pre-  
4 vent suicide or self-harm among pregnant, lactating,  
5 and postpartum individuals.

6 (4) Establishing or expanding programs to pro-  
7 vide education and training to maternity care pro-  
8 viders, with respect to identifying potential warning  
9 signs for maternal mental health conditions or sub-  
10 stance use disorders in pregnant, lactating, and  
11 postpartum individuals, with a focus on individuals  
12 from racial and ethnic minority groups and offering  
13 referrals to mental health substance use disorder  
14 treatment professionals.

15 (5) Raising awareness of, and addressing stig-  
16 ma associated with, maternal mental health condi-  
17 tions and substance use disorders, with a focus on  
18 pregnant, lactating, and postpartum individuals  
19 from racial and ethnic minority groups.

20 (6) Carrying out other evidence-based or evi-  
21 dence-informed programs to address maternal men-  
22 tal health conditions and substance use disorders for  
23 pregnant and postpartum individuals from racial  
24 and ethnic minority groups.

1 **SEC. 31038. FUNDING FOR EDUCATION AND TRAINING AT**  
2 **HEALTH PROFESSIONS SCHOOLS TO IDENTIFY AND ADDRESS HEALTH RISKS ASSOCI-**  
3 **TIFY AND ADDRESS HEALTH RISKS ASSOCI-**  
4 **ATED WITH CLIMATE CHANGE.**

5 (a) IN GENERAL.—In addition to amounts otherwise  
6 available, there is appropriated to the Secretary for fiscal  
7 year 2022, out of any money in the Treasury not otherwise  
8 appropriated, \$85,000,000, to remain available until ex-  
9 pended, for carrying out a program to award grants or  
10 contracts to accredited medical schools, accredited schools  
11 of nursing, teaching hospitals, accredited midwifery pro-  
12 grams, physician assistant education programs, residency  
13 or fellowship programs, or other schools or programs de-  
14 termined appropriate by the Secretary, or consortia of any  
15 such entities, to support the development and integration  
16 of education and training programs for identifying and ad-  
17 dressing health risks associated with climate change for  
18 pregnant, lactating, and postpartum individuals.

19 (b) USE OF FUNDS.—Amounts made available by  
20 subsection (a) shall be used for developing, integrating,  
21 and implementing curriculum and continuing education  
22 that focuses on the following:

23 (1) Identifying health risks associated with cli-  
24 mate change for pregnant, lactating, and  
25 postpartum individuals and individuals with the in-  
26 tent to become pregnant.

1           (2) How health risks associated with climate  
2           change affect pregnant, lactating, and postpartum  
3           individuals and individuals with the intent to become  
4           pregnant.

5           (3) Racial and ethnic disparities in exposure to,  
6           and the effects of, health risks associated with cli-  
7           mate change for pregnant, lactating, and  
8           postpartum individuals and individuals with the in-  
9           tent to become pregnant.

10          (4) Patient counseling and mitigation strategies  
11          relating to health risks associated with climate  
12          change for pregnant, lactating, and postpartum indi-  
13          viduals.

14          (5) Relevant services and support for pregnant,  
15          lactating, and postpartum individuals relating to  
16          health risks associated with climate change and  
17          strategies for ensuring such individuals have access  
18          to such services and support.

19          (6) Implicit and explicit bias, racism, and dis-  
20          crimination in providing care to pregnant, lactating,  
21          and postpartum individuals and individuals with the  
22          intent to become pregnant.

1 **SEC. 31039. FUNDING FOR MINORITY-SERVING INSTITU-**  
2 **TIONS TO STUDY MATERNAL MORTALITY, SE-**  
3 **VERE MATERNAL MORBIDITY, AND ADVERSE**  
4 **MATERNAL HEALTH OUTCOMES.**

5 (a) IN GENERAL.—In addition to amounts otherwise  
6 available, there is appropriated to the Secretary for fiscal  
7 year 2022, out of any money in the Treasury not otherwise  
8 appropriated, \$50,000,000, to remain available until ex-  
9 pended for carrying out a program to award grants or con-  
10 tracts to minority-serving institutions described in section  
11 371 of the Higher Education Act of 1965 (20 U.S.C.  
12 1067q) to study maternal mortality, severe maternal mor-  
13 bidity, and maternal health outcomes.

14 (b) USE OF FUNDS.—Amounts made available to an  
15 awardee under subsection (a) shall be used for the purpose  
16 specified in such subsection, including the following activi-  
17 ties:

18 (1) Developing and implementing systematic  
19 processes of listening to the stories of pregnant and  
20 postpartum individuals from racial and ethnic mi-  
21 nority groups, and perinatal health workers sup-  
22 porting such individuals, to fully understand the  
23 causes of, and inform potential solutions to, the ma-  
24 ternal mortality and severe maternal morbidity crisis  
25 within their respective communities.

1           (2) Assessing the potential causes of relatively  
2 low rates of maternal mortality among Hispanic in-  
3 dividuals and foreign-born Black women.

4           (3) Assessing differences in rates of adverse  
5 maternal health outcomes among subgroups identi-  
6 fying as Hispanic.

7           (4) Conducting research on maternal morbidity  
8 and mortality, with a focus on health disparities.

9           (c) TECHNICAL ASSISTANCE.—Using amounts made  
10 available by subsection (a), the Secretary shall conduct  
11 outreach to minority-serving institutions (as described in  
12 section 371 of the Higher Education Act of 1965 (20  
13 U.S.C. 1067q))—

14           (1) to inform and raise awareness of the avail-  
15 ability funding through a grant or contract awarded  
16 pursuant to this section;

17           (2) to provide technical assistance, including  
18 through a grant or contract, on the application proc-  
19 ess for grants or contracts awarded pursuant to sub-  
20 section (a); and

21           (3) to promote capacity building to eligible enti-  
22 ties for grant applications pursuant to subsection  
23 (a).

1 **SEC. 31040. FUNDING FOR IDENTIFICATION OF MATERNITY**  
2 **CARE HEALTH PROFESSIONAL TARGET**  
3 **AREAS.**

4 In addition to amounts otherwise available, there is  
5 appropriated to the Secretary for fiscal year 2022, out of  
6 any money in the Treasury not otherwise appropriated,  
7 \$25,000,000, to remain available until expended, for car-  
8 rying out section 332(k) of the Public Health Service Act  
9 (42 U.S.C. 254e(k)).

10 **SEC. 31041. FUNDING FOR MATERNAL MORTALITY REVIEW**  
11 **COMMITTEES TO PROMOTE REPRESENTA-**  
12 **TIVE COMMUNITY ENGAGEMENT.**

13 In addition to amounts otherwise available, there is  
14 appropriated to the Secretary for fiscal year 2022, out of  
15 any money in the Treasury not otherwise appropriated,  
16 \$50,000,000, to remain available until expended, for car-  
17 rying out section 317K(d) of the Public Health Service  
18 Act (42 U.S.C. 247b–12(d)) to promote community en-  
19 gagement in maternal mortality review committees to in-  
20 crease the diversity of a committee’s membership with re-  
21 spect to race and ethnicity, location, and professional  
22 background.

1 **SEC. 31042. FUNDING FOR THE SURVEILLANCE FOR**  
2 **EMERGING THREATS TO MOTHERS AND BA-**  
3 **BIES.**

4 (a) **IN GENERAL.**—In addition to amounts otherwise  
5 available, there is appropriated to the Secretary for fiscal  
6 year 2022, out of any money in the Treasury not otherwise  
7 appropriated, \$100,000,000, to remain available until ex-  
8 pended, for carrying out section 317C of the Public Health  
9 Service Act (42 U.S.C. 247b–4) with respect to conducting  
10 surveillance for emerging threats to mothers and babies.

11 (b) **USE OF FUNDS.**—Amounts made available by  
12 subsection (a) shall be used for the following activities:

13 (1) Expanding the Surveillance for Emerging  
14 Threats to Mothers and Babies activities of the Cen-  
15 ters for Disease Control and Prevention.

16 (2) Working with public health, clinical, and  
17 community-based organizations to provide timely,  
18 continually updated, evidence-based guidance to fam-  
19 ilies and health care providers on ways to reduce  
20 risk to pregnant and postpartum individuals and  
21 their newborns and tailor interventions to improve  
22 their long-term health.

23 (3) Partnering with more State, Tribal, terri-  
24 torial, and local public health programs in the collec-  
25 tion and analysis of clinical data on the impact of  
26 COVID–19 on pregnant and postpartum patients

1 and their newborns, particularly among patients  
2 from racial and ethnic minority groups.

3 (4) Establishing regionally based centers of ex-  
4 cellence to offer medical, public health, and other  
5 knowledge (in coordination with State and Tribal  
6 public health authorities) to ensure that commu-  
7 nities, especially communities with large populations  
8 of individuals from racial and ethnic minority  
9 groups, can help pregnant and postpartum individ-  
10 uals and newborns get the care and support they  
11 need.

12 **SEC. 31043. FUNDING FOR ENHANCING REVIEWS AND SUR-**  
13 **VEILLANCE TO ELIMINATE MATERNAL MOR-**  
14 **TALITY PROGRAM.**

15 (a) IN GENERAL.—In addition to amounts otherwise  
16 available, there is appropriated to the Secretary for fiscal  
17 year 2022, out of any money in the Treasury not otherwise  
18 appropriated, \$30,000,000, to remain available until ex-  
19 pended, for carrying out the Enhancing Reviews and Sur-  
20 veillance to Eliminate Maternal Mortality program estab-  
21 lished under section 317K of the Public Health Service  
22 Act (42 U.S.C. 247b–12).

23 (b) USE OF FUNDS.—Amounts made available by  
24 subsection (a) shall be used for the following activities:



1           (1) Expanding the Enhancing Reviews and Sur-  
2           veillance to Eliminate Maternal Mortality program  
3           (commonly known as the “ERASE MM program”)  
4           of the Centers for Disease Control and Prevention.

5           (2) Expanding partnerships with States, terri-  
6           tories, Indian Tribes, and Tribal organizations to  
7           support Maternal Mortality Review Committees.

8           (3) Providing technical assistance to existing  
9           maternal mortality review committees.

10 **SEC. 31044. FUNDING FOR THE PREGNANCY RISK ASSESS-**  
11 **MENT MONITORING SYSTEM.**

12           (a) IN GENERAL.—In addition to amounts otherwise  
13 available, there is appropriated to the Secretary for fiscal  
14 year 2022, out of any money in the Treasury not otherwise  
15 appropriated, \$15,000,000, to remain available until ex-  
16 pended, for carrying out section 317K of the Public  
17 Health Service Act (42 U.S.C. 247b–12) with respect to  
18 the Pregnancy Risk Assessment Monitoring System.

19           (b) USE OF FUNDS.—Amounts made available by  
20 subsection (a) shall be used for the following activities:

21           (1) Supporting COVID–19 supplements to the  
22           Pregnancy Risk Assessment Monitoring System  
23           questionnaire.

24           (2) Conducting a rapid assessment of COVID–  
25           19 awareness, impact on care and experiences, and

1 use of preventive measures among pregnant, labor-  
2 ing and birthing, and postpartum individuals.

3 (3) Supporting the transition of the question-  
4 naire described in paragraph (1) to an electronic  
5 platform and expanding the distribution of the ques-  
6 tionnaire to a larger population, with a special focus  
7 on reaching underrepresented communities.

8 **SEC. 31045. FUNDING FOR THE NATIONAL INSTITUTE OF**  
9 **CHILD HEALTH AND HUMAN DEVELOPMENT.**

10 In addition to amounts otherwise available, there is  
11 appropriated to the Secretary for fiscal year 2022, out of  
12 any money in the Treasury not otherwise appropriated,  
13 \$15,000,000, to remain available until expended, con-  
14 sistent with the child health and human development ac-  
15 tivities of the Eunice Kennedy Shriver National Institute  
16 of Child Health and Human Development described in sec-  
17 tion 448 of the Public Health Service Act (42 U.S.C.  
18 285g), to conduct or support research for interventions to  
19 mitigate the effects of COVID–19 on pregnant, lactating,  
20 and postpartum individuals, with a particular focus on in-  
21 dividuals from racial and ethnic minority groups.

1 **SEC. 31046. FUNDING FOR EXPANDING THE USE OF TECH-**  
2 **NOLOGY-ENABLED COLLABORATIVE LEARN-**  
3 **ING AND CAPACITY BUILDING MODELS FOR**  
4 **PREGNANT AND POSTPARTUM INDIVIDUALS.**

5 (a) IN GENERAL.—In addition to amounts otherwise  
6 available, there is appropriated to the Secretary for fiscal  
7 year 2022, out of any money in the Treasury not otherwise  
8 appropriated, \$30,000,000, to remain available until ex-  
9 pended, for carrying out a program to award grants or  
10 contracts to community-based organizations, Indian  
11 Tribes and Tribal organizations, Urban Indian organiza-  
12 tions, health care providers, accredited medical schools,  
13 accredited schools of nursing, teaching hospitals, accred-  
14 ited midwifery programs, physician assistant education  
15 programs, residency or fellowship programs, or other  
16 schools or programs determined appropriate by the Sec-  
17 retary, or consortia of any such entities, that are operating  
18 in underserved areas with high rates of adverse maternal  
19 health outcomes or significant racial and ethnic disparities  
20 in maternal health outcomes, to evaluate, develop, and ex-  
21 pand the use of technology-enabled collaborative learning  
22 and capacity building models (as defined in section 330N  
23 of the Public Health Service Act (42 U.S.C. 254c–20)).

24 (b) USE OF FUNDS.—

1           (1) AWARDEES.—A recipient of a grant or con-  
2           tract awarded pursuant to subsection (a) shall use  
3           such amounts to—

4                   (A) train maternal health care providers,  
5                   students, staff of community-based organiza-  
6                   tions, and other entities described in subsection  
7                   (a) through the use and expansion of tech-  
8                   nology-enabled collaborative learning and capac-  
9                   ity building models, including hardware and  
10                  software that—

11                           (i) enables distance learning and tech-  
12                           nical support; and

13                           (ii) supports the secure exchange of  
14                           electronic health information; and

15                   (B) conduct evaluations on the use of tech-  
16                   nology-enabled collaborative learning and capac-  
17                   ity building models to improve maternal health  
18                   outcomes.

19           (2) SECRETARY.—The Secretary shall use  
20           amounts made available pursuant to subsection (a)  
21           to provide technical assistance to recipients of grants  
22           awarded pursuant to subsection (a) on the develop-  
23           ment, use, and sustainability of technology-enabled  
24           collaborative learning and capacity building models

1 to expand access to maternal health services pro-  
2 vided by such entities.

3 **SEC. 31047. FUNDING FOR PROMOTING EQUITY IN MATER-**  
4 **NAL HEALTH OUTCOMES THROUGH DIGITAL**  
5 **TOOLS.**

6 (a) IN GENERAL.—In addition to amounts otherwise  
7 available, there is appropriated to the Secretary for fiscal  
8 year 2022, out of any money in the Treasury not otherwise  
9 appropriated, \$30,000,000, to remain available until ex-  
10 pended, for carrying out a program to award grants or  
11 contracts to community-based organizations, Indian  
12 Tribes and Tribal organizations, Urban Indian organiza-  
13 tions, health care providers, accredited medical schools,  
14 accredited schools of nursing, teaching hospitals, accred-  
15 ited midwifery programs, physician assistant education  
16 programs, residency or fellowship programs, or other  
17 schools or programs determined appropriate by the Sec-  
18 retary, or consortia of any such entities, that are operating  
19 in underserved areas with high rates of adverse maternal  
20 health outcomes or significant racial and ethnic disparities  
21 in maternal health outcomes to reduce racial and ethnic  
22 disparities in maternal health outcomes by increasing ac-  
23 cess to digital tools related to maternal health care.

24 (b) USE OF FUNDS.—Amounts made available to an  
25 awardee pursuant to subsection (a) shall be used for the

1 purpose specified in such subsection, including for increas-  
2 ing access to telehealth technologies (as defined in section  
3 330I of the Public Health Service Act (42 U.S.C. 254c-  
4 14)) and digital tools that could improve maternal health  
5 outcomes, such as wearable technologies, patient portals,  
6 telehealth services, and web-based and mobile phone appli-  
7 cations, digital health services, secure text messaging, on-  
8 line provider communities, mobile clinical decision support  
9 services, and clinical tools to increase diagnostic accuracy.

10 (c) TECHNICAL ASSISTANCE.—Using amounts made  
11 available under subsection (a), the Secretary shall provide  
12 technical assistance, including through a grant or con-  
13 tract, to eligible entities receiving funding pursuant to  
14 subsection (a) on the development, use, evaluation, and  
15 post-grant sustainability of digital tools designed to pro-  
16 mote equity and reduce disparities in maternal health out-  
17 comes.

18 **SEC. 31048. FUNDING FOR ANTIDISCRIMINATION AND BIAS**  
19 **TRAINING.**

20 (a) IN GENERAL.—In addition to amounts otherwise  
21 available, there is appropriated to the Secretary for fiscal  
22 year 2022, out of any money in the Treasury not otherwise  
23 appropriated, \$50,000,000, to remain available until ex-  
24 pended, for the purpose described in subsection (b).

1 (b) USE OF FUNDS.—The Secretary shall, with a  
2 focus on maternal health providers, use amounts appro-  
3 priated under subsection (a) to carry out a program to  
4 award competitive grants or contracts to national non-  
5 profit organizations focused on improving health equity,  
6 accredited schools of medicine or nursing, and other health  
7 professional training programs to develop, disseminate, re-  
8 view, research, and evaluate training for health profes-  
9 sionals and all staff who interact with patients to reduce  
10 discrimination and bias in the provision of health care,  
11 with a focus on maternal health care.

12 **PART 4—OTHER PUBLIC HEALTH INVESTMENTS**

13 **SEC. 31051. FUNDING FOR MENTAL HEALTH AND SUB-**  
14 **STANCE USE DISORDER PROFESSIONALS.**

15 In addition to amounts otherwise available, there is  
16 appropriated to the Secretary for fiscal year 2022, out of  
17 any money in the Treasury not otherwise appropriated,  
18 \$50,000,000, to remain available until expended, for pur-  
19 poses of carrying out section 597 of the Public Health  
20 Service Act (42 U.S.C. 2901l).

21 **SEC. 31052. FUNDING TO SUPPORT PEER RECOVERY SPE-**  
22 **CIALISTS.**

23 In addition to amounts otherwise available, there is  
24 appropriated to the Secretary for fiscal year 2022, out of  
25 any money in the Treasury not otherwise appropriated,

1 \$25,000,000, to remain available until expended, to carry  
2 out section 509 of the Public Health Service Act (42  
3 U.S.C. 290bb–2) with respect to strengthening recovery  
4 community organizations and their statewide network of  
5 recovery stakeholders.

6 **SEC. 31053. FUNDING FOR PROJECT AWARE.**

7 In addition to amounts otherwise available, there is  
8 appropriated to the Secretary for fiscal year 2022, out of  
9 any money in the Treasury not otherwise appropriated,  
10 \$15,000,000, to remain available until expended, for car-  
11 rying out section 520A of the Public Health Service Act  
12 (42 U.S.C. 290bb–32) with respect to advancing wellness  
13 and resiliency in education.

14 **SEC. 31054. FUNDING FOR THE NATIONAL SUICIDE PRE-**  
15 **VENTION LIFELINE.**

16 In addition to amounts otherwise available, there is  
17 appropriated to the Secretary for fiscal year 2022, out of  
18 any money in the Treasury not otherwise appropriated,  
19 \$75,000,000, to remain available until expended, for ad-  
20 vancing infrastructure for the National Suicide Prevention  
21 Lifeline program under section 520E–3 of the Public  
22 Health Service Act (42 U.S.C. 290bb–36c) in order to ex-  
23 pand existing capabilities for response in a manner that  
24 avoids duplicating existing capabilities for text-based crisis  
25 support.



1 **SEC. 31055. FUNDING FOR COMMUNITY VIOLENCE AND**  
2 **TRAUMA INTERVENTIONS.**

3 (a) **IN GENERAL.**—In addition to amounts otherwise  
4 available, there is appropriated to the Secretary, for fiscal  
5 year 2022, out of any money in the Treasury not otherwise  
6 appropriated \$2,500,000,000, to remain available until ex-  
7 pended, for the purposes described in subsection (b):

8 (b) **USE OF FUNDING.**—The Secretary, acting  
9 through the Director of the Centers for Disease Control  
10 and Prevention, and in consultation with the Assistant  
11 Secretary for Mental Health and Substance Use, the Ad-  
12 ministrator of the Health Resources and Services Admin-  
13 istration, the Deputy Assistant Secretary for Minority  
14 Health, and the Assistant Secretary for the Administra-  
15 tion for Children and Families, shall use amounts appro-  
16 priated by subsection (a) to support public health-based  
17 interventions to reduce community violence and trauma,  
18 taking into consideration the needs of communities with  
19 high rates of, and prevalence of risk factors associated  
20 with, violence-related injuries and deaths, by—

21 (1) awarding competitive grants or contracts to  
22 local governmental entities, States, territories, In-  
23 dian Tribes and Tribal organizations, Urban Indian  
24 organizations, hospitals and community health cen-  
25 ters, nonprofit community-based organizations, cul-  
26 turally specific organizations, victim services pro-

1       viders, or other entities as determined by the Sec-  
2       retary (or consortia of such entities) to support evi-  
3       dence-informed, culturally competent, and develop-  
4       mentally appropriate strategies to reduce community  
5       violence, including outreach and conflict mediation,  
6       hospital-based violence intervention, violence inter-  
7       ruption, and services for victims and individuals and  
8       communities at risk for experiencing violence, such  
9       as trauma-informed mental health care and coun-  
10      seling, social-emotional learning and school-based  
11      mental health services, workforce development serv-  
12      ices, and other services that prevent or mitigate the  
13      impact of trauma, build appropriate skills, or pro-  
14      mote resilience; and

15           (2) supporting training, technical assistance, re-  
16      search, evaluation, public health surveillance sys-  
17      tems, data collection, and coordination among rel-  
18      evant stakeholders, to facilitate support for strate-  
19      gies to reduce community violence and ensure safe  
20      and healthy communities.

21           (c) SUPPLEMENT NOT SUPPLANT.—Amounts appro-  
22      priated under this section shall be used to supplement and  
23      not supplant any Federal, State, or local funding other-  
24      wise made available for the purposes described in this sec-  
25      tion.

1 (d) EXPENDITURE REQUIREMENT.—All expenditures  
2 made pursuant to subsection (a) shall be made on or be-  
3 fore September 30, 2031.

4 **SEC. 31056. FUNDING FOR THE NATIONAL CHILD TRAU-**  
5 **MATIC STRESS NETWORK.**

6 In addition to amounts otherwise available, there is  
7 appropriated to the Secretary for fiscal year 2022, out of  
8 any money in the Treasury not otherwise appropriated,  
9 \$5,000,000, to remain available until expended, for car-  
10 rying out section 582 of the Public Health Service Act  
11 (42 U.S.C. 290hh–1) with respect to addressing the prob-  
12 lem of high-risk or medically underserved persons who ex-  
13 perience violence-related stress.

14 **SEC. 31057. FUNDING FOR HIV HEALTH CARE SERVICES**  
15 **PROGRAMS.**

16 In addition to amounts otherwise available, there is  
17 appropriated to the Secretary for fiscal year 2022, out of  
18 any money in the Treasury not otherwise appropriated,  
19 \$75,000,000, to remain available until expended, for nec-  
20 essary expenses for modifications to existing contracts,  
21 and supplements to existing grants and cooperative agree-  
22 ments under sections 2601, 2611, 2651, 2671, and  
23 2692(a) of the Public Health Service Act (42 U.S. Code  
24 300ff–11, 300ff–21, 300ff–51, 300ff–71, 300ff–111).

1 **SEC. 31058. FUNDING FOR CLINICAL SERVICES DEM-**  
2 **ONSTRATION PROJECT.**

3 In addition to amounts otherwise available, there is  
4 appropriated to the Secretary for fiscal year 2022, out of  
5 any money in the Treasury not otherwise appropriated,  
6 \$60,000,000, to remain available until expended, to, act-  
7 ing through the Administrator of the Health Resources  
8 and Services Administration, carry out a program to  
9 award grants or contracts to public and private nonprofit  
10 clinics for the provision of clinical services, pursuant to  
11 a demonstration project under section 318(b)(2) of the  
12 Public Health Service Act (42 U.S.C. 247c(b)(2)).

13 **SEC. 31059. FUNDING TO SUPPORT THE LIFESPAN RESPITE**  
14 **CARE PROGRAM.**

15 In addition to amounts otherwise available, there is  
16 appropriated to the Secretary for fiscal year 2022, out of  
17 any money in the Treasury not otherwise appropriated,  
18 \$5,000,000, to remain available until expended, for car-  
19 rying out sections 2902, 2903, and 2904 of the Public  
20 Health Service Act (42 U.S.C. 300ii-1, 300ii-2, 300ii-  
21 3).

22 **SEC. 31060. FUNDING TO INCREASE RESEARCH CAPACITY**  
23 **AT CERTAIN INSTITUTIONS.**

24 (a) IN GENERAL.—In addition to amounts otherwise  
25 available, there is appropriated to the Secretary for fiscal  
26 year 2022, out of any money in the Treasury not otherwise

1 appropriated, \$75,000,000, to remain available until ex-  
2 pended, for the purposes described in subsection (b).

3 (b) USE OF FUNDS.—The Secretary, acting through  
4 the Director of the National Institutes of Health, shall use  
5 amounts made available under subsection (a) to—

6 (1) maintain and expand programs to increase  
7 research capacity at minority-serving institutions (as  
8 described in section 371 of the Higher Education  
9 Act of 1965 (20 U.S.C. 1067q)), including by sup-  
10 porting the Path to Excellence and Innovation pro-  
11 gram of the National Institutes of Health;

12 (2) support centers of excellence under sections  
13 464z–4 and 736 of the Public Health Service Act  
14 (42 U.S.C. 285t–1, 293);

15 (3) support efforts to diversify the national sci-  
16 entific workforce and expand recruitment and reten-  
17 tion of individuals who are—

18 (A) underrepresented in the biomedical,  
19 clinical, behavioral, and social sciences; and

20 (B) from disadvantaged backgrounds; and

21 (4) support and expand the activities of the Sci-  
22 entific Workforce Diversity Office of the National  
23 Institutes of Health.

1 **SEC. 31061. FUNDING FOR RESEARCH RELATED TO DEVELOPMENTAL DELAYS.**  
2

3 (a) IN GENERAL.—In addition to amounts otherwise  
4 available, there is appropriated to the Secretary for fiscal  
5 year 2022, out of any money in the Treasury not otherwise  
6 appropriated, \$10,000,000, to remain available until ex-  
7 pended, for the purpose described in subsection (b).

8 (b) USE OF FUNDS.—The Secretary, acting through  
9 the Director of the National Institutes of Health, shall use  
10 amounts appropriated by subsection (a) to conduct or sup-  
11 port research related to developmental delays, including  
12 speech and language delays in infants and toddlers, char-  
13 acterizing speech and language development and outcomes  
14 in infants and toddlers through early adolescence. Such  
15 research shall include studies, including longitudinal stud-  
16 ies, conducted or supported by the National Institute on  
17 Deafness and Other Communication Disorders, the Eu-  
18 nice Kennedy Shriver National Institute of Child Health  
19 and Human Development, and other relevant institutes  
20 and centers of the National Institutes of Health.

21 (c) SUPPLEMENT, NOT SUPPLANT.—Amounts made  
22 available to carry out this section shall be used to supple-  
23 ment and not supplant other Federal, State, and local  
24 public funds expended to conduct or support research re-  
25 lated to developmental delays, including speech and lan-  
26 guage delays, in infants, toddlers, and children.

1 **SEC. 31062. SUPPLEMENTAL FUNDING FOR THE WORLD**  
2 **TRADE CENTER HEALTH PROGRAM.**

3 (a) IN GENERAL.—Title XXXIII of the Public  
4 Health Service Act is amended by adding at the end the  
5 following:

6 **“SEC. 3352. SUPPLEMENTAL FUND.**

7 “(a) IN GENERAL.—There is established a fund to  
8 be known as the World Trade Center Health Program  
9 Supplemental Fund (referred to in this section as the  
10 ‘Supplemental Fund’), consisting of amounts deposited  
11 into the Supplemental Fund under subsection (b).

12 “(b) AMOUNT.—Out of any money in the Treasury  
13 not otherwise appropriated, there is appropriated for fiscal  
14 year 2022, \$2,860,000,000, for deposit into the Supple-  
15 mental Fund, which amounts shall remain available  
16 through fiscal year 2031.

17 “(c) USE OF FUNDS.—Amounts deposited into the  
18 Supplemental Fund under subsection (b) shall be avail-  
19 able, without further appropriation and without regard to  
20 any spending limitation under section 3351(c), to the  
21 WTC Program Administrator as needed at the discretion  
22 of such Administrator for carrying out any provision in  
23 this title, including sections 3303 and 3341(c).

24 “(d) RETURN OF FUNDS.—Any amounts that remain  
25 in the Supplemental Fund on September 30, 2031, shall  
26 be deposited into the Treasury as miscellaneous receipts.”.

1 (b) CONFORMING AMENDMENTS.—Title XXXIII of  
2 the Public Health Service Act is amended—

3 (1) in section 3311(a)(4)(B)(i)(II) (42 U.S.C.  
4 300mm–21(a)(4)(B)(i)(II)), by striking “section  
5 3351” and inserting “sections 3351 and 3352”;

6 (2) in section 3321(a)(3)(B)(i)(II) (42 U.S.C.  
7 300mm–31(a)(3)(B)(i)(II)), by striking “section  
8 3351” and inserting “sections 3351 and 3352”;

9 (3) in section 3331 (42 U.S.C. 300mm–41)—

10 (A) in subsection (a), by inserting “and  
11 the World Trade Center Health Program Sup-  
12 plemental Fund” before the period at the end;  
13 and

14 (B) in subsection (d)—

15 (i) in paragraph (1)(B), by inserting  
16 “(excluding any expenditures from  
17 amounts in the World Trade Center  
18 Health Program Supplemental Fund under  
19 section 3352)” before the period at the  
20 end; and

21 (ii) in paragraph (2), in the flush text  
22 following subparagraph (C), by inserting  
23 “(excluding any expenditures from  
24 amounts in the World Trade Center  
25 Health Program Supplemental Fund under



1 section 3352)” before the period at the  
2 end; and

3 (4) in section 3351(b) (42 U.S.C. 300mm–  
4 61(b))—

5 (A) in paragraph (2), by inserting “or as  
6 available from the World Trade Center Health  
7 Program Supplemental Fund under section  
8 3352” before the period at the end; and

9 (B) in paragraph (3), by inserting “or as  
10 available from the World Trade Center Health  
11 Program Supplemental Fund under section  
12 3352” before the period at the end.

13 **PART 5—NATIVE HAWAIIAN PROVISIONS**

14 **SEC. 31071. NATIVE HAWAIIAN HEALTH CARE SYSTEMS.**

15 (a) IN GENERAL.—In addition to amounts otherwise  
16 available, there is appropriated to the Secretary for fiscal  
17 year 2022, out of any money in the Treasury not otherwise  
18 appropriated, \$50,000,000, to remain available until Sep-  
19 tember 30, 2031, for the Secretary, not later than 180  
20 days after the date of enactment of this Act, to award  
21 grants to, or enter into contracts with, Papa Ola Lokahi  
22 to support services described in section 6(c) of the Native  
23 Hawaiian Health Care Improvement Act (42 U.S.C.  
24 11705(c)) in accordance with this section.

1 (b) USE OF FUNDS.—Amounts made available to an  
2 awardee pursuant to subsection (a) shall be used for—

3 (1) the purchase, construction, alteration, ren-  
4 ovation, or equipping of health facilities;

5 (2) maintenance and improvement projects;

6 (3) information technology, telehealth infra-  
7 structure, electric health records systems, and med-  
8 ical equipment; and

9 (4) awarding grants to, or entering into con-  
10 tracts with, Native Hawaiian health care systems  
11 (directly, or through subgrants or subcontracts) to  
12 support services described in section 6(c) of the Na-  
13 tive Hawaiian Health Care Improvement Act (42  
14 U.S.C. 11705(c)), on the condition that such grants  
15 or contracts may only be used for the purposes and  
16 uses described in paragraphs (1) through (3).

17 (c) WAIVER OF CERTAIN RESTRICTIONS.—Sub-  
18 sections (e) and (f)(4) of section 6 of the Native Hawaiian  
19 Health Care Improvement Act (42 U.S.C. 11705(e),  
20 11705(f)(4)) shall not apply to grants (or subgrants)  
21 made using amounts made available under subsection (a).

22 (d) DEFINITIONS.—In this section:

23 (1) NATIVE HAWAIIAN HEALTH CARE SYS-  
24 TEM.—The term “Native Hawaiian health care sys-  
25 tem” has the meaning given the term in section 12

1 of the Native Hawaiian Health Care Improvement  
2 Act (42 U.S.C. 11711).

3 (2) PAPA OLA LOKAHI.—The term “Papa Ola  
4 Lokahi” has the meaning given the term in section  
5 12 of the Native Hawaiian Health Care Improve-  
6 ment Act (42 U.S.C. 11711).

7 **SEC. 31072. NATIVE HAWAIIAN HEALTH IMPROVEMENT**  
8 **GRANTS.**

9 (a) IN GENERAL.—In addition to amounts otherwise  
10 available, there is appropriated to the Secretary for fiscal  
11 year 2022, out of any money in the Treasury not otherwise  
12 appropriated, \$224,000,000, to remain available until  
13 September 30, 2031, to award grants to eligible Native  
14 Hawaiian entities to improve the health status of Native  
15 Hawaiians, including by providing to Native Hawaiians  
16 comprehensive health promotion services, disease preven-  
17 tion services, and primary health services, as described in  
18 section 6(c) of the Native Hawaiian Health Care Improve-  
19 ment Act (42 U.S.C. 11705(c)).

20 (b) DEFINITION OF ELIGIBLE NATIVE HAWAIIAN  
21 ENTITY.—In this section, the term “eligible Native Ha-  
22 waiian entity” means—

23 (1) Papa Ola Lokahi (as defined in section 12  
24 of the Native Hawaiian Health Care Improvement  
25 Act (42 U.S.C. 11711));

1           (2) a Native Hawaiian health care system (as  
2 defined in section 12 of that Act (42 U.S.C.  
3 11711));

4           (3) a Native Hawaiian organization (as defined  
5 in section 12 of that Act (42 U.S.C. 11711));

6           (4) a consortium of 2 or more entities described  
7 in paragraphs (1) through (3); and

8           (5) a consortium that contains at least 1 entity  
9 described in any of paragraphs (1) through (3).

10 **SEC. 31073. NATIVE HAWAIIAN HEALTH CARE SYSTEMS LI-**  
11 **ABILITY COVERAGE.**

12           (a) IN GENERAL.—Subject to subsections (b) and (c),  
13 the Secretary shall apply section 102(d) of the Indian Self-  
14 Determination and Education Assistance Act (25 U.S.C.  
15 5321(d)) to—

16           (1) a Native Hawaiian health care system that  
17 receives a grant from or enters into a contract with  
18 the Secretary under section 6 of the Native Hawai-  
19 ian Health Care Improvement Act (42 U.S.C.  
20 11705) to the same extent as section 102(d) of the  
21 Indian Self-Determination and Education Assistance  
22 Act (25 U.S.C. 5321(d)) applies to an Indian Tribe,  
23 a Tribal organization, and an Indian contractor that  
24 carries out a contract, grant agreement, or coopera-

1       tive agreement, as applicable, under section 102 or  
2       103 of that Act (25 U.S.C. 5321, 5322); and

3               (2) the employees of a Native Hawaiian health  
4       care system that receives a grant from or enters into  
5       a contract with the Secretary under section 6 of the  
6       Native Hawaiian Health Care Improvement Act (42  
7       U.S.C. 11705) to the same extent as section 102(d)  
8       of the Indian Self-Determination and Education As-  
9       sistance Act (25 U.S.C. 5321(d)) applies to the em-  
10      ployees of an Indian Tribe, a Tribal organization, or  
11      an Indian contractor that carries out a contract,  
12      grant agreement, or cooperative agreement, as appli-  
13      cable, under section 102 or 103 of that Act (25  
14      U.S.C. 5321, 5322).

15      (b) EFFECTIVE DATE.—For purposes of subsection  
16 (a), each reference to December 22, 1987, and the ref-  
17 erence to the date of enactment of the Indian Self-Deter-  
18 mination and Education Assistance Act Amendments of  
19 1990 contained in section 102(d) of the Indian Self-Deter-  
20 mination and Education Assistance Act (25 U.S.C.  
21 5321(d)) shall be deemed to be a reference to the date  
22 of enactment of this section.

23      (c) SUNSET.—This section shall cease to have force  
24 or effect on October 1, 2031.

1 **Subtitle J—Next Generation 9–1–1**

2 **SEC. 31101. DEPLOYMENT OF NEXT GENERATION 9–1–1.**

3 (a) APPROPRIATION.—

4 (1) IN GENERAL.—In addition to amounts oth-  
5 erwise available, there is appropriated to the Assist-  
6 ant Secretary for fiscal year 2022, out of any money  
7 in the Treasury not otherwise appropriated,  
8 \$470,000,000, to remain available until September  
9 30, 2030, to make grants to eligible entities for im-  
10 plementing and maintaining Next Generation 9–1–1  
11 in accordance with subsection (b).

12 (2) ADMINISTRATIVE EXPENSES.—In addition  
13 to amounts otherwise available, there is appropriated  
14 to the Assistant Secretary for fiscal year 2022, out  
15 of any money in the Treasury not otherwise appro-  
16 priated, \$20,000,000, to remain available until Sep-  
17 tember 30, 2030, to administer this section.

18 (b) USE OF FUNDS.—An eligible entity may use  
19 grant funds received under this section for—

20 (1) reasonable costs associated with planning,  
21 implementation, and development activities, includ-  
22 ing such activities related to the grant application;

23 (2) deployment, operation, and maintenance of  
24 interoperable and reliable Next Generation 9–1–1,

1 including ensuring the cybersecurity of Next Genera-  
2 tion 9–1–1; and

3 (3) training of personnel related to Next Gen-  
4 eration 9–1–1.

5 (c) CLAWBACK.—The Assistant Secretary shall re-  
6 cover some or all of the grant funds made available to  
7 an eligible entity under this section if—

8 (1) the eligible entity uses the funds for any  
9 other purpose than those set forth in subsection (b);

10 (2) the eligible entity fails to establish a fund-  
11 ing mechanism for Next Generation 9–1–1 sufficient  
12 to cover operations, maintenance, and upgrade costs  
13 within 3 years of the establishment of the grant pro-  
14 gram;

15 (3) the eligible entity engages in the diversion  
16 of any 9–1–1 fee or charge imposed by the eligible  
17 entity; or

18 (4) the eligible entity uses funds to purchase,  
19 rent, lease, or otherwise obtain covered communica-  
20 tions equipment or services (as defined in section 9  
21 of the Secure and Trusted Communications Net-  
22 works Act of 2019 (47 U.S.C. 1608)).

1 **SEC. 31102. ESTABLISHMENT OF NEXT GENERATION 9-1-1**  
2 **CYBERSECURITY CENTER.**

3 In addition to amounts otherwise available, there is  
4 appropriated to the National Telecommunications and In-  
5 formation Administration for fiscal year 2022, out of any  
6 money in the Treasury not otherwise appropriated,  
7 \$9,000,000, to remain available until September 30, 2030,  
8 for the establishment of a Next Generation 9-1-1 Cyber-  
9 security Center to coordinate with State, local, and re-  
10 gional governments on the sharing of cybersecurity infor-  
11 mation about, the analysis of cybersecurity threats to, and  
12 strategies to detect and prevent cybersecurity intrusions  
13 relating to, Next Generation 9-1-1.

14 **SEC. 31103. PUBLIC SAFETY NEXT GENERATION 9-1-1 ADVI-**  
15 **SORY BOARD.**

16 In addition to amounts otherwise available, there is  
17 appropriated to the National Telecommunications and In-  
18 formation Administration for fiscal year 2022, out of any  
19 money in the Treasury not otherwise appropriated,  
20 \$1,000,000, to remain available until September 30, 2030,  
21 to establish a 16-member Public Safety Next Generation  
22 9-1-1 Advisory Board, consisting of public safety officials  
23 and 9-1-1 professionals from diverse backgrounds and  
24 with the necessary technical expertise, to provide rec-  
25 ommendations to the Assistant Secretary with respect to  
26 carrying out the duties and responsibilities of the Assist-



1 ant Secretary related to Next Generation 9–1–1, including  
2 with respect to the grant program established under sec-  
3 tion 31101.

4 **SEC. 31104. DEFINITIONS.**

5 In this subtitle:

6 (1) 9–1–1 FEE OR CHARGE.—The term “9–1–  
7 1 fee or charge” has the meaning given the term in  
8 section 6(f)(3)(D) of the Wireless Communications  
9 and Public Safety Act of 1999 (47 U.S.C. 615a–  
10 1(f)(3)(D)).

11 (2) ASSISTANT SECRETARY.—The term “Assist-  
12 ant Secretary” means the Assistant Secretary of  
13 Commerce for Communications and Information.

14 (3) COMMONLY ACCEPTED STANDARDS.—The  
15 term “commonly accepted standards” means the  
16 technical standards followed by the communications  
17 industry for network, device, and Internet Protocol  
18 connectivity that—

19 (A) ensure interoperability by enabling  
20 emergency communications centers to receive,  
21 process, and analyze all types of 9–1–1 requests  
22 for emergency assistance (including multimedia  
23 and data) and share such requests with other  
24 emergency communications centers and emer-  
25 gency response providers without the need for

1           proprietary interfaces and regardless of juris-  
2           diction, equipment, device, software, service  
3           provider, or any other factor; and

4           (B) are developed and approved by a  
5           standards development organization that is ac-  
6           credited by a United States or international  
7           standards body through a process—

8                   (i) that is consensus-based and open  
9                   for participation, provides conflict resolu-  
10                  tion, and invites comment; and

11                  (ii) through which standards are made  
12                  publicly available once approved.

13           (4) ELIGIBLE ENTITY.—The term “eligible enti-  
14           ty” means a State or a Tribal organization that  
15           has—

16                   (A) named a single point of contact to co-  
17                   ordinate the implementation of Next Generation  
18                   9–1–1; and

19                   (B) developed and submitted a plan for the  
20                   coordination and implementation of Next Gen-  
21                   eration 9–1–1 consistent with any requirements  
22                   of the Assistant Secretary.

23           (5) NEXT GENERATION 9–1–1.—The term  
24           “Next Generation 9–1–1” means an interoperable,  
25           secure, Internet Protocol-based system that—

1 (A) employs commonly accepted standards;

2 (B) enables emergency communications  
3 centers to receive, process, and analyze all types  
4 of 9–1–1 requests for emergency assistance;

5 (C) acquires and integrates additional in-  
6 formation useful to handling 9–1–1 requests for  
7 emergency assistance;

8 (D) supports sharing information related  
9 to 9–1–1 requests for emergency assistance  
10 among emergency communications centers and  
11 emergency response providers without the need  
12 for proprietary interfaces and regardless of ju-  
13 risdiction, equipment, device, software, service  
14 provider, or any other factor; and

15 (E) ensures reliability by enabling ongoing  
16 operation, including through the use of geo-di-  
17 verse device and network agnostic elements that  
18 provide more than 1 physical route between end  
19 points with no common points where a single  
20 failure at that point would cause the operation  
21 of Next Generation 9–1–1 to fail.

22 (6) STATE.—The term “State” means any  
23 State of the United States, the District of Columbia,  
24 Puerto Rico, American Samoa, Guam, the United  
25 States Virgin Islands, the Northern Mariana Is-

1 lands, and any other territory or possession of the  
2 United States.

3 **Subtitle K—Other Matters Related**  
4 **to Connectivity**

5 **SEC. 31201. OUTREACH.**

6 In addition to amounts otherwise available, there is  
7 appropriated to the Federal Communications Commission  
8 for fiscal year 2022, out of any money in the Treasury  
9 not otherwise appropriated, \$100,000,000, to remain  
10 available until September 30, 2031, to conduct outreach  
11 and provide education to the public regarding the  
12 broadband and communications affordability programs of  
13 the Federal Communications Commission to raise aware-  
14 ness about the programs and help consumers access the  
15 programs.

16 **SEC. 31202. FUTURE OF TELECOMMUNICATIONS COUNCIL.**

17 In addition to amounts otherwise available, there is  
18 appropriated to the Secretary of Commerce for fiscal year  
19 2022, out of any money in the Treasury not otherwise ap-  
20 propriated, \$7,000,000, to remain available until Sep-  
21 tember 30, 2031, to establish a council of 14 members  
22 in coordination with the Committee on Commerce,  
23 Science, and Transportation of the Senate, the Committee  
24 on Energy and Commerce of the House of Representa-  
25 tives, the Deputy Secretary of Commerce, the Assistant

1 Secretary of Commerce for Communications and Informa-  
2 tion, the Under Secretary of Commerce for Standards and  
3 Technology, the Chair of the Federal Communications  
4 Commission, the Director of the National Science Founda-  
5 tion, the Majority Leader of the Senate, and the Speaker  
6 of the House of Representatives, to be known as the “Fu-  
7 ture of Telecommunications Council”, to advise Congress  
8 on the development and adoption of 6G and other ad-  
9 vanced wireless communications technologies, including  
10 ensuring equity in access to those technologies for commu-  
11 nities of color and rural communities.

12 **SEC. 31203. AFFORDABILITY.**

13 (a) DEFINITIONS.—In this section:

14 (1) BROADBAND; BROADBAND SERVICE.—The  
15 term “broadband” or “broadband service” has the  
16 meaning given the term “broadband internet access  
17 service” in section 8.1 of title 47, Code of Federal  
18 Regulations, or any successor regulation.

19 (2) COVERED BROADBAND SERVICE.—The term  
20 “covered broadband service” means broadband serv-  
21 ice being delivered through a broadband network  
22 that can easily scale speeds over time to—

23 (A) meet the evolving connectivity needs of  
24 households and businesses; and

1 (B) support the deployment of 5G, suc-  
2 cessor wireless technologies, and other advanced  
3 services.

4 (3) COVERED PUBLIC-PRIVATE PARTNER-  
5 SHIP.—The term “covered public-private partner-  
6 ship” means a partnership between—

7 (A) a State, 1 or more political subdivi-  
8 sions of a State, a utility (including a utility co-  
9 operative), a public utility district, a nonprofit  
10 organization, a regional planning council, or an  
11 economic development authority; and

12 (B) a provider of covered broadband serv-  
13 ice.

14 (4) STATE.—The term “State” means any  
15 State of the United States, the District of Columbia,  
16 Puerto Rico, American Samoa, Guam, the United  
17 States Virgin Islands, the Northern Mariana Is-  
18 lands, and any other territory or possession of the  
19 United States.

20 (b) FUNDING.—

21 (1) PILOT PROJECTS.—In addition to amounts  
22 otherwise available, there is appropriated to the Na-  
23 tional Telecommunications and Information Admin-  
24 istration for fiscal year 2022, out of any money in  
25 the Treasury not otherwise appropriated,

1       \$280,000,000, to remain available until September  
2       30, 2031, for grants to covered public-private part-  
3       nerships for pilot projects to increase access to af-  
4       fordable covered broadband service in urban commu-  
5       nities, including communities of color and for low-  
6       and middle-income consumers, through long-term so-  
7       lutions for such affordability.

8               (2) ADMINISTRATION.—In addition to amounts  
9       otherwise available, there is appropriated to the Na-  
10      tional Telecommunications and Information Admin-  
11      istration for fiscal year 2022, out of any money in  
12      the Treasury not otherwise appropriated,  
13      \$15,000,000, to remain available until September  
14      30, 2031, to administer this section.

15              (3) ADVISORY COMMITTEE.—In addition to  
16      amounts otherwise available, there is appropriated to  
17      the National Telecommunications and Information  
18      Administration for fiscal year 2022, out of any  
19      money in the Treasury not otherwise appropriated,  
20      \$5,000,000, to remain available until September 30,  
21      2031, to establish an advisory committee of 12  
22      members consisting of experts on broadband afford-  
23      ability from diverse backgrounds, to be known as the  
24      “Affordable Urban and Suburban Broadband Advi-  
25      sory Committee”, to advise the National Tele-

1 communications and Information Administration,  
2 the Federal Communications Commission, and Con-  
3 gress on ways to make broadband more affordable  
4 for urban and suburban broadband subscribers, in-  
5 cluding for communities of color and low- and mid-  
6 dle-income consumers, through long-term solutions  
7 for such affordability.

8 **SEC. 31204. ACCESS TO DEVICES.**

9 (a) DEFINITIONS.—In this section:

10 (1) ASSISTANT SECRETARY.—The term “Assist-  
11 ant Secretary” means the Assistant Secretary of  
12 Commerce for Communications and Information.

13 (2) CONNECTED DEVICE.—The term “con-  
14 nected device” means any of the following devices  
15 that meets minimum standards established by the  
16 Assistant Secretary:

17 (A) A WiFi-enabled desktop computer.

18 (B) A WiFi-enabled laptop computer.

19 (C) A WiFi-enabled tablet computer.

20 (D) Any similar WiFi-enabled device (ex-  
21 cept for a telephone or smartphone).

22 (3) CONNECTED DEVICE DISTRIBUTION PRO-  
23 GRAM.—The term “connected device distribution  
24 program” means a program approved by the Assist-



1 ant Secretary that makes available connected devices  
2 for free or at a low cost to an eligible household.

3 (4) ELIGIBLE HOUSEHOLD.—The term “eligible  
4 household” means a household in which—

5 (A) at least one member of the household  
6 meets the qualifications for the Lifeline pro-  
7 gram of the Federal Communications Commis-  
8 sion, except that a household shall be deemed to  
9 meet the income component of those qualifica-  
10 tions if the household’s income is at or below  
11 200 percent of the Federal Poverty Guidelines  
12 for a household of that size;

13 (B) at least one member of the household  
14 has applied for and been approved to receive  
15 benefits under the free and reduced price lunch  
16 program or the school breakfast program;

17 (C) at least one member of the household  
18 has received a Federal Pell Grant in the current  
19 award year, if such award is verifiable through  
20 the National Verifier or National Lifeline Ac-  
21 countability Database or a connected device dis-  
22 tribution program verifies eligibility; or

23 (D) at least one member of the household  
24 receives assistance through the special supple-

1           mental nutritional program for women, infants,  
2           and children.

3           (b) CONNECTED DEVICE GRANT PROGRAM.—

4           (1) APPROPRIATIONS.—

5           (A) IN GENERAL.—In addition to amounts  
6           otherwise available, there is appropriated to the  
7           Assistant Secretary for fiscal year 2022, out of  
8           any money in the Treasury not otherwise ap-  
9           propriated, \$475,000,000, to remain available  
10          until September 30, 2031, for the awarding of  
11          grants to connected device distribution pro-  
12          grams in accordance with this section.

13          (B) ADMINISTRATION.—In addition to  
14          amounts otherwise available, there is appro-  
15          priated to the Assistant Secretary for fiscal  
16          year 2022, out of any money in the Treasury  
17          not otherwise appropriated, \$20,000,000, to re-  
18          main available until September 30, 2031, to ad-  
19          minister this section, including providing tech-  
20          nical assistance to a connected device distribu-  
21          tion program.

22          (C) OUTREACH.—In addition to amounts  
23          otherwise available, there is appropriated to the  
24          Assistant Secretary for fiscal year 2022, out of  
25          any money in the Treasury not otherwise ap-

1           appropriated, \$5,000,000, to remain available  
2           until September 30, 2031, to conduct outreach  
3           related to the availability of grants under this  
4           section.

5           (2) USE OF FUNDS.—

6                   (A) IN GENERAL.—A connected device dis-  
7           tribution program shall use grant funds re-  
8           ceived under this section for—

9                           (i) the reasonable purchase or refur-  
10                           bishment cost of connected devices for dis-  
11                           tribution to eligible households consistent  
12                           with this section; and

13                           (ii) the reasonable administrative  
14                           costs associated with the distribution of  
15                           connected devices described in clause (i).

16                   (B) LIMITATION.—A connected device dis-  
17           tribution program may use grant funds received  
18           under this section to provide not more than—

19                           (i) 1 connected device to an eligible  
20                           household that includes not more than 2  
21                           members over the age of 6; or

22                           (ii) 2 connected devices to an eligible  
23                           household that includes not fewer than 3  
24                           members over the age of 6.



1 19 emergency period (as defined in subsection (d) of that  
2 section).

3 (b) LIMITATION.—None of the funds appropriated  
4 under subsection (a) may be used to purchase, rent, lease,  
5 or otherwise obtain any covered communications equip-  
6 ment or service (as defined in section 9 of the Secure and  
7 Trusted Communications Networks Act of 2019 (47  
8 U.S.C. 1608)).

9 **Subtitle M—Manufacturing Supply**  
10 **Chain and Tourism**

11 **SEC. 31401. MANUFACTURING SUPPLY CHAIN RESILIENCE.**

12 In addition to amounts otherwise available, there is  
13 appropriated for fiscal year 2022, out of any money in  
14 the Treasury not otherwise appropriated, \$5,000,000,000,  
15 to remain available until September 30, 2026, to the Of-  
16 fice of the Secretary of Commerce, to support the resil-  
17 ience of manufacturing supply chains affecting interstate  
18 commerce and related administrative costs, by—

19 (1) mapping and monitoring manufacturing  
20 supply chains;

21 (2) facilitating and supporting the establish-  
22 ment of voluntary standards, guidelines, and best  
23 practices relevant to the resilience of manufacturing  
24 supply chains;

1           (3) identifying, accelerating, promoting, dem-  
2           onstrating, and deploying technological advances for  
3           manufacturing supply chains; and

4           (4) providing grants, loans, and loan guarantees  
5           to maintain and improve manufacturing supply  
6           chain resiliency.

7 **SEC. 31402. DESTINATION MARKETING ORGANIZATION**  
8                                   **GRANT PROGRAM TO PROMOTE SAFE DOMES-**  
9                                   **TIC TRAVEL.**

10           (a) GRANTS FOR DOMESTIC MARKETING ORGANIZA-  
11           TIONS.—In addition to amounts otherwise available, there  
12           is appropriated for fiscal year 2022, out of any money in  
13           the Treasury not otherwise appropriated, \$47,500,000, to  
14           remain available until September 30, 2024, to the Sec-  
15           retary of Commerce to award grants to destination mar-  
16           keting organizations, including public or public-private en-  
17           tities that perform the functions of a destination mar-  
18           keting organization as determined by the Secretary, to  
19           conduct marketing activities to promote domestic travel  
20           within the United States, including with respect to current  
21           travel requirements and safe travel practices, with pref-  
22           erence to destination marketing organizations promoting  
23           a town, city, State, or region where the civilian labor force  
24           in the accommodation, leisure, and hospitality sector has  
25           suffered, and continues to suffer, significant job losses as

1 a result of the COVID–19 pandemic, as determined by  
2 the Secretary.

3 (b) ADMINISTRATIVE COSTS.—In addition to  
4 amounts otherwise available, there is appropriated for fis-  
5 cal year 2022, out of any money in the Treasury not other-  
6 wise appropriated, \$1,500,000, to remain available until  
7 September 30, 2027, to the Secretary of Commerce for  
8 administrative costs associated with providing grants  
9 under subsection (a).

10 (c) DATA ON DOMESTIC TRAVEL AND TOURISM.—  
11 In addition to amounts otherwise available, there is appro-  
12 priated for fiscal year 2022, out of any money in the  
13 Treasury not otherwise appropriated, \$1,000,000, to re-  
14 main available until September 30, 2027, to the Secretary  
15 of Commerce to collect data on domestic travel and tour-  
16 ism in the United States, including the impact of the  
17 COVID–19 pandemic on domestic travel and tourism.

## 18 **Subtitle N—FTC Privacy**

### 19 **Enforcement**

#### 20 **SEC. 31501. FEDERAL TRADE COMMISSION FUNDING FOR A** 21 **PRIVACY BUREAU AND RELATED EXPENSES.**

22 In addition to amounts otherwise available, there is  
23 appropriated for fiscal year 2022, out of any money in  
24 the Treasury not otherwise appropriated, \$500,000,000,  
25 to remain available until September 30, 2029, to the Fed-

1 eral Trade Commission to create and operate a bureau,  
2 including by hiring and retaining technologists, user expe-  
3 rience designers, and other experts as the Commission  
4 considers appropriate, to accomplish its work related to  
5 unfair or deceptive acts or practices relating to privacy,  
6 data security, identity theft, data abuses, and related mat-  
7 ters.

8 **SEC. 31502. FEDERAL TRADE COMMISSION.**

9 Section 5(m)(1)(A) of the Federal Trade Commission  
10 Act (15 U.S.C. 45(m)(1)(A)) is amended—

11 (1) by inserting “this Act’s prohibition of unfair  
12 or deceptive acts or practices or” after “violates” the  
13 first place it appears; and

14 (2) by inserting “a violation of this Act or”  
15 after “unfair or deceptive and”.

16 **Subtitle O—Department of**  
17 **Commerce Inspector General**

18 **SEC. 31601. FUNDING FOR THE OFFICE OF INSPECTOR GEN-**  
19 **ERAL OF THE DEPARTMENT OF COMMERCE.**

20 In addition to amounts otherwise available, there is  
21 appropriated for fiscal year 2022, out of any money in  
22 the Treasury not otherwise appropriated, \$5,000,000, to  
23 remain available until September 30, 2030, to the Office  
24 of Inspector General of the Department of Commerce for



1 oversight of activities supported with funds appropriated  
2 to the Department of Commerce in this Act.

3           **TITLE IV—COMMITTEE ON**  
4           **FINANCIAL SERVICES**  
5 **Subtitle A—Creating and Pre-**  
6 **serving Affordable, Equitable**  
7 **and Accessible Housing for the**  
8 **21st Century**

9 **SEC. 40001. PUBLIC HOUSING INVESTMENTS.**

10           (a) APPROPRIATION.—In addition to amounts other-  
11 wise made available, there is appropriated to the Secretary  
12 of Housing and Urban Development (in this section re-  
13 ferred to as the “Secretary”) for fiscal year 2022, out of  
14 any money in the Treasury not otherwise appropriated—

15                 (1) \$10,000,000,000, to remain available until  
16                 September 30, 2031, for the Capital Fund under  
17                 section 9(d) of the United States Housing Act of  
18                 1937 (42 U.S.C. 1437g(d)) pursuant to the same  
19                 formula as in fiscal year 2021, to be made available  
20                 within 60 days of the date of the enactment of this  
21                 Act;

22                 (2) \$53,000,000,000, to remain available until  
23                 September 30, 2026, for eligible activities under sec-  
24                 tion 9(d)(1) of the United States Housing Act of  
25                 1937 (42 U.S.C. 1437g(d)(1)) for priority invest-

1       ments as determined by the Secretary to repair, re-  
2       place, or construct properties assisted under such  
3       section 9;

4           (3) \$1,200,000,000, to remain available until  
5       September 30, 2026, for competitive grants under  
6       section 24 of the United States Housing Act of 1937  
7       (42 U.S.C. 1437v) (in this section referred to as  
8       “section 24”), under the terms and conditions in  
9       subsection (b), for transformation, rehabilitation,  
10      and replacement housing needs of public and as-  
11      sisted housing, and to transform neighborhoods of  
12      poverty into functioning, sustainable mixed-income  
13      neighborhoods;

14          (4) \$750,000,000, to remain available until  
15      September 30, 2031, for the costs to the Secretary  
16      of administering and overseeing the implementation  
17      of this section and the Public Housing Capital Fund  
18      and the section 24 grant program generally, includ-  
19      ing information technology, financial reporting, re-  
20      search and evaluation, other cross-program costs in  
21      support of programs administered by the Secretary  
22      in this title, and other costs; and

23          (5) \$50,000,000, to remain available until Sep-  
24      tember 30, 2031, to make new awards or increase  
25      prior awards to existing technical assistance pro-

1       viders to provide an increase in capacity building  
2       and technical assistance available to entities eligible  
3       for funding for activities or projects consistent with  
4       this section.

5       (b) TERMS AND CONDITIONS FOR SECTION 24  
6 GRANTS.—Grants awarded under subsection (a)(3) shall  
7 be subject to terms and conditions determined by the Sec-  
8 retary, which shall include the following:

9           (1) USE.—Grant funds may be used for resi-  
10       dent and community services, community develop-  
11       ment and revitalization, and affordable housing  
12       needs in the community.

13          (2) APPLICANTS.—Eligible recipients of grants  
14       shall include lead applicants and joint applicants, as  
15       follows:

16           (A) LEAD APPLICANTS.—A lead applicant  
17       shall be a local government, a public housing  
18       agency, or an owner of an assisted housing  
19       property.

20           (B) JOINT APPLICANTS.—A nonprofit or-  
21       ganization or a for-profit developer may apply  
22       jointly as a joint applicant with such public en-  
23       tities specified in subparagraph (A). A local  
24       government must be a joint applicant with an

1 owner of an assisted housing property specified  
2 in subparagraph (A).

3 (3) PERIOD OF AFFORDABILITY.—Grantees  
4 shall commit to a period of affordability determined  
5 by the Secretary of not fewer than 20 years, but the  
6 Secretary may specify a period of affordability that  
7 is fewer than 20 years with respect to homeowner-  
8 ship units developed with section 24 grants.

9 (4) ENVIRONMENTAL REVIEW.—For purposes  
10 of environmental review, a grantee shall be treated  
11 as a public housing agency under section 26 of the  
12 United States Housing Act of 1937 (42 U.S.C.  
13 1437x).

14 (5) LOW-INCOME AND AFFORDABLE HOUS-  
15 ING.—Amounts made available under this section  
16 shall be used for low-income housing (as such term  
17 is defined under section 3(b) of the United States  
18 Housing Act of 1937 (42 U.S.C. 1437a(b))), HUD-  
19 assisted housing, and affordable housing, which shall  
20 be housing for which the owner of the project shall  
21 record an affordability use restriction approved by  
22 the Secretary for households earning up to 120 per-  
23 cent of the area median income and is subject to the  
24 period of affordability under paragraph (3) of this  
25 subsection.

1 (c) OTHER TERMS AND CONDITIONS.—Grants  
2 awarded under this section shall be subject to the fol-  
3 lowing terms and conditions:

4 (1) LIMITATION.—Amounts provided pursuant  
5 to this section may not be used for operating costs  
6 or rental assistance.

7 (2) DEVELOPMENT OF NEW UNITS.—Paragraph  
8 (3) of section 9(g) of the United States Housing Act  
9 of 1937 (42 U.S.C. 1437g(g)(3)) shall not apply to  
10 new funds made available under this section.

11 (3) HEALTH AND SAFETY.—Amounts made  
12 available under this section shall be used to address  
13 health, safety, and environmental hazards, including  
14 lead, fire, carbon monoxide, mold, asbestos, radon,  
15 pest infestation, and other hazards as defined by the  
16 Secretary.

17 (4) ENERGY EFFICIENCY AND RESILIENCE.—  
18 Amounts made available under this section shall ad-  
19 vance improvements to energy and water efficiency  
20 or climate and disaster resilience in housing assisted  
21 under this section.

22 (5) RECAPTURE.—If the Secretary recaptures  
23 funding allocated by formula from a public housing  
24 agency under subsection (a)(1), such recaptured  
25 amounts shall be added to the amounts available

1 under subsection (a)(2), and shall be obligated by  
2 the Secretary prior to the expiration of such funds.

3 (6) SUPPLEMENTATION OF FUNDS.—The Sec-  
4 retary shall ensure that amounts provided pursuant  
5 to this section shall serve to supplement and not  
6 supplant other amounts generated by a recipient of  
7 such amounts or amounts provided by other Federal,  
8 State, or local sources.

9 (7) WAIVERS AND ALTERNATIVE REQUIRE-  
10 MENTS.—The Secretary may waive or specify alter-  
11 native requirements for subsections (d)(1), (d)(2),  
12 (e), and (j) of section 9 of the United States Hous-  
13 ing Act of 1937 (42 U.S.C. 1437g) and associated  
14 regulations in connection with the use of amounts  
15 made available under this section other than require-  
16 ments related to tenant rights and protections, fair  
17 housing, nondiscrimination, labor standards, and the  
18 environment, upon a finding that the waiver or alter-  
19 native requirement is necessary to facilitate the use  
20 of amounts made available under this section.

21 (d) IMPLEMENTATION.—The Secretary shall have au-  
22 thority to issue such regulations or notices, or other guid-  
23 ance, forms, instructions, and publications to carry out the  
24 programs, projects, or activities authorized under this sec-

1 tion to ensure that such programs, projects, or activities  
2 are completed in a timely and effective manner.

3 **SEC. 40002. INVESTMENTS IN AFFORDABLE AND ACCES-**  
4 **SIBLE HOUSING PRODUCTION.**

5 (a) APPROPRIATION.—In addition to amounts other-  
6 wise made available, there is appropriated to the Secretary  
7 of Housing and Urban Development (in this section re-  
8 ferred to as the “Secretary”) for fiscal year 2022, out of  
9 any money in the Treasury not otherwise appropriated—

10 (1) \$9,925,000,000, to remain available until  
11 September 30, 2026, for activities and assistance for  
12 the HOME Investment Partnerships Program (in  
13 this section referred to as the “HOME program”),  
14 as authorized under sections 241 through 242, 244  
15 through 253, 255 through 256, and 281 through  
16 290 of the Cranston-Gonzalez National Affordable  
17 Housing Act (42 U.S.C. 12741-12742, 42 U.S.C.  
18 12744-12753, 42 U.S.C. 12755-12756, 42 U.S.C.  
19 12831-12840) (in this section referred to as  
20 “NAHA”), subject to the terms and conditions para-  
21 graph (1)(A) of subsection (b);

22 (2) \$14,925,000,000, to remain available until  
23 September 30, 2026, for activities and assistance for  
24 the HOME Investment Partnerships Program, as  
25 authorized under sections 241 through 242, 244

1 through 253, 255 through 256, and 281 through  
2 290 of the Cranston-Gonzalez National Affordable  
3 Housing Act (42 U.S.C. 12741–12742, 42 U.S.C.  
4 12744–12753, 42 U.S.C. 12755–12756, 42 U.S.C.  
5 12831–12840), subject to the terms and conditions  
6 in paragraphs (1)(B) and (2) of subsection (b);

7 (3) \$50,000,000, to remain available until Sep-  
8 tember 30, 2031, to make new awards or increase  
9 prior awards to existing technical assistance pro-  
10 viders to provide an increase in capacity building  
11 and technical assistance available to any grantees  
12 implementing activities or projects consistent with  
13 this section; and

14 (4) \$100,000,000, to remain available until  
15 September 30, 2031, for the costs to the Secretary  
16 of administering and overseeing the implementation  
17 of this section and the HOME and Housing Trust  
18 Fund programs generally, including information  
19 technology, financial reporting, research and evalua-  
20 tions, and other cross-program costs in support of  
21 programs administered by the Secretary in this title,  
22 and other costs.

23 (b) TERMS AND CONDITIONS.—

24 (1) FORMULAS.—



1           (A) The Secretary shall allocate amounts  
2           made available under subsection (a)(1) pursu-  
3           ant to section 217 of NAHA (42 U.S.C. 12747)  
4           to grantees that received allocations pursuant  
5           to that same formula in fiscal year 2021 and  
6           shall make such allocations within 60 days of  
7           the enactment of this Act.

8           (B) The Secretary shall allocate amounts  
9           made available under subsection (a)(2) pursu-  
10          ant to the formula specified in section  
11          1338(c)(3) of the Federal Housing Enterprises  
12          Financial Safety and Soundness Act of 1992  
13          (12 U.S.C. 4568(c)(3)) to grantees that re-  
14          ceived Housing Trust Fund allocations pursu-  
15          ant to that same formula in fiscal year 2021  
16          and shall make such allocations within 60 days  
17          of the date of the enactment of this Act.

18          (2) ELIGIBLE ACTIVITIES.—Other than as pro-  
19          vided in paragraph (5) of this subsection, funds  
20          made available under subsection (a)(2) may only be  
21          used for eligible activities described in subpara-  
22          graphs (A) through (B)(i) of section 1338(c)(7) of  
23          the Federal Housing Enterprises Financial Safety  
24          and Soundness Act of 1992 (12 U.S.C. 4568(c)(7)),  
25          except that not more than 10 percent of funds made

1 available may be used for activities under such sub-  
2 paragraph (B)(i).

3 (3) FUNDING RESTRICTIONS.—The commit-  
4 ment requirements in section 218(g) (42 U.S.C.  
5 12748(g)) of NAHA, the matching requirements in  
6 section 220 (42 U.S.C. 12750) of NAHA, and the  
7 set-aside for housing developed, sponsored, or owned  
8 by community housing development organizations re-  
9 quired in section 231 of NAHA (42 U.S.C. 12771)  
10 shall not apply for amounts made available under  
11 this section.

12 (4) REALLOCATION.—For funds provided under  
13 paragraphs (1) and (2) of subsection (a), the Sec-  
14 retary may recapture certain amounts remaining  
15 available to a grantee under this section or amounts  
16 declined by a grantee, and reallocate such amounts  
17 to other grantees under that paragraph to ensure  
18 fund expenditure, geographic diversity, and avail-  
19 ability of funding to communities within the State  
20 from which the funds have been recaptured.

21 (5) ADMINISTRATION.— Notwithstanding sub-  
22 sections (c) and (d)(1) of section 212 of NAHA (42  
23 U.S.C. 12742), grantees may use not more than 15  
24 percent of their allocations under this section for ad-  
25 ministrative and planning costs.

1           (c) WAIVERS.—The Secretary may waive or specify  
2 alternative requirements for any provision of the Cran-  
3 ston-Gonzalez National Affordable Housing Act specified  
4 in subsection (a)(1) or (a)(2) or regulation for the admin-  
5 istration of the amounts made available under this section  
6 other than requirements related to tenant rights and pro-  
7 tections, fair housing, nondiscrimination, labor standards,  
8 and the environment, upon a finding that the waiver or  
9 alternative requirement is necessary to facilitate the use  
10 of amounts made available under this section.

11           (d) IMPLEMENTATION.—The Secretary shall have au-  
12 thority to issue such regulations, notices, or other guid-  
13 ance, forms, instructions, and publications to carry out the  
14 programs, projects, or activities authorized under this sec-  
15 tion to ensure that such programs, projects, or activities  
16 are completed in a timely and effective manner.

17 **SEC. 40003. HOUSING INVESTMENT FUND.**

18           (a) APPROPRIATION.—In addition to amounts other-  
19 wise available, there is appropriated for fiscal year 2022,  
20 out of any money in the Treasury not otherwise appro-  
21 priated, to remain available until September 30, 2026—

22                   (1) \$740,000,000 to the Department of the  
23 Treasury to establish the Housing Investment Fund  
24 established by this section within the Community  
25 Development Financial Institutions Fund (in this

1 section referred to as the “CDFI Fund”) to make  
2 grants to increase investment in the development,  
3 preservation, rehabilitation, financing, or purchase  
4 of affordable housing primarily for low-, very-low,  
5 and extremely low-income families who are renters,  
6 and for homeowners with incomes up to 120 percent  
7 of the area median income, and for economic devel-  
8 opment and community facilities related to such  
9 housing and to further fair housing; and

10 (2) \$10,000,000 for the costs to the CDFI  
11 Fund of administering and overseeing the implemen-  
12 tation of this section, including information tech-  
13 nology, financial reporting, research and evaluations,  
14 and other costs.

15 (b) ELIGIBLE GRANTEES.—A grant under this sec-  
16 tion may be made, pursuant to such requirements as the  
17 CDFI Fund shall establish, only to—

18 (1) a CDFI Fund certified community develop-  
19 ment financial institution, as such term is defined in  
20 section 103 of the Riegle Community Development  
21 and Regulatory Improvement Act of 1994 (12  
22 U.S.C. 4702);

23 (2) a nonprofit organization having as one of its  
24 principal purposes the creation, development, or

1 preservation of affordable housing, including a sub-  
2 sidiary of a public housing authority; or

3 (3) a consortium comprised of certified commu-  
4 nity development financial institutions, eligible non-  
5 profit housing organizations, or a combination of  
6 both.

7 (c) ELIGIBLE USES.—Eligible uses for grant  
8 amounts awarded from the Housing Investment Fund  
9 pursuant to this section shall—

10 (1) be reasonably expected to result in eligible  
11 affordable housing activities that support or sustain  
12 affordable housing funded by a grant under this sec-  
13 tion and capital from other public and private  
14 sources; and

15 (2) include activities—

16 (A) to provide loan loss reserves;

17 (B) to capitalize an acquisition fund to ac-  
18 quire residential, industrial, or commercial  
19 property and land for the purpose of the preser-  
20 vation, development, or rehabilitation of afford-  
21 able housing, including to support the creation,  
22 preservation, or rehabilitation of resident-owned  
23 manufactured housing communities;

24 (C) to capitalize an affordable housing  
25 fund, for development, preservation, rehabilita-

1           tion, or financing of affordable housing and eco-  
2           nomic development activities, including commu-  
3           nity facilities, if part of a mixed-use project, or  
4           activities described in this paragraph related to  
5           transit-oriented development, which may also be  
6           designated as a focus of such a fund;

7           (D) to capitalize an affordable housing  
8           mortgage fund, to facilitate the origination of  
9           mortgages to buyers that may experience sig-  
10          nificant barriers to accessing affordable mort-  
11          gage credit, including mortgages having low  
12          original principal obligations;

13          (E) for risk-sharing loans;

14          (F) to provide loan guarantees; and

15          (G) to fund rental housing operations.

16          (d) IMPLEMENTATION.—The CDFI Fund shall have  
17          the authority to issue such regulations, notice, or other  
18          guidance, forms, instructions, and publications to carry  
19          out the programs, projects, or activities authorized under  
20          this section to ensure that such programs, projects, or ac-  
21          tivities are completed in a timely and effective manner.

22          **SEC. 40004. SECTION 811 SUPPORTIVE HOUSING FOR PEOP-**  
23          **LE WITH DISABILITIES.**

24          (a) APPROPRIATION.—In addition to amounts other-  
25          wise available, there is appropriated to the Secretary of

1 Housing and Urban Development (in this section referred  
2 to as the “Secretary”) for fiscal year 2022, out of any  
3 money in the Treasury not otherwise appropriated—

4           (1) \$450,000,000 for capital advances, includ-  
5 ing amendments to capital advance contracts, for  
6 supportive housing for persons with disabilities, as  
7 authorized by section 811(b)(2) of the Cranston-  
8 Gonzalez National Affordable Housing Act (42  
9 U.S.C. 8013(b)(2)) (in this section referred to as the  
10 “Act”), and subject to subsections (a) through  
11 (h)(4), (h)(6) through (i)(1)(C), and (i)(2) through  
12 (m) of such section 811 (42 U.S.C. 8013(a)-42  
13 U.S.C. 8013(h)(4), 42 U.S.C. 8013(h)(6)-42 U.S.C.  
14 8013(i)(1)(C), 42 U.S.C. 8013(i)(2)-42 U.S.C.  
15 8013(m)), and for project rental assistance for sup-  
16 portive housing for persons with disabilities under  
17 section 811(d)(2) of the Act and for project assist-  
18 ance contracts pursuant to section 202(h) of the  
19 Housing Act of 1959 (Public Law 86–372; 73 Stat.  
20 667), for project rental assistance to State housing  
21 finance agencies and other appropriate entities as  
22 authorized under section 811(b)(3) of the Act, for  
23 State housing finance agencies;

24           (2) \$7,500,000 for providing technical assist-  
25 ance to support State-level efforts to integrate hous-

1       ing assistance and voluntary supportive services for  
2       residents of housing receiving such assistance, which  
3       funding may also be used to provide technical assist-  
4       ance to applicants and potential applicants to under-  
5       stand program requirements and develop effective  
6       applications, and the Secretary may use amounts  
7       made available under this paragraph to increase  
8       prior awards to existing technical assistance pro-  
9       viders to provide an immediate increase in capacity  
10      building and technical assistance; and

11           (3) \$42,500,000 for the costs to the Secretary  
12      of administering and overseeing the implementation  
13      of this section and the Supportive Housing for Per-  
14      sons with Disabilities program generally, including  
15      information technology, financial reporting, research  
16      and evaluations, other cross-program costs in sup-  
17      port of programs administered by the Secretary in  
18      this title, and other costs.

19      Amounts appropriated by this section shall remain avail-  
20      able until September 30, 2031.

21           (b) LIMITATIONS ON COSTS.—When awarding grants  
22      under paragraph (1) of subsection (a), the Secretary shall  
23      establish and assess reasonable development cost limita-  
24      tions by market area for various types and sizes of sup-  
25      portive housing for persons with disabilities. The Sec-



1 retary shall not count owner or sponsor contributions of  
2 other funding or assistance against the overall cost of a  
3 project.

4 (c) OCCUPANCY STANDARDS.—The owner or sponsor  
5 of housing assisted with funds provided under this section  
6 may, with the approval of the Secretary, limit occupancy  
7 with the housing to persons with disabilities who can ben-  
8 efit from the supportive services offered in connection with  
9 the housing.

10 (d) WAIVERS.—The Secretary may waive or specify  
11 alternative requirements for subsection (c) or (bb) of sec-  
12 tion 8 of the United States Housing Act of 1937 (42  
13 U.S.C. 1437f (c), 1437f(bb)) upon a finding that the waiv-  
14 er or alternative requirement is necessary to facilitate the  
15 use of amounts made available under this section.

16 (e) IMPLEMENTATION.—The Secretary shall have au-  
17 thority to issue such regulations, notices, or other guid-  
18 ance, forms, instructions, and publications to carry out the  
19 programs, projects, or activities authorized under this sec-  
20 tion to ensure that such programs, projects, or activities  
21 are completed in a timely and effective manner.

22 **SEC. 40005. SECTION 202 SUPPORTIVE HOUSING FOR THE**  
23 **ELDERLY PROGRAM.**

24 (a) APPROPRIATION.—In addition to amounts other-  
25 wise available, there is appropriated to the Secretary of

1 Housing and Urban Development (in this section referred  
2 to as the “Secretary”) for fiscal year 2022, out of any  
3 money in the Treasury not otherwise appropriated—

4           (1) \$450,000,000 for the Supportive Housing  
5           for the Elderly Program authorized under section  
6           202 of the Housing Act of 1959, and subject to sub-  
7           sections (a) through (g), (h)(2) through (h)(5), and  
8           (i) through (m) of such section 202 (12 U.S.C.  
9           1701q(a)-12 U.S.C. 1701q(g), 12 U.S.C.  
10          1701q(h)(2)-12 U.S.C. 1701q(h)(5), 12 U.S.C.  
11          1701q(i)-12 U.S.C. 1701q(m)) (in this section re-  
12          ferred to as the “Act”), which shall be used—

13                   (A) for capital advance awards in accord-  
14                   ance with section 202(c)(1) of the Act to recipi-  
15                   ents that are eligible under the Act;

16                   (B) for new section 8 project-based rental  
17                   assistance contracts under section 8(b) of the  
18                   United States Housing Act of 1937 Act (42  
19                   U.S.C. 1437f(b)), subject to subsection (c) of  
20                   this section, with the Secretary setting the  
21                   terms of such project-based rental assistance  
22                   contracts, including the duration and provisions  
23                   regarding rent setting and rent adjustment, to  
24                   support the capital advance projects funded  
25                   under this section; and

1 (C) for service coordinators;

2 (2) \$7,500,000, to provide technical assistance  
3 to support State-level efforts to improve the design  
4 and delivery of voluntary supportive services for resi-  
5 dents of any housing assisted under the Act and  
6 other housing supporting low-income older adults, in  
7 order to support residents to age-in-place and avoid  
8 institutional care, as well as to assist applicants and  
9 potential applicants with project-specific design, and  
10 the Secretary may use amounts made available  
11 under this paragraph to increase prior awards to ex-  
12 isting technical assistance providers to provide an  
13 immediate increase in capacity building and tech-  
14 nical assistance; and

15 (3) \$42,500,000 for the costs to the Secretary  
16 of administering and overseeing the implementation  
17 of this section and the Supportive Housing for the  
18 Elderly program generally, including information  
19 technology, financial reporting, research and evalua-  
20 tion, other cross-program costs in support of pro-  
21 grams administered by the Secretary in this title,  
22 and other costs.

23 Amounts appropriated by this section shall remain avail-  
24 able until September 30, 2031.

1 (b) LIMITATION ON COSTS.—When awarding grants  
2 under paragraph (1) of subsection (a), the Secretary shall  
3 establish and assess reasonable development cost limita-  
4 tions by market area for various types and sizes of sup-  
5 portive housing for the elderly. The Secretary shall not  
6 count owner or sponsor contributions of other funding or  
7 assistance against the overall cost of a project.

8 (c) WAIVERS.—The Secretary may waive or specify  
9 alternative requirements for any provision of subsection  
10 (c) or (bb) of section 8 of the United States Housing Act  
11 of 1937 (42 U.S.C. 1437f (c), 1437f(bb)) upon a finding  
12 that the waiver or alternative requirement is necessary to  
13 facilitate the use of amounts made available under this  
14 section.

15 (d) IMPLEMENTATION.—The Secretary shall have au-  
16 thority to issue such regulations, notices, or other guid-  
17 ance, forms, instructions, and publications to carry out the  
18 programs, projects, or activities authorized under this sec-  
19 tion to ensure that such programs, projects, or activities  
20 are completed in a timely and effective manner.

21 **SEC. 40006. IMPROVING ENERGY EFFICIENCY OR WATER**  
22 **EFFICIENCY OR CLIMATE RESILIENCE OF AF-**  
23 **FORDABLE HOUSING.**

24 (a) APPROPRIATION.—In addition to amounts other-  
25 wise available, there is appropriated to the Secretary of

1 Housing and Urban Development (in this section referred  
2 to as the “Secretary”) for fiscal year 2022, out of any  
3 money in the Treasury not otherwise appropriated—

4           (1) \$1,770,000,000, to remain available until  
5           September 30, 2028, for the cost of providing direct  
6           loans, including the costs of modifying such loans,  
7           and for grants, as provided for and subject to terms  
8           and conditions in subsection (b), including to sub-  
9           sidize gross obligations for the principal amount of  
10          direct loans, not to exceed \$4,000,000,000, to fund  
11          projects that improve the energy or water efficiency,  
12          indoor air quality and sustainability improvements,  
13          implement low-emission technologies, materials, or  
14          processes, including zero-emission electricity genera-  
15          tion, energy storage, or building electrification, elec-  
16          tric car charging station installations, or address cli-  
17          mate resilience of multifamily properties;

18          (2) \$25,000,000, to remain available until Sep-  
19          tember 30, 2030, for the costs to the Secretary of  
20          administering and overseeing the implementation of  
21          this section, including information technology, finan-  
22          cial reporting, research and evaluation, other cross-  
23          program costs in support of programs administered  
24          by the Secretary in this title, and other costs;

1           (3) \$120,000,000, to remain available until  
2           September 30, 2029, for expenses of contracts ad-  
3           ministered by the Secretary, including to carry out  
4           property climate risk, energy, or water assessments,  
5           due diligence, and underwriting functions for such  
6           grant and direct loan program; and

7           (4) \$85,000,000, to remain available until Sep-  
8           tember 30, 2028, for energy and water  
9           benchmarking of properties eligible to receive grants  
10          or loans under this section, regardless of whether  
11          they actually received such grants, along with associ-  
12          ated data analysis and evaluation at the property  
13          and portfolio level, including the development of in-  
14          formation technology systems necessary for the col-  
15          lection, evaluation, and analysis of such data.

16          (b) LOAN AND GRANT TERMS AND CONDITIONS.—  
17          Amounts made available under this section shall be for  
18          direct loans, grants, and direct loans that can be converted  
19          to grants to eligible recipients that agree to an extended  
20          period of affordability for the property.

21          (c) DEFINITIONS.—As used in this section—

22                  (1) the term “eligible recipient” means any  
23                  owner or sponsor of an eligible property; and

24                  (2) the term “eligible property” means a prop-  
25                  erty receiving project-based assistance pursuant to—

1 (A) section 202 of the Housing Act of  
2 1959 (12 U.S.C. 1701q);

3 (B) section 811 of the Cranston-Gonzalez  
4 National Affordable Housing Act (42 U.S.C.  
5 8013); or

6 (C) section 8(b) of the United States  
7 Housing Act of 1937 (42 U.S.C. 1437f(b))

8 (d) WAIVER.—The Secretary may waive or specify al-  
9 ternative requirements for any provision of subsection (c)  
10 or (bb) of section 8 of the United States Housing Act of  
11 1937 (42 U.S.C. 1437f(c), 1437f(bb)) upon a finding that  
12 the waiver or alternative requirement is necessary to facili-  
13 tate the use of amounts made available under this section.

14 (e) IMPLEMENTATION.—The Secretary shall have au-  
15 thority to issue such regulations, notices, or other guid-  
16 ance, forms, instructions, and publications to carry out the  
17 programs, projects, or activities authorized under this sec-  
18 tion to ensure that such programs, projects, or activities  
19 are completed in a timely and effective manner.

20 **SEC. 40007. REVITALIZATION OF DISTRESSED MULTI-**  
21 **FAMILY PROPERTIES.**

22 (a) APPROPRIATION.—In addition to amounts other-  
23 wise available, there is appropriated to the Secretary of  
24 Housing and Urban Development (in this section referred

1 to as the “Secretary”) for fiscal year 2022, out of any  
2 money in the Treasury not otherwise appropriated—

3 (1) \$1,550,000,000 for providing direct loans,  
4 which may be forgivable, to owners of distressed  
5 properties for the purpose of making necessary phys-  
6 ical improvements, including to subsidize gross obli-  
7 gations for the principal amount of direct loans not  
8 to exceed \$6,000,000,000, subject to the terms and  
9 conditions in subsection (b); and

10 (2) \$50,000,000 for the costs to the Secretary  
11 of administering and overseeing the implementation  
12 of this section and the Office of Housing programs  
13 generally, including information technology, financial  
14 reporting, research and evaluations, other cross-pro-  
15 gram costs in support of programs administered by  
16 the Secretary in this title, and other costs.

17 Amounts appropriated by this section shall remain avail-  
18 able until September 30, 2029.

19 (b) LOAN TERMS AND CONDITIONS.—

20 (1) ELIGIBILITY.—Owners or sponsors of multi-  
21 family housing projects who meet each of the fol-  
22 lowing requirements shall be eligible for loan assist-  
23 ance under this section:

24 (A) The multifamily housing project, in-  
25 cluding any project from which assistance has



1           been approved to be transferred has deficiencies  
2           that cause the project to be at risk of physical  
3           obsolescence or economic non-viability.

4           (B) The actual rents received by the owner  
5           or sponsor of the distressed property would not  
6           adequately sustain the debt needed to make  
7           necessary physical improvements.

8           (C) The owner or sponsor meets any such  
9           additional eligibility criteria as the Secretary  
10          determines to be appropriate, considering fac-  
11          tors that contributed to the project's defi-  
12          ciencies.

13          (2) USE OF LOAN FUNDS.—Each recipient of  
14          loan assistance under this section may only use such  
15          loan assistance to make necessary physical improve-  
16          ments.

17          (3) LOAN AVAILABILITY.—The Secretary shall  
18          only provide loan assistance to an owner or sponsor  
19          of a multifamily housing project when such assist-  
20          ance, considered with other financial resources avail-  
21          able to the owner or sponsor, is needed to make the  
22          necessary physical improvements.

23          (4) INTEREST RATES AND LENGTH.—Loans  
24          provided under this section shall bear interest at 1  
25          percent, and at origination shall have a repayment

1 period coterminous with the affordability period es-  
2 tablished under paragraph (6), with the frequency  
3 and amount of repayments to be determined by re-  
4 quirements established by the Secretary.

5 (5) LOAN MODIFICATIONS OR FORGIVENESS.—

6 With respect to loans provided under this section,  
7 the Secretary may take any of the following actions  
8 if the Secretary determines that doing so will pre-  
9 serve affordability of the project:

10 (A) Waive any due on sale or due on refi-  
11 nancing restriction.

12 (B) Consent to the terms of new debt to  
13 which the loans may be subordinate, even if  
14 such new debt would impact the repayment of  
15 the loans.

16 (C) Extend the term of the loan.

17 (D) Forgive the loan in whole or in part.

18 (6) EXTENDED AFFORDABILITY PERIOD.—Each

19 recipient of loan assistance under this section shall  
20 agree to an extended affordability period for the  
21 project that is subject to the loan by extending any  
22 existing affordable housing use agreements for an  
23 additional 30 years or, if the project is not currently  
24 subject to a use agreement establishing affordability

1 requirements, by establishing a use agreement for  
2 30 years.

3 (7) MATCHING CONTRIBUTION.—Each recipient  
4 of loan assistance under this section shall secure at  
5 least 20 percent of the total cost needed to make the  
6 necessary physical improvements from non-Federal  
7 sources, except in cases where the Secretary deter-  
8 mines that a lack of financial resources qualifies a  
9 loan recipient for—

10 (A) a reduced contribution below 20 per-  
11 cent; or

12 (B) an exemption to the matching con-  
13 tribution requirement.

14 (8) ADDITIONAL LOAN CONDITIONS.—The Sec-  
15 retary may establish additional conditions for loan  
16 eligibility provided under this section as the Sec-  
17 retary determines to be appropriate.

18 (9) PROPERTIES INSURED BY THE SEC-  
19 RETARY.—In the case of any property with respect  
20 to which assistance is provided under this section  
21 that has a mortgage insured by the Secretary, the  
22 Secretary may use funds available under this section  
23 as necessary to pay for the costs of modifying such  
24 loan.

25 (c) DEFINITIONS.—As used in this section—

1           (1) the term “multifamily housing project”  
2 means a project consisting of five or more dwelling  
3 units assisted or approved to receive a transfer of  
4 assistance, insured, or with a loan held by the Sec-  
5 retary or a State or State agency in part or in whole  
6 pursuant to—

7           (A) section 8 of the United States Housing  
8 Act of 1937 (42 U.S.C. 1437f), not including  
9 subsection (o)(13) of such section;

10          (B) section 202 of the Housing Act of  
11 1959 (12 U.S.C. 1701q), as amended by section  
12 801 of the Cranston-Gonzalez National Afford-  
13 able Housing Act;

14          (C) section 202 of the Housing Act of  
15 1959 (former 12 U.S.C. 1701q), as such section  
16 existed before the enactment of the Cranston-  
17 Gonzalez National Affordable Housing Act;

18          (D) section 811 of the Cranston-Gonzalez  
19 National Affordable Housing Act (42 U.S.C.  
20 8013); or

21          (E) section 236 of the National Housing  
22 Act (12 U.S.C. 1715z-1); and

23           (2) the term “necessary physical improve-  
24 ments” means new construction or capital improve-  
25 ments to an existing multifamily housing project

1 that the Secretary determines are necessary to ad-  
2 dress the deficiencies or that rise to such a level that  
3 delaying physical improvements to the project would  
4 be detrimental to the longevity of the project as suit-  
5 able housing for occupancy.

6 (d) WAIVER.—The Secretary may waive or specify al-  
7 ternative requirements for any provision of subsection (c)  
8 or (bb) of section 8 of the United States Housing Act of  
9 1937 (42 U.S.C. 1437f(c), 1437f(bb)) upon a finding that  
10 the waiver or alternative requirement is necessary to facili-  
11 tate the use of amounts made available under this section.

12 (e) IMPLEMENTATION.—The Secretary shall have the  
13 authority to issue such regulations, notices, or other guid-  
14 ance, forms, instructions, and publications to carry out the  
15 programs, projects, or activities authorized under this sec-  
16 tion to ensure that such programs, projects, or activities  
17 are completed in a timely and effective manner.

18 **SEC. 40008. INVESTMENTS IN RURAL RENTAL HOUSING.**

19 (a) APPROPRIATION.—In addition to amounts other-  
20 wise available, there is appropriated to the Rural Housing  
21 Service of the Department of Agriculture for fiscal year  
22 2022, out of any money in the Treasury not otherwise ap-  
23 propriated—

24 (1) \$1,800,000,000, to remain available until  
25 September 30, 2029, for the Administrator of the

1 Rural Housing Service for making loans and grants  
2 for new construction, improvements to energy and  
3 water efficiency or climate resilience, the removal of  
4 health and safety hazards, and the preservation and  
5 revitalization of housing for other purposes described  
6 under section 514 of the Housing Act of 1949 (42  
7 U.S.C. 1484), subsections (a)(1) through (a)(2),  
8 (b)(1) through (b)(3), (b)(5) through (aa)(2)(A),  
9 and (aa)(4) of section 515 of such Act (42 U.S.C.  
10 1485(a)(1)-42 U.S.C. 1485(a)(2), 42 U.S.C.  
11 1485(b)(1)-(b)(3), 42 U.S.C. 1485(b)(5)-42 U.S.C.  
12 1485(aa)(2)(A), 42 U.S.C. 1485(aa)(4)), and 516 of  
13 such act (42 U.S.C. 1486), subject to the terms and  
14 conditions in subsection (b);

15 (2) \$100,000,000, to remain available until  
16 September 30, 2029, to provide continued assistance  
17 pursuant to section 3203 of the American Rescue  
18 Plan Act of 2021; and

19 (3) \$100,000,000, to remain available until  
20 September 30, 2030, for the costs to the Rural  
21 Housing Service of the Department of Agriculture of  
22 administering and overseeing the implementation of  
23 this section, including information technology, finan-  
24 cial reporting, research and evaluations, other cross-

1 program costs in support of programs administered  
2 by the Secretary in this title, and other costs.

3 (b) PRESERVATION AND REVITALIZATION TERMS  
4 AND CONDITIONS.—

5 (1) LOANS AND GRANTS AND OTHER ASSIST-  
6 ANCE.—The Administrator of the Rural Housing  
7 Service of the Department of Agriculture shall pro-  
8 vide direct loans and grants, including the cost of  
9 modifying loans, to restructure existing Department  
10 of Agriculture multi-family housing loans expressly  
11 for the purposes of ensuring the project has suffi-  
12 cient resources to preserve the project for the pur-  
13 pose of providing safe and affordable housing for  
14 low-income residents and farm laborers, including—

15 (A) reducing or eliminating interest;

16 (B) deferring loan payments;

17 (C) subordinating, reducing, or re-amor-  
18 tizing loan debt; and

19 (D) providing other financial assistance,  
20 including advances, payments, and incentives  
21 (including the ability of owners to obtain rea-  
22 sonable returns on investment) required by the  
23 Secretary, including such assistance to non-  
24 profit entities and public housing authorities.

1           (2) RESTRICTIVE USE AGREEMENT.—The Ad-  
2           ministrators of the Rural Housing Service of the De-  
3           partment of Agriculture shall as part of the preser-  
4           vation and revitalization agreement obtain a restric-  
5           tive use agreement consistent with the terms of the  
6           restructuring.

7           (c) IMPLEMENTATION.—The Administrator of the  
8           Rural Housing Service of the Department of Agriculture  
9           shall have authority to issue such regulations, notices, or  
10          other guidance, forms, instructions, and publications to  
11          carry out the programs, projects, or activities authorized  
12          under this section to ensure that such programs, projects,  
13          or activities are completed in a timely and effective man-  
14          ner.

15   **SEC. 40009. HOUSING VOUCHERS.**

16          (a) APPROPRIATION.—In addition to amounts other-  
17          wise available, there is appropriated to the Secretary of  
18          Housing and Urban Development (in this section referred  
19          to as the “Secretary”) for fiscal year 2022, out of any  
20          money in the Treasury not otherwise appropriated—

21                  (1) \$15,000,000,000, to remain available until  
22                  September 30, 2029, for—

23                          (A) incremental tenant-based rental assist-  
24                          ance for extremely low-income families under



1 section 8(o) of the United States Housing Act  
2 of 1937 (42 U.S.C. 1437f(o));

3 (B) renewals of such tenant-based rental  
4 assistance; and

5 (C) fees for the costs of administering ten-  
6 ant-based rental assistance and other expenses  
7 related to the utilization of voucher assistance  
8 under subparagraph (A), which may include the  
9 cost of facilitating the use of voucher assistance  
10 provided under paragraph (5);

11 (2) \$7,100,000,000, to remain available until  
12 September 30, 2029, for—

13 (A) incremental tenant-based rental assist-  
14 ance under section 8(o) of the United States  
15 Housing Act of 1937 (42 U.S.C. 1437f(o)) for  
16 households experiencing or at risk of homeless-  
17 ness, survivors of domestic violence, dating vio-  
18 lence, sexual assault, and stalking, and sur-  
19 vivors of trafficking;

20 (B) renewals of such tenant-based rental  
21 assistance; and

22 (C) fees for the costs of administering ten-  
23 ant-based rental assistance and other expenses  
24 related to the utilization of voucher assistance  
25 under subparagraph (A), which may include the

1 cost of facilitating the use of voucher assistance  
2 provided under paragraph (5);

3 (3) \$1,000,000,000, to remain available until  
4 September 30, 2031, for—

5 (A) tenant protection vouchers for reloca-  
6 tion and replacement of public housing units  
7 demolished or disposed as part of a public hous-  
8 ing preservation or project-based replacement  
9 transaction using funds made available under  
10 this title;

11 (B) renewals of such tenant-based rental  
12 assistance; and

13 (C) fees for the costs of administering ten-  
14 ant-based rental assistance and other expenses  
15 related to the utilization of voucher assistance  
16 under subparagraph (A), which may include the  
17 cost of facilitating the use of voucher assistance  
18 provided under paragraph (5);

19 (4) \$300,000,000, to remain available until  
20 September 30, 2031, for competitive grants, subject  
21 to terms and conditions determined by the Sec-  
22 retary, to public housing agencies for mobility-re-  
23 lated services for voucher families, including families  
24 with children, and service coordination;

1           (5) \$230,000,000, to remain available until  
2           September 30, 2031, for eligible expenses to facili-  
3           tate the use of voucher assistance under this section  
4           and for other voucher assistance under section 8(o)  
5           of the United States Housing Act of 1937, as deter-  
6           mined by the Secretary, in addition to amounts oth-  
7           erwise available for such expenses, including prop-  
8           erty owner outreach and retention activities such as  
9           incentive payments, security deposit payments and  
10          loss reserves, landlord liaisons, and other uses of  
11          funds designed primarily—

12                 (A) to recruit owners of dwelling units,  
13                 particularly dwelling units in census tracts with  
14                 a poverty rate of less than 20 percent, to enter  
15                 into housing assistance payment contracts; and

16                 (B) to encourage owners that enter into  
17                 housing assistance payment contracts as de-  
18                 scribed in subparagraph (A) to continue to  
19                 lease their dwelling units to tenants assisted  
20                 under section 8(o) of the United States Hous-  
21                 ing Act of 1937;

22          (6) \$300,000,000, to remain available until  
23          September 30, 2031, for the costs to the Secretary  
24          of administering and overseeing the implementation  
25          of this section and the Housing Choice Voucher pro-

1       gram generally, including information technology, fi-  
2       nancial reporting, research and evaluations, other  
3       cross-program costs in support of programs adminis-  
4       tered by the Secretary in this title, and other costs;  
5       and

6               (7) \$70,000,000, to remain available until Sep-  
7       tember 30, 2031, for making new awards or increas-  
8       ing prior awards to existing technical assistance pro-  
9       viders to provide an increase in capacity building  
10      and technical assistance available to public housing  
11      agencies.

12      (b) TERMS AND CONDITIONS.—

13              (1) ALLOCATION.—The Secretary shall allocate  
14      initial incremental assistance provided for rental as-  
15      sistance under subsection (a)(1) and (2) in each fis-  
16      cal year commencing in 2022 and ending in 2026 in  
17      accordance with a formula or formulas that include  
18      measures of severe housing need among extremely  
19      low-income renters and public housing agency capac-  
20      ity, and ensures geographic diversity among public  
21      housing agencies administering the Housing Choice  
22      Voucher program.

23              (2) ELECTION TO ADMINISTER.—The Secretary  
24      shall establish a procedure for public housing agen-

1       cies to accept or decline the incremental vouchers  
2       made available under this section.

3           (3) FAILURE TO USE VOUCHERS PROMPTLY.—

4       If a public housing agency fails to lease the author-  
5       ized vouchers it has received under this subsection  
6       on behalf of eligible families within a reasonable pe-  
7       riod of time, the Secretary may offset the agency's  
8       voucher renewal allocations and may revoke and re-  
9       distribute any unleased vouchers and associated  
10      funds, which may include administrative fees and  
11      amounts allocated under subsections (a)(3) and  
12      (a)(4), to other public housing agencies.

13          (4) LIMITATION OF USE OF FUNDS.— Public  
14      housing agencies may use funds received under this  
15      section only for the activities listed in subsection (a)  
16      for which the funds were provided to such agency.

17          (5) CAP ON PROJECT-BASED VOUCHERS FOR  
18      VULNERABLE POPULATIONS.—Upon request by a  
19      public housing agency, the Secretary may designate  
20      a number of the public housing agency's vouchers al-  
21      located under this section as excepted units that do  
22      not count against the percentage limitation on the  
23      number of authorized units a public housing agency  
24      may project-base under section 8(o)(13)(B) of the  
25      United States Housing Act of 1937, in accordance

1 with the conditions established by the Secretary.  
2 This paragraph may not be construed to waive,  
3 limit, or specify alternative requirements, or permit  
4 such waivers, limitations, or alternative require-  
5 ments, related to fair housing and nondiscrimina-  
6 tion, including the requirement to provide housing  
7 and services to individuals with disabilities in inte-  
8 grated settings.

9 (6) HOMELESS WAIVER AUTHORITY.— In ad-  
10 ministering the voucher assistance targeted for  
11 households experiencing or at risk of homelessness,  
12 survivors of domestic violence, dating violence sexual  
13 assault, and stalking, and survivors of trafficking  
14 under subsection (a)(2), the Secretary may, upon a  
15 finding that a waiver or alternative requirement is  
16 necessary to facilitate the use of such assistance,  
17 waive or specify alternative requirements for—

18 (A) section 8(o)(6)(A) of the United States  
19 Housing Act of 1937 (42 U.S.C.  
20 1437f(o)(6)(A)) and regulatory provisions re-  
21 lated to the administration of waiting lists and  
22 local preferences;

23 (B) section 214(d)(2) of the Housing and  
24 Community Development Act of 1980 (42  
25 U.S.C. 1436a(d)(2)), section 576(a), (b), and

1 (c) of the Quality Housing and Work Responsi-  
2 bility Act of 1998 (42 U.S.C. 13661(a), (b),and  
3 (c)), and regulatory provisions related to the  
4 verification of eligibility, eligibility require-  
5 ments, and the admissions process;

6 (C) section 8(o)((7)(A) of the United  
7 States Housing Act of 1937 (42 U.S.C.  
8 1437f(o)(7)(A)) and regulatory provisions re-  
9 lated to the initial lease term;

10 (D) section 8(r)(B)(i) of the United States  
11 Housing Act of 1937 (42 U.S.C.  
12 1437f(r)(B)(i)) and regulatory provisions re-  
13 lated to portability moves by non-resident appli-  
14 cants; and

15 (E) regulatory provisions related to the es-  
16 tablishment of payment standards.

17 (c) IMPLEMENTATION.—The Secretary shall have au-  
18 thority to issue such regulations, notices, or other guid-  
19 ance, forms, instructions, and publications to carry out the  
20 programs, projects, or activities authorized under this sec-  
21 tion to ensure that such programs, projects, or activities  
22 are completed in a timely and effective manner.

23 **SEC. 40010. PROJECT-BASED RENTAL ASSISTANCE.**

24 (a) APPROPRIATION.—In addition to amounts other-  
25 wise available, there is appropriated to the Secretary of

1 Housing and Urban Development (in this section referred  
2 to as the “Secretary”) for fiscal year 2022, out of any  
3 money in the Treasury not otherwise appropriated—

4 (1) \$880,000,000 for the project-based rental  
5 assistance program, as authorized under section 8(b)  
6 of the United States Housing Act of 1937 (42  
7 U.S.C. 1437f(b)), (in this section referred to as the  
8 “Act”), subject to the terms and conditions of sub-  
9 section (b) of this section;

10 (2) \$20,000,000 for providing technical assist-  
11 ance to recipients of or applicants for project-based  
12 rental assistance or to States allocating the project-  
13 based rental assistance; and

14 (3) \$100,000,000 for the costs to the Secretary  
15 of administering and overseeing the implementation  
16 of this section and the section 8 project-based rental  
17 assistance program generally, including information  
18 technology, financial reporting, research and evalua-  
19 tions, other cross-program costs in support of pro-  
20 grams administered by the Secretary in this title,  
21 and other costs.

22 Amounts appropriated by this section shall remain avail-  
23 able until September 30, 2031.

24 (b) TERMS AND CONDITIONS.—



1           (1) **AUTHORITY.**—Notwithstanding section 8(a)  
2 the Act (42 U.S.C. 1437f(a)), the Secretary may use  
3 amounts made available under this section to pro-  
4 vide assistance payments with respect to newly con-  
5 structed housing, existing housing, or substantially  
6 rehabilitated non-housing structures for use as new  
7 multifamily housing in accordance with this section  
8 and the provisions of section 8 of the Act. In addi-  
9 tion, the Secretary may use amounts made available  
10 under this section for performance-based contract  
11 administrators for section 8 project-based assistance,  
12 for carrying out this section and section 8 of the  
13 Act.

14           (2) **PROJECT-BASED RENTAL ASSISTANCE.**—  
15 The Secretary may make assistance payments using  
16 amounts made available under this section pursuant  
17 to contracts with owners or prospective owners who  
18 agree to construct housing, to substantially rehabili-  
19 tate existing housing, to substantially rehabilitate  
20 non-housing structures for use as new multifamily  
21 housing, or to attach the assistance to newly con-  
22 structed housing in which some or all of the units  
23 shall be available for occupancy by very low-income  
24 families in accordance with the provisions of section  
25 8 of the Act. In awarding contracts pursuant to this

1 section, the Secretary shall give priority to owners or  
2 prospective owners of multifamily housing projects  
3 located or to be located in areas of high opportunity,  
4 as defined by the Secretary, in areas experiencing  
5 economic growth or rising housing prices to prevent  
6 displacement or secure affordable housing for low-in-  
7 come households, or that serve people at risk of  
8 homelessness or that integrate additional units that  
9 are accessible for persons with mobility impairments  
10 and persons with hearing or visual impairments be-  
11 yond those required by applicable Federal accessi-  
12 bility standards.

13 (3) ALLOCATION.—The Secretary shall make  
14 awards with amounts made available under this sec-  
15 tion using the following mechanisms, alone or in  
16 combination:

17 (A) A competitive process, which the Sec-  
18 retary may carry out in multiple rounds of com-  
19 petition, each of which may have its own selec-  
20 tion, performance, and reporting criteria as es-  
21 tablished by the Secretary.

22 (B) Selecting proposals submitted through  
23 FHA loan applications that meet specified cri-  
24 teria.

1           (C) Delegating to States the awarding of  
2           contracts, including related determinations such  
3           as the maximum monthly rent, subject to the  
4           requirements of section 8 of the Act, as deter-  
5           mined by the Secretary.

6           (4) CONTRACT TERM, RENT SETTING, AND  
7           RENT ADJUSTMENTS.—The Secretary may set the  
8           terms of the contract, including the duration and  
9           provisions regarding rent setting and rent adjust-  
10          ments.

11          (c) WAIVERS.—The Secretary may waive or specify  
12          alternative requirements for any provision of subsection  
13          (c) or (bb) of section 8 of the United States Housing Act  
14          of 1937 (42 U.S.C. 1437f(c), 1437f(bb)) upon a finding  
15          that the waiver or alternative requirement is necessary to  
16          facilitate the use of amounts made available under this  
17          section.

18          (d) IMPLEMENTATION.—The Secretary shall have the  
19          authority to issue such regulations, notices, or other guid-  
20          ance, forms, instructions, and publications to carry out the  
21          programs, projects, or activities authorized under this sec-  
22          tion to ensure that such programs, projects, or activities  
23          are completed in a timely and effective manner.

1 **SEC. 40011. INVESTMENTS IN NATIVE AMERICAN COMMU-**  
2 **NITIES.**

3 (a) APPROPRIATION.—In addition to amounts other-  
4 wise available, there is appropriated to the Secretary of  
5 Housing and Urban Development (in this section referred  
6 to as the “Secretary”) for fiscal year 2022, out of any  
7 money in the Treasury not otherwise appropriated—

8 (1) \$277,500,000 for formula grants for eligible  
9 affordable housing activities described in section 202  
10 of the Native American Housing Assistance and  
11 Self-Determination Act of 1996 (in this section re-  
12 ferred to as “NAHASDA”) (25 U.S.C. 4132), which  
13 shall be distributed according to the most recent fis-  
14 cal year funding formula for the Indian Housing  
15 Block Grant;

16 (2) \$200,000,000 for—

17 (A) affordable housing activities authorized  
18 under section 810(a) of NAHASDA (25 U.S.C.  
19 4229);

20 (B) community-wide infrastructure and in-  
21 frastructure improvement projects carried out  
22 on Hawaiian Home Lands pursuant to section  
23 810(b)(5) of NAHASDA (25 U.S.C.  
24 4229(b)(5)); and

25 (C) rental assistance to Native Hawaiians  
26 (as defined in section 801 of NAHASDA (25

1 U.S.C. 4221)) on and off Hawaiian Home  
2 Lands;

3 (3) \$277,500,000 for competitive grants for eli-  
4 gible affordable housing activities described in sec-  
5 tion 202 of NAHASDA (25 U.S.C. 4132);

6 (4) \$200,000,000 for—

7 (A) competitive single-purpose Indian com-  
8 munity development block grants for Indian  
9 tribes; and

10 (B) imminent threat Indian community de-  
11 velopment block grants, including for long-term  
12 environmental threats and relocation, for Indian  
13 tribes, or a tribal organization, governmental  
14 entity, or nonprofit organization designated by  
15 the Indian tribe to apply for a grant on its be-  
16 half;

17 (5) \$25,000,000 for the costs to the Secretary  
18 of administering and overseeing the implementation  
19 of this section and Indian and Native Hawaiian pro-  
20 grams administered by the Secretary, including in-  
21 formation technology, financial reporting, research  
22 and evaluations, other cross-program costs in sup-  
23 port of programs administered by the Secretary in  
24 this title, and other costs; and

1           (6) \$20,000,000 to make new awards or in-  
2           crease prior awards to technical assistance providers  
3           to provide an immediate increase in capacity build-  
4           ing and technical assistance to grantees.

5           Amounts appropriated by this section shall remain avail-  
6           able until September 30, 2031.

7           (b) REALLOCATION.—Amounts made available under  
8           subsection (a)(1) that are not accepted within a time spec-  
9           ified by the Secretary, are voluntarily returned, or are oth-  
10          erwise recaptured for any reason shall be used to fund  
11          grants under paragraph (3) or (4) of subsection (a).

12          (c) UNDISBURSED FUNDS.—Amounts provided under  
13          this Act that remain undisbursed may not be used as a  
14          basis to reduce any grant allocation under section 302 of  
15          NAHASDA (25 U.S.C. 4152) to an Indian tribe in any  
16          fiscal year.

17          (d) PROHIBITION ON INVESTMENTS.—Amounts  
18          made available under this section may not be invested in  
19          investment securities and other obligations.

20          (e) WAIVERS.—With respect to amounts made avail-  
21          able under this section, the Secretary may, upon a finding  
22          that a waiver or alternative requirement is necessary to  
23          facilitate the use of such amounts, waive or specify alter-  
24          native requirements for any Indian housing block grants,  
25          Native Hawaiian housing block grants, or Indian commu-

1 nity development block grants issued pursuant to this sec-  
2 tion, other than requirements related to fair housing, non-  
3 discrimination, labor standards, and the environment.

4 (f) IMPLEMENTATION.—The Secretary shall have au-  
5 thority to issue such regulations, notices, or other guid-  
6 ance, forms, instructions, and publications to carry out the  
7 programs, projects, or activities authorized under this sec-  
8 tion to ensure that such programs, projects, or activities  
9 are completed in a timely and effective manner.

10 **SEC. 40012. INCREASED AFFORDABLE HOUSING PROGRAM**  
11 **INVESTMENT.**

12 Notwithstanding subsection (j)(5)(C) of section 10 of  
13 the Federal Home Loan Bank Act (12 U.S.C. 1430), in  
14 2022 and every year thereafter until 2027, each Federal  
15 Home Loan Bank shall annually contribute 15 percent of  
16 the preceding year's net income of the Federal Home  
17 Bank, or such prorated sums as may be required to assure  
18 that the aggregate contribution of the Federal Home Loan  
19 Banks shall not be less than \$100,000,000 for each such  
20 year, to support grants or subsidized advances through the  
21 Affordable Housing Programs established and carried out  
22 under subparagraphs (j)(1), (2), (3)(A), (3)(C), and (4)  
23 through (13) of section 10 of such Act.

1 **Subtitle B—21st Century Sustain-**  
2 **able and Equitable Commu-**  
3 **nities**

4 **SEC. 40101. COMMUNITY DEVELOPMENT BLOCK GRANT**  
5 **FUNDING FOR AFFORDABLE HOUSING AND**  
6 **INFRASTRUCTURE.**

7 (a) APPROPRIATION.—In addition to amounts other-  
8 wise available, there is appropriated to the Secretary of  
9 Housing and Urban Development (in this section referred  
10 to as the “Secretary”) for fiscal year 2022, out of any  
11 money in the Treasury not otherwise appropriated—

12 (1) \$1,735,000,000 for grants in accordance  
13 with sections 101, 102, 103, 104(a) through 104(i),  
14 104(l), 104(m), 105(a) through 105(g), 106(a)(2),  
15 106(a)(4), 106(b) through 106(f), 109, 110, 111,  
16 113, 115, 116, 120, and 122 of the Housing and  
17 Community Development Act of 1974 (42 U.S.C.  
18 5301, 5302, 5303, 5304(a)-(i), 5304(l), 5304(m),  
19 5305(a)-(g), 5306(a)(2), 5306(a)(4), 5306(b)-(f),  
20 5309, 5310, 5311, 5313, 5315, 5316, 5319, and  
21 5321) to grantees under subsections (a)(2) and (4)  
22 and (d) of section 106 of such Act (42  
23 U.S.C.5306(a)(2), (a)(4), and (d)), subject to sub-  
24 section (b) of this section, except that for purposes  
25 of amounts made available by this paragraph, para-



1 graph (2) of such section 106(a) shall be applied by  
2 substituting “\$70,000,000” for “\$7,000,000”;

3 (2) \$700,000,000 for grants in accordance with  
4 sections 101, 102, 103, 104(a) through 104(i),  
5 104(l), 104(m), 105(a) through 105(g), 106(a)(2),  
6 106(a)(4), 106(b) through 106(f), 109, 110, 111,  
7 113, 115, 116, 120, and 122 of title I of the Hous-  
8 ing and Community Development Act of 1974 (42  
9 U.S.C. 5301, 5302, 5303, 5304(a)-(i), 5304(l),  
10 5304(m), 5305(a)-(g), 5306(a)(2), 5306(a)(4),  
11 5306(b)-(f), 5309, 5310, 5311, 5313, 5315, 5316,  
12 5319, and 5321) to community development block  
13 grant grantees, as determined by the Secretary,  
14 under subsections (a)(4) and (b) through (f) of sec-  
15 tion 106 of such Act (5306(a)(4) and 5306(b)-(f)),  
16 only for colonias, to address the community and  
17 housing infrastructure needs of existing colonia resi-  
18 dents based on a formula that takes into account  
19 persons in poverty in the colonia areas, except that  
20 grantees may use funds in colonias outside of the  
21 150-mile border area upon approval of the Sec-  
22 retary;

23 (3) \$500,000,000 for grants in accordance with  
24 sections 101, 102, 103, 104(a) through 104(i),  
25 104(l), 104(m), 105(a) through 105(g), 106(a)(2),

1 106(a)(4), 106(b) through 106(f), 109, 110, 111,  
2 113, 115, 116, 120, and 122 of title I of the Hous-  
3 ing and Community Development Act of 1974 (42  
4 U.S.C. 5301, 5302, 5303, 5304(a)-(i), 5304(l),  
5 5304(m), 5305(a)-(g), 5306(a)(2), 5306(a)(4),  
6 5306(b)-(f), 5309, 5310, 5311, 5313, 5315, 5316,  
7 5319, and 5321), to eligible recipients under sub-  
8 section (c) of this section for manufactured housing  
9 infrastructure improvements in eligible manufac-  
10 tured home communities;

11 (4) \$87,500,000 for the costs to the Secretary  
12 of administering and overseeing the implementation  
13 of this section, the Community Development Block  
14 Grant program, and the manufactured home con-  
15 struction and safety standards program generally,  
16 including information technology, financial report-  
17 ing, research and evaluations, other cross-program  
18 costs in support of programs administered by the  
19 Secretary in this title, and other costs; and

20 (5) \$27,500,000 for providing technical assist-  
21 ance to recipients of or applicants for grants under  
22 this section.

23 Amounts appropriated by this section shall remain avail-  
24 able until September 30, 2031.

1 (b) HOUSING CONSTRUCTION.—Expenditures on new  
2 construction of housing shall be an eligible expense for a  
3 recipient of funds made available under this section that  
4 is not a recipient of funds under section 40002 of this  
5 title.

6 (c) MANUFACTURED HOUSING COMMUNITY IM-  
7 PROVEMENT GRANT PROGRAM.—

8 (1) ESTABLISHMENT.—The Secretary of Hous-  
9 ing and Urban Development shall carry out a com-  
10 petitive grant program to award funds appropriated  
11 under subsection (a)(3) to eligible recipients to carry  
12 out eligible projects for improvements in eligible  
13 manufactured home communities.

14 (2) ELIGIBLE PROJECTS.—Amounts from  
15 grants under this subsection shall be used to assist  
16 in carrying out a project for construction, recon-  
17 struction, repair, or clearance of housing, facilities  
18 and improvements in or serving a manufactured  
19 housing community that is necessary to protect the  
20 health and safety of the residents of the manufac-  
21 tured housing community and the long-term sustain-  
22 ability of the community.

23 (d) WAIVERS.—The Secretary may waive or specify  
24 alternative requirements for any provision of title I of the  
25 Housing and Community Development Act of 1974 speci-

1 fied in subsection (a)(1), (a)(2), or (a)(3), or regulation  
2 that the Secretary administers in connection with use of  
3 amounts made available under this section other than re-  
4 quirements related to fair housing, nondiscrimination,  
5 labor standards, and the environment, upon a finding that  
6 the waiver or alternative requirement is not inconsistent  
7 with the overall purposes of such Act and that the waiver  
8 or alternative requirement is necessary to facilitate the use  
9 of amounts made available under this section.

10 (e) DEFINITIONS.—For purposes of this section, the  
11 following definitions shall apply:

12 (1) COLONIA AREA.—The term “colonia area”  
13 means any census tract that—

14 (A) is an area of the United States within  
15 150 miles of the contiguous border between the  
16 United States and Mexico, except as otherwise  
17 determined by the Secretary; and

18 (B) lacks potable water supply, adequate  
19 sewage systems, or decent, safe, sanitary hous-  
20 ing, or other objective criteria as approved by  
21 the Secretary.

22 (2) ELIGIBLE MANUFACTURED HOME COMMU-  
23 NITY.—The term “eligible manufactured home com-  
24 munity” means a community that—

1 (A) is affordable to low- and moderate-in-  
2 come persons (as such term is defined in sec-  
3 tion 102(a) of the Housing and Community De-  
4 velopment Act of 1974 (42 U.S.C. 5302(a));  
5 and

6 (B)(i) is owned by the residents of the  
7 manufactured housing community through a  
8 resident-controlled entity, as defined by the Sec-  
9 retary, in which at least two-thirds of residents  
10 are member-owners of the land-owning entity;  
11 or

12 (ii) will be maintained as such a commu-  
13 nity, and remain affordable for low- and mod-  
14 erate-income families, to the maximum extent  
15 practicable and for the longest period feasible.

16 (3) ELIGIBLE RECIPIENT.—The term “eligible  
17 recipient” means a partnership of—

18 (A) a grantee under paragraph (2) or (4)  
19 of section 106(a) or section 106(d) of the Hous-  
20 ing and Community Development Act of 1974  
21 (42 U.S.C. 5306(a)(2), (a)(4), and (d)); and

22 (B) an eligible manufactured home com-  
23 munity, a nonprofit entity, or a consortia of  
24 nonprofit entities working with an eligible man-  
25 ufactured home community.

1           (4) MANUFACTURED HOME COMMUNITY.—The  
2           term “manufactured home community” means any  
3           community, court, or park equipped to accommodate  
4           manufactured homes for which pad sites, with or  
5           without existing manufactured homes or other al-  
6           lowed homes, or other suitable sites, are used pri-  
7           marily for residential purposes, with any additional  
8           requirements as determined by the Secretary, includ-  
9           ing any manufactured housing community as such  
10          term is used for purposes of the program of the  
11          Federal National Mortgage Association for multi-  
12          family loans for manufactured housing communities  
13          and the program of the Federal Home Loan Mort-  
14          gage Corporation for loans for manufactured hous-  
15          ing communities.

16          (f) IMPLEMENTATION.—The Secretary shall have au-  
17          thority to issue such regulations, notices, or other guid-  
18          ance, forms, instructions, and publications to carry out the  
19          programs, projects, or activities authorized under this sec-  
20          tion to ensure that such programs, projects, or activities  
21          are completed in a timely and effective manner.

1 **SEC. 40102. LEAD-BASED PAINT HAZARD CONTROL AND**  
2 **HOUSING-RELATED HEALTH AND SAFETY**  
3 **HAZARD MITIGATION IN HOUSING OF FAMI-**  
4 **LIES WITH LOWER INCOMES.**

5 (a) APPROPRIATION.—In addition to amounts other-  
6 wise made available, there is appropriated to the Secretary  
7 of Housing and Urban Development (in this section re-  
8 ferred to as the “Secretary”) for fiscal year 2022, out of  
9 any money in the Treasury not otherwise appropriated—

10 (1) \$3,425,000,000 for grants to States, units  
11 of general local government, Indian tribes or their  
12 tribally designated housing entities, and nonprofit  
13 organizations for the activities under subsection (c)  
14 in target housing units that do not receive Federal  
15 housing assistance other than assistance provided  
16 under subsection 8(o) of the United States Housing  
17 Act of 1937 (42 U.S.C. 1437f(o)), excluding para-  
18 graph (o)(13) of such section, and common areas  
19 servicing such units, where low-income families re-  
20 side or are expected to reside;

21 (2) \$250,000,000 for grants to States or units  
22 of general local government or nonprofit entities for  
23 the activities in subsection (c) in target housing  
24 units, and common areas servicing such units, that  
25 are being assisted under the Weatherization Assist-  
26 ance Program authorized under part A of title IV of

1 the Energy Conservation and Production Act (42  
2 U.S.C. 6861-6872) but are not assisted under any  
3 other Federal housing program other than sub-  
4 section 8(o) of the United States Housing Act of  
5 1937 (42 U.S.C. 1437f(o)), excluding paragraph  
6 8(o)(13) of such section;

7 (3) \$1,000,000,000 for grants to owners of a  
8 property receiving project-based rental assistance  
9 under section 8 of the United States Housing Act of  
10 1937 (42 U.S.C. 1437f), including under subsection  
11 (o)(13) of such section, that meets the definition of  
12 target housing and that has not received a grant for  
13 similar purposes under this Act, for the activities in  
14 subsection (c), except for abatement of lead-based  
15 paint by enclosure or encapsulation, or interim con-  
16 trols of lead-based paint hazards in target housing  
17 units receiving such assistance and common areas  
18 servicing such units;

19 (4) \$75,000,000 for costs related to training  
20 and technical assistance to support identification  
21 and mitigation of lead and housing-related health  
22 and safety hazards, research, and evaluation; and

23 (5) \$250,000,000 for the costs to the Secretary  
24 of administering and overseeing the implementation  
25 of this section, and the Secretary's lead hazard re-



1       duction and related programs generally including in-  
2       formation technology, financial reporting, research  
3       and evaluations, other cross-program costs in sup-  
4       port of programs administered by the Secretary in  
5       this title, and other costs.

6       Amounts appropriated by this section shall remain avail-  
7       able until September 30, 2031.

8       (b) TERMS AND CONDITIONS.—

9               (1) INCOME ELIGIBILITY DETERMINATIONS.—

10       The Secretary may make income determinations of  
11       eligibility for enrollment of housing units for assist-  
12       ance under this section that are consistent with eligi-  
13       bility requirements for grants awarded under other  
14       Federal means-tested programs, provided such deter-  
15       mination does not require additional action by other  
16       Federal agencies.

17               (2) HOUSING FAMILIES WITH YOUNG CHIL-  
18       DREN.—An owner of rental property that receives  
19       assistance under subsection (a)(3) shall give priority  
20       in renting units for which the lead-based paint has  
21       been abated pursuant to subsection (a)(3), for not  
22       less than 3 years following the completion of lead  
23       abatement activities, to families with a child under  
24       the age of 6 years.

1           (3) ADMINISTRATIVE EXPENSES.—A recipient  
2           of a grant under this section may use up to 10 per-  
3           cent of the grant for administrative expenses associ-  
4           ated with the activities funded by this section.

5           (c) ELIGIBLE ACTIVITIES.—Grants awarded under  
6           this section shall be used for purposes of building capacity  
7           and conducting activities relating to testing, evaluating,  
8           and mitigating lead-based paint, lead-based paint hazards,  
9           and housing-related health and safety hazards; outreach,  
10          education, and engagement with community stakeholders,  
11          including stakeholders in disadvantaged communities; pro-  
12          gram evaluation and research; grant administration, and  
13          other activities that directly or indirectly support the work  
14          under this section, as applicable, that without which such  
15          activities could not be conducted.

16          (d) DEFINITIONS.—For purposes of this section, the  
17          following definitions, and definitions in paragraphs (1),  
18          (2), (3), (5), (6), (7), (10) through (17), and (20) through  
19          (27) of section 1004 of the Residential Lead-Based Paint  
20          Hazard Reduction Act of 1992 (42 U.S.C. 4851b(1)-(3),  
21          42 U.S.C. 4851b(5)-(7), 42 U.S.C. 4851b(10)-(17). 42  
22          U.S.C. 4851b(20)-(27), shall apply:

23                 (1) NONPROFIT; NONPROFIT ORGANIZATION.—  
24                 The terms “nonprofit” and “nonprofit organization”  
25                 mean a corporation, community chest, fund, or foun-

1 dation not organized for profit, but organized and  
2 operated exclusively for religious, charitable, sci-  
3 entific, testing for public safety, literary, or edu-  
4 cational purposes; or an organization not organized  
5 for profit but operated exclusively for the promotion  
6 of social welfare.

7 (2) PUBLIC HOUSING; PUBLIC HOUSING AGEN-  
8 CY; LOW-INCOME FAMILY.—The terms “public hous-  
9 ing”, “public housing agency”, and “low-income  
10 family” have the same meaning given such terms in  
11 section 3(b) of the United States Housing Act of  
12 1937 (42 U.S.C. 1437a(b)).

13 (3) STATE; UNIT OF GENERAL LOCAL GOVERN-  
14 MENT.—The terms “State” and “unit of general  
15 local government” have the same meaning given  
16 such terms in section 102 of the Housing and Com-  
17 munity Development Act of 1974 (42 U.S.C. 5302).

18 (e) GRANT COMPLIANCE.—For any grant of assist-  
19 ance under this section, a State or unit of general local  
20 government may assume responsibilities for elements of  
21 grant compliance, regardless of whether it is the grant re-  
22 cipient, if the State or unit of general local government  
23 is permitted to assume responsibility for the applicable ele-  
24 ment of grant compliance for grants for which it is the  
25 recipient under section 1011 of the Residential Lead-

1 Based Paint Hazard Reduction Act of 1992 (42 U.S.C.  
2 4852).

3 (f) IMPLEMENTATION.—The Secretary shall have the  
4 authority to issue such regulations, notices, or other guid-  
5 ance, forms, instructions, and publications to carry out the  
6 programs, projects, or activities authorized under this sec-  
7 tion to ensure that such programs, projects, or activities  
8 are completed in a timely and effective manner.

9 **SEC. 40103. UNLOCKING POSSIBILITIES PROGRAM.**

10 (a) APPROPRIATION.—In addition to amounts other-  
11 wise available, there is appropriated to the Secretary of  
12 Housing and Urban Development for fiscal year 2022, out  
13 of any money in the Treasury not otherwise appro-  
14 priated—

15 (1) \$1,646,000,000 for awarding grants under  
16 section 101, 102, 103, 104(a) through 104(i),  
17 104(l), 104(m), 105(a) through 105(g), 106(a)(2),  
18 106(a)(4), 106(b) through 106(f), 109, 110, 111,  
19 113, 115, 116, 120, and 122 of the Housing and  
20 Community Development Act of 1974 (42 U.S.C.  
21 5301, 5302, 5303, 5304(a)-(i), 5304(l), 5304(m),  
22 5305(a)-(g), 5306(a)(2), 5306(a)(4), 5306(b)-(f),  
23 5309, 5310, 5311, 5313, 5315, 5316, 5319, and  
24 5321) awarded on a competitive basis to eligible re-

1 recipients to carry out grants under subsection (c) of  
2 this section;

3 (2) \$8,000,000 for research and evaluation re-  
4 lated to housing planning and other associated costs;

5 (3) \$30,000,000 to provide technical assistance  
6 to grantees or applicants for grants made available  
7 by this section; and

8 (4) \$66,000,000 for the costs to the Secretary  
9 of administering and overseeing the implementation  
10 of this section and community and economic develop-  
11 ment programs overseen by the Secretary generally,  
12 including information technology, financial report-  
13 ing, research and evaluations, and other cross-pro-  
14 gram costs in support of programs administered by  
15 the Secretary in this title, and other costs.

16 Amounts appropriated by this section shall remain avail-  
17 able until September 30, 2031.

18 (b) PROGRAM ESTABLISHMENT.—The Secretary of  
19 Housing and Urban Development shall establish a com-  
20 petitive grant program for—

21 (1) planning grants to develop and evaluate  
22 housing plans and substantially improve housing  
23 strategies;

24 (2) streamlining regulatory requirements and  
25 shorten processes, reform zoning codes, increasing

1 capacity to conduct housing inspections, or other ini-  
2 tiatives that reduce barriers to housing supply elas-  
3 ticity and affordability;

4 (3) developing and evaluating local or regional  
5 plans for community development to substantially  
6 improve community development strategies related  
7 to sustainability, fair housing, and location effi-  
8 ciency;

9 (4) implementation and livable community in-  
10 vestment grants; and

11 (5) research and evaluation.

12 (c) GRANTS.—

13 (1) PLANNING GRANTS.—The Secretary shall,  
14 under selection criteria determined by the Secretary,  
15 award grants under this paragraph on a competitive  
16 basis to eligible entities to assist planning activities,  
17 including administration of such activities, engage-  
18 ment with community stakeholders and housing  
19 practitioners, to—

20 (A) develop housing plans;

21 (B) substantially improve State or local  
22 housing strategies;

23 (C) develop new regulatory requirements  
24 and processes, reform zoning codes, increasing  
25 capacity to conduct housing inspections, or un-

1           dertake other initiatives to reduce barriers to  
2           housing supply elasticity and affordability;

3           (D) develop local or regional plans for  
4           community development; and

5           (E) substantially improve community de-  
6           velopment strategies, including strategies to in-  
7           crease availability and access to affordable  
8           housing, to further access to public transpor-  
9           tation or to advance other sustainable or loca-  
10          tion-efficient community development goals.

11          (2) IMPLEMENTATION AND LIVABLE COMMU-  
12          NITY INVESTMENT GRANTS.—The Secretary shall  
13          award implementation grants under this paragraph  
14          on a competitive basis to eligible entities for the pur-  
15          pose of implementing and administering—

16                (A) completed housing strategies and hous-  
17                ing plans and any planning to affirmatively fur-  
18                ther fair housing within the meaning of sub-  
19                sections (d) and (e) of section 808 of the Fair  
20                Housing Act (42 U.S.C. 608) and applicable  
21                regulations and for community investments that  
22                support the goals identified in such housing  
23                strategies or housing plans;

24                (B) new regulatory requirements and proc-  
25                esses, reformed zoning codes, increased capacity

1 to conduct housing inspections, or other initia-  
2 tives to reduce barriers to housing supply elas-  
3 ticity and affordability that are consistent with  
4 a plan under subparagraph (A);

5 (C) completed local or regional plans for  
6 community development and any planning to in-  
7 crease availability and access to affordable  
8 housing, access to public transportation and  
9 other sustainable or location-efficient commu-  
10 nity development goals.

11 (d) COORDINATION WITH FTA ADMINISTRATOR.—  
12 To the extent practicable, the Secretary shall coordinate  
13 with the Federal Transit Administrator in carrying out  
14 this section.

15 (e) DEFINITIONS.—For purposes of this section, the  
16 following definitions apply:

17 (1) ELIGIBLE ENTITY.—The term “eligible enti-  
18 ty” means—

19 (A) a State, insular area, metropolitan  
20 city, or urban county, as such terms are defined  
21 in section 102 of the Housing and Community  
22 Development Act of 1974 (42 U.S.C. 5302); or

23 (B) for purposes of grants under sub-  
24 section (b)(1), a regional planning agency or  
25 consortia.



1 (2) HOUSING PLAN; HOUSING STRATEGY.—

2 (A) HOUSING PLAN.—The term “housing  
3 plan” means a plan of an eligible entity to, with  
4 respect to the area within the jurisdiction of the  
5 eligible entity—

6 (i) match the creation of housing sup-  
7 ply to existing demand and projected de-  
8 mand growth in the area, with attention to  
9 preventing displacement of residents, re-  
10 ducing the concentration of poverty, and  
11 meaningfully reducing and not perpet-  
12 uating housing segregation on the basis of  
13 race, color, religion, natural origin, sex,  
14 disability, or familial status;

15 (ii) increase the affordability of hous-  
16 ing in the area, increase the accessibility of  
17 housing in the area for people with disabil-  
18 ities, including location-efficient housing,  
19 and preserve or improve the quality of  
20 housing in the area;

21 (iii) reduce barriers to housing devel-  
22 opment in the area, with consideration for  
23 location efficiency, affordability, and acces-  
24 sibility; and

1 (iv) coordinate with the metropolitan  
2 transportation plan of the area under the  
3 jurisdiction of the eligible entity, or other  
4 regional plan.

5 (B) HOUSING STRATEGY.—The term  
6 “housing strategy” means the housing strategy  
7 required under section 105 of the Cranston-  
8 Gonzalez National Affordable Housing Act (42  
9 U.S.C. 12705).

10 (f) COSTS TO GRANTEES.—Up to 15 percent of a re-  
11 cipient’s grant may be used for administrative costs.

12 (g) RULES OF CONSTRUCTION.—

13 (1) IN GENERAL.— Except as otherwise pro-  
14 vided by this section, amounts appropriated or oth-  
15 erwise made available under this section shall be  
16 subject to the community development block grant  
17 program requirements under subsection (a)(1).

18 (2) EXCEPTIONS.—

19 (A) HOUSING CONSTRUCTION.—Expendi-  
20 tures on new construction of housing shall be  
21 an eligible expense under this section.

22 (B) BUILDINGS FOR GENERAL CONDUCT  
23 OF GOVERNMENT.—Expenditures on building  
24 for the general conduct of government, other  
25 than the Federal Government, shall be eligible



1 issued pursuant to section 1309(a) of the National  
2 Flood Insurance Act of 1968 (42 U.S.C. 4016(a))  
3 and section 15(e) of the Federal Insurance Act of  
4 1956 (42 U.S.C. 2414(e)), and outstanding as of the  
5 date of the enactment of this Act, is hereby can-  
6 celled, the Administrator and the National Flood In-  
7 surance Fund are relieved of all liability under any  
8 such notes or other obligations, including for any in-  
9 terest due, including capitalized interest, and any  
10 other fees and charges payable in connection with  
11 such notes and obligations.

12 (2) USE OF SAVINGS FOR FLOOD MAPPING.—In  
13 addition to amounts otherwise available, for each of  
14 fiscal years 2022 and 2023, an amount equal to the  
15 interest the National Flood Insurance Program  
16 would have accrued from servicing the canceled debt  
17 under paragraph (1) in that fiscal year, which shall  
18 be derived from offsetting amounts collected under  
19 section 1310(d) of the National Flood Insurance Act  
20 of 1968 (42 U.S.C. 4017(d)) and shall remain avail-  
21 able until expended for activities identified in section  
22 100216 (b)(1)(A) of the Biggert-Waters Flood In-  
23 surance Reform Act of 2012 (42 U.S.C.  
24 4101b(b)(1)(A)) and related salaries and adminis-  
25 trative expenses.

1 (b) MEANS-TESTED ASSISTANCE FOR NATIONAL  
2 FLOOD INSURANCE PROGRAM POLICYHOLDERS.—

3 (1) APPROPRIATION.—In addition to amounts  
4 otherwise available, there is appropriated to the Ad-  
5 ministrator of the Federal Emergency Management  
6 Agency for fiscal year 2022, out of any money in the  
7 Treasury not otherwise appropriated, \$600,000,000,  
8 to remain available until September 30, 2026, to  
9 provide assistance to eligible policyholders in the  
10 form of graduated discounts for insurance costs with  
11 respect to covered properties.

12 (2) TERMS AND CONDITIONS.—

13 (A) DISCOUNTS.—The Administrator shall  
14 use funds provided under this subsection to es-  
15 tablish graduated discounts available to eligible  
16 policyholders under this subsection, with respect  
17 to covered properties, which may be based on  
18 the following factors:

19 (i) The percentage by which the  
20 household income of the eligible policy-  
21 holder is equal to, or less than, 120 per-  
22 cent of the area median income for the  
23 area in which the property to which the  
24 policy applies is located.

1 (ii) The number of eligible policy-  
2 holders participating in the program au-  
3 thorized under this subsection.

4 (iii) The availability of funding.

5 (B) DISTRIBUTION OF PREMIUM.—With  
6 respect to the amount of the discounts provided  
7 under this subsection in a fiscal year, and any  
8 administrative expenses incurred in carrying  
9 out this subsection for that fiscal year, the Ad-  
10 ministrator shall, from amounts made available  
11 to carry out this subsection for that fiscal year,  
12 deposit in the National Flood Insurance Fund  
13 established under section 1310 of the National  
14 Flood Insurance Act of 1968 (42 U.S.C. 4017)  
15 an amount equal to those discounts and admin-  
16 istrative expenses, except to the extent that sec-  
17 tion 1310A of the National Flood Insurance  
18 Act of 1968 (42 U.S.C. 4017a) applies to any  
19 portion of those discounts or administrative ex-  
20 penses, in which case the Administrator shall  
21 deposit an amount equal to those amounts to  
22 which such section 1310A applies in the Na-  
23 tional Flood Insurance Reserve Fund estab-  
24 lished under such section 1310A.

1 (C) REQUIREMENT ON TIMING.—Not later  
2 than 21 months after the date of the enactment  
3 of this section, the Administrator shall issue in-  
4 terim guidance to implement this subsection  
5 which shall expire on the later of—

6 (i) the date that is 60 months after  
7 the date of the enactment of this section;

8 or

9 (ii) the date on which a final rule  
10 issued to implement this subsection takes  
11 effect.

12 (3) DEFINITIONS.—In this subsection:

13 (A) ADMINISTRATOR.—The term “Admin-  
14 istrator” means the Administrator of the Fed-  
15 eral Emergency Management Agency.

16 (B) COVERED PROPERTY.—The term “cov-  
17 ered property” means—

18 (i) a primary residential dwelling de-  
19 signed for the occupancy of from 1 to 4  
20 families; or

21 (ii) personal property relating to a  
22 dwelling described in clause (i) or personal  
23 property in the primary residential dwell-  
24 ing of a renter.

1 (C) ELIGIBLE POLICYHOLDER.—The term  
2 “eligible policyholder” means a policyholder  
3 with a household income that is not more than  
4 120 percent of the area median income for the  
5 area in which the property to which the policy  
6 applies is located.

7 (D) INSURANCE COSTS.—The term “insur-  
8 ance costs” means insurance premiums, fees,  
9 and surcharges charged under the National  
10 Flood Insurance Program, with respect to a  
11 covered property for a year.

12 **SEC. 40105. COMMUNITY RESTORATION AND REVITALIZA-**  
13 **TION FUND.**

14 (a) APPROPRIATION.—In addition to amounts other-  
15 wise available, there is appropriated to the Community  
16 Restoration and Revitalization Fund established under  
17 subsection (b) for fiscal year 2022, out of any money in  
18 the Treasury not otherwise appropriated, to remain avail-  
19 able until September 30, 2031—

20 (1) \$2,000,000,000 for awards of planning and  
21 implementation grants under section 101, 102, 103,  
22 104(a) through 104(i), 104(l), 104(m), 105(a)  
23 through 105(g), 106(a)(2), 106(a)(4), 106(b)  
24 through 106(f), 109, 110, 111, 113, 115, 116, 120,  
25 and 122 of the Housing and Community Develop-



1       ment Act of 1974 (42 U.S.C. 5301, 5302, 5303,  
2       5304(a)-(i), 5304(l), 5304(m), 5305(a)-(g),  
3       5306(a)(2), 5306(a)(4), 5306(b)-(f), 5309, 5310,  
4       5311, 5313, 5315, 5316, 5319, and 5321), awarded  
5       on a competitive basis to eligible recipients, as de-  
6       fined under subsection (c)(2) of this section, to carry  
7       out community-led projects to create equitable civic  
8       infrastructure and create or preserve affordable, ac-  
9       cessible housing, including creating, expanding, and  
10      maintaining community land trusts and shared eq-  
11      uity homeownership programs;

12           (2) \$500,000,000 for planning and implementa-  
13      tion grants under section 101, 102, 103, 104(a)  
14      through 104(i), 104(l), 104(m), 105(a) through  
15      105(g), 106(a)(2), 106(a)(4), 106(b) through  
16      106(f), 109, 110, 111, 113, 115, 116, 120, and 122  
17      of the Housing and Community Development Act of  
18      1974 (42 U.S.C. 5301, 5302, 5303, 5304(a)-(i),  
19      5304(l), 5304(m), 5305(a)-(g), 5306(a)(2)  
20      5306(a)(4), 5306(b)-(f), 5309, 5310, 5311, 5313,  
21      5315, 5316, 5319, and 5321), awarded on a com-  
22      petitive basis to eligible recipients to create, expand,  
23      and maintain community land trusts and shared eq-  
24      uity homeownership, including through the acquisi-

1       tion, rehabilitation, and new construction of afford-  
2       able, accessible housing;

3               (3) \$400,000,000 for the Secretary to provide  
4       technical assistance, capacity building, and program  
5       support to applicants, potential applicants, and re-  
6       cipients of amounts appropriated for grants under  
7       this section; and

8               (4) \$100,000,000 for the costs to the Secretary  
9       of administering and overseeing the implementation  
10      of this section and community and economic develop-  
11      ment programs overseen by the Secretary generally,  
12      including information technology, financial report-  
13      ing, research and evaluations, and other cross-pro-  
14      gram costs in support of programs administered by  
15      the Secretary in this title, and other costs.

16      (b) ESTABLISHMENT OF FUND.—The Secretary of  
17      Housing and Urban Development (in this section referred  
18      to as the “Secretary”) shall establish a Community Res-  
19      toration and Revitalization Fund (in this section referred  
20      to as the “Fund”) to award planning and implementation  
21      grants on a competitive basis to eligible recipients as de-  
22      fined in this section for activities authorized under sub-  
23      sections (a) through (g) of section 105 of the Housing and  
24      Community Development Act of 1974 (42 U.S.C. 5305)

1 and under this section for community-led affordable hous-  
2 ing and civic infrastructure projects.

3 (c) ELIGIBLE GEOGRAPHICAL AREAS, RECIPIENTS,  
4 AND APPLICANTS.—

5 (1) GEOGRAPHICAL AREAS.—The Secretary  
6 shall award grants from the Fund to eligible recipi-  
7 ents within geographical areas at the neighborhood,  
8 county, or census tract level, including census tracts  
9 adjacent to the project area that are areas in need  
10 of investment, as demonstrated by two or more of  
11 the following factors:

12 (A) High and persistent rates of poverty.

13 (B) Population at risk of displacement due  
14 to rising housing costs.

15 (C) Dwelling unit sales prices that are  
16 lower than the cost to acquire and rehabilitate,  
17 or build, a new dwelling unit.

18 (D) High proportions of residential and  
19 commercial properties that are vacant due to  
20 foreclosure, eviction, abandonment, or other  
21 causes.

22 (E) Low rates of homeownership by race  
23 and ethnicity, relative to the national homeown-  
24 ership rate.

1           (2) ELIGIBLE RECIPIENT.—An eligible recipient  
2 of a planning or implementation grant under sub-  
3 section (a)(1) or an implementation grant under  
4 subsection (a)(2) shall be a local partnership of a  
5 lead applicant and one or more joint applicants with  
6 the ability to administer the grant. An eligible recipi-  
7 ent of a planning grant under subsection (b)(1) shall  
8 be a lead applicant with the ability to administer the  
9 grant, including a regional, State, or national non-  
10 profit.

11 (d) ELIGIBLE RECIPIENTS AND APPLICANTS.—

12           (1) LEAD APPLICANT.—An eligible lead appli-  
13 cant for a grant awarded under this section shall be  
14 an entity that is located within or serves the geo-  
15 graphic area of the project, or derives its mission  
16 and operational priorities from the needs of the geo-  
17 graphic area of the project, demonstrates a commit-  
18 ment to anti-displacement efforts, and that is—

19                   (A) a nonprofit organization that has ex-  
20 pertise in community planning, engagement, or-  
21 ganizing, housing and community development;

22                   (B) a community development corporation;

23                   (C) a community housing development or-  
24 ganization;

1 (D) a community-based development orga-  
2 nization; or

3 (E) a community development financial in-  
4 stitution, as defined by section 103 of the Rie-  
5 gle Community Development and Regulatory  
6 Improvement Act of 1994 (12 U.S.C. 4702).

7 (2) JOINT APPLICANTS.—A joint applicant shall  
8 be an entity eligible to be a lead applicant in para-  
9 graph (1), or a local, regional, or national—

10 (A) nonprofit organization;

11 (B) community development financial insti-  
12 tution;

13 (C) unit of general local government;

14 (D) Indian tribe;

15 (E) State housing finance agency;

16 (F) land bank;

17 (G) fair housing enforcement organization  
18 (as such term is defined in section 561 of the  
19 Housing and Community Development Act of  
20 1987 (42 U.S.C. 3616a));

21 (H) public housing agency;

22 (I) tribally designated housing entity; or

23 (J) philanthropic organization.

24 (3) LACK OF LOCAL ENTITY.—A regional,  
25 State, or national nonprofit organization may serve

1 as a lead entity if there is no local entity that meets  
2 the geographic requirements in paragraph (1).

3 (e) USES OF FUNDS.—

4 (1) IN GENERAL.—Planning and implementa-  
5 tion grants awarded under this section shall be used  
6 to support civic infrastructure and housing-related  
7 activities.

8 (2) IMPLEMENTATION GRANTS.—Implementa-  
9 tion grants awarded under this section may be used  
10 for activities eligible under subsections (a) through  
11 (g) of section 105 of the Housing and Community  
12 Development Act of 1974 (42 U.S.C. 5305) and  
13 other activities to support civic infrastructure and  
14 housing-related activities, including—

15 (A) new construction of housing;

16 (B) demolition of abandoned or distressed  
17 structures, but only if such activity is part of a  
18 strategy that incorporates rehabilitation or new  
19 construction, anti-displacement efforts such as  
20 tenants' right to return and right of first re-  
21 fusal to purchase, and efforts to increase af-  
22 fordable, accessible housing and homeownership,  
23 except that not more than 10 percent of  
24 any grant made under this section may be used  
25 for activities under this subparagraph unless

1 the Secretary determines that such use is to the  
2 benefit of existing residents;

3 (C) facilitating the creation, maintenance,  
4 or availability of rental units, including units in  
5 mixed-use properties, affordable and accessible  
6 to a household whose income does not exceed  
7 80 percent of the median income for the area,  
8 as determined by the Secretary, for a period of  
9 not less than 30 years;

10 (D) facilitating the creation, maintenance,  
11 or availability of homeownership units afford-  
12 able and accessible to households whose incomes  
13 do not exceed 120 percent of the median in-  
14 come for the area, as determined by the Sec-  
15 retary;

16 (E) establishing or operating land banks;  
17 and

18 (F) providing assistance to existing resi-  
19 dents experiencing economic distress or at risk  
20 of displacement, including purchasing nonper-  
21 forming mortgages and clearing and obtaining  
22 formal title.

23 (3) COMMUNITY LAND TRUST GRANTS AND  
24 SHARED EQUITY HOMEOWNERSHIP GRANTS.—An eli-  
25 gible recipient of a community land trust grant

1 awarded for establishing and operating a community  
2 land trust or shared equity homeownership program;  
3 creation, subsidization, construction, acquisition, re-  
4 habilitation, and preservation of housing in a com-  
5 munity land trust or shared equity homeownership  
6 program, and expanding the capacity of the recipient  
7 to carry out the grant.

8 (f) WAIVERS.—The Secretary may waive or specify  
9 alternative requirements for any provision of subsection  
10 (a)(1) or (a)(2), or regulation for the administration of  
11 the amounts made available under this section other than  
12 requirements related to fair housing, nondiscrimination,  
13 labor standards, and the environment, upon a finding that  
14 the waiver or alternative requirement is not inconsistent  
15 with the overall purposes of such Act and that the waiver  
16 or alternative requirement is necessary to expedite or fa-  
17 cilitate the use of amounts made available under this sec-  
18 tion.

19 (g) DEFINITIONS.—For purposes of this section, the  
20 following definitions shall apply:

21 (1) COMMUNITY LAND TRUST.—The term  
22 “community land trust” means a nonprofit organi-  
23 zation or State or local governments or instrumen-  
24 talities that—



1 (A) use a ground lease or deed covenant  
2 with an affordability period of at least 30 years  
3 or more to—

4 (i) make rental and homeownership  
5 units affordable to households; and

6 (ii) stipulate a preemptive option to  
7 purchase the affordable rentals or home-  
8 ownership units so that the affordability of  
9 the units is preserved for successive in-  
10 come-eligible households; and

11 (B) monitor properties to ensure afford-  
12 ability is preserved.

13 (2) LAND BANK.—The term “land bank”  
14 means a government entity, agency, or program, or  
15 a special purpose nonprofit entity formed by one or  
16 more units of government in accordance with State  
17 or local land bank enabling law, that has been des-  
18 ignated by one or more State or local governments  
19 to acquire, steward, and dispose of vacant, aban-  
20 doned, or other problem properties in accordance  
21 with locally-determined priorities and goals.

22 (3) SHARED EQUITY HOMEOWNERSHIP PRO-  
23 GRAM.—The term “shared equity homeownership  
24 program” means a program to facilitate affordable  
25 homeownership preservation through a resale restric-

1       tion program administered by a community land  
2       trust, other nonprofit organization, or State or local  
3       government or instrumentalities and that utilizes a  
4       ground lease, deed restriction, subordinate loan, or  
5       similar mechanism that includes provisions ensuring  
6       that the program shall—

7               (A) maintain the home as affordable for  
8               subsequent very low-, low-, or moderate-income  
9               families for an affordability term of at least 30  
10              years after recordation;

11             (B) apply a resale formula that limits the  
12             homeowner's proceeds upon resale; and

13             (C) provide the program administrator or  
14             such administrator's assignee a preemptive op-  
15             tion to purchase the homeownership unit from  
16             the homeowner at resale.

17       (h) IMPLEMENTATION.—The Secretary shall have au-  
18       thority to issue such regulations, notices, or other guid-  
19       ance, forms, instructions, and publications to carry out the  
20       programs, projects, or activities authorized under this sec-  
21       tion to ensure that such programs, projects, or activities  
22       are completed in a timely and effective manner.

1 **SEC. 40106. FAIR HOUSING ACTIVITIES AND INVESTIGA-**  
2 **TIONS.**

3 (a) APPROPRIATION.—In addition to amounts other-  
4 wise available, there is appropriated to the Secretary of  
5 Housing and Urban Development (in this section referred  
6 to as the “Secretary”) for fiscal year 2022, out of any  
7 money in the Treasury not otherwise appropriated—

8 (1) \$540,000,000, to remain available until  
9 September 30, 2026, for the Fair Housing Initia-  
10 tives Program under section 561 of the Housing and  
11 Community Development Act of 1987 (42 U.S.C.  
12 3616a) to ensure existing and new fair housing or-  
13 ganizations have expanded and strengthened capac-  
14 ity to address fair housing inquiries and complaints,  
15 conduct local, regional, and national testing and in-  
16 vestigations, conduct education and outreach activi-  
17 ties, and address costs of delivering or adapting  
18 services to meet increased housing market activity  
19 and evolving business practices in the housing, hous-  
20 ing-related, and lending markets. Amounts made  
21 available under this section shall support greater or-  
22 ganizational continuity and capacity, including  
23 through up to 10-year grants; and

24 (2) \$160,000,000, to remain available until  
25 September 30, 2031, for the costs to the Secretary  
26 of administering and overseeing the implementation

1 of this section and the Fair Housing Initiatives and  
2 Fair Housing Assistance Programs generally, includ-  
3 ing information technology, financial reporting, re-  
4 search and evaluations, other cross-program costs in  
5 support of programs administered by the Secretary  
6 in this title, and other costs.

7 (b) IMPLEMENTATION.—The Secretary shall have au-  
8 thority to issue such regulations, notices, or other guid-  
9 ance, forms, instructions, and publications to carry out the  
10 programs, projects, or activities authorized under this sec-  
11 tion to ensure that such programs, projects, or activities  
12 are completed in a timely and effective manner.

13 **SEC. 40107. INTERGOVERNMENTAL FAIR HOUSING ACTIVI-**  
14 **TIES AND INVESTIGATIONS.**

15 In addition to amounts otherwise available, there is  
16 appropriated to the Secretary of Housing and Urban De-  
17 velopment (in this section referred to as the “Secretary”)  
18 for fiscal year 2022, out of any money in the Treasury  
19 not otherwise appropriated—

20 (1) \$75,000,000 for support for cooperative ef-  
21 forts with State and local agencies administering  
22 fair housing laws under section 817 of the Fair  
23 Housing Act (42 U.S.C. 3616) to assist the Sec-  
24 retary to affirmatively further fair housing, and for  
25 Fair Housing Assistance Program cooperative agree-

1       ments with interim certified and certified State and  
2       local agencies, under the requirements of subpart C  
3       of part 115 of title 24, Code of Federal Regulations,  
4       to ensure expanded and strengthened capacity of  
5       substantially equivalent agencies to assume a greater  
6       share of the responsibility for the administration and  
7       enforcement of fair housing laws; and

8               (2) \$25,000,000 for the costs to the Secretary  
9       of administering and overseeing the implementation  
10       of this section and the Fair Housing Assistance and  
11       Fair Housing Initiatives Programs generally, includ-  
12       ing information technology, financial reporting, re-  
13       search and evaluations, other cross-program costs in  
14       support of programs administered by the Secretary  
15       in this title, and other costs.

## 16               **Subtitle C—Homeownership** 17               **Investments**

### 18       **SEC. 40201. FIRST-GENERATION DOWNPAYMENT ASSIST-** 19               **ANCE.**

20               (a) APPROPRIATION.—In addition to amounts other-  
21       wise available, there is appropriated to the First Genera-  
22       tion Downpayment Fund to increase equal access to home-  
23       ownership, established under subsection (b) for fiscal year  
24       2022, out of any money in the Treasury not otherwise ap-  
25       propriated—

1           (1) \$6,825,000,000, to remain available until  
2           September 30, 2026, for the First-Generation Down-  
3           payment Assistance Fund under this section for allo-  
4           cation to each State in accordance with a formula  
5           established by the Secretary, which shall take into  
6           consideration best available data to approximate the  
7           number of potential qualified homebuyers as defined  
8           in subsection (e)(7) as well as median area home  
9           prices, to carry out the eligible uses of the Fund as  
10          described in subsection (d);

11          (2) \$2,275,000,000, to remain available until  
12          September 30, 2026, for the First-Generation Down-  
13          payment Assistance Program under this section for  
14          competitive grants to eligible entities to carry out  
15          the eligible uses of the Fund as described in sub-  
16          section (d);

17          (3) \$500,000,000, to remain available until  
18          September 30, 2031, for the costs of providing hous-  
19          ing counseling required under the First-Generation  
20          Downpayment Assistance Program under subsection  
21          (d)(1); and

22          (4) \$400,000,000, to remain available until  
23          September 30, 2031, for the costs to the Secretary  
24          of Housing and Urban Development of admin-  
25          istering and overseeing the implementation of the

1 First-Generation Downpayment Assistance Program,  
2 including information technology, financial report-  
3 ing, programmatic reporting, research and evalua-  
4 tions, which shall include the program’s impact on  
5 racial and ethnic disparities in homeownership rates,  
6 technical assistance to recipients of amounts under  
7 this section, and other cross-program costs in sup-  
8 port of programs administered by the Secretary in  
9 this Act, and other costs.

10 (b) ESTABLISHMENT.—The Secretary of Housing  
11 and Urban Development shall establish and manage a  
12 fund to be known as the First Generation Downpayment  
13 Fund (in this section referred to as the “Fund”) for the  
14 uses set forth in subsection (d).

15 (c) ALLOCATION OF FUNDS.—

16 (1) INITIAL ALLOCATION.—The Secretary shall  
17 allocate and award funding provided by subsection  
18 (a) as provided under such subsection not later than  
19 12 months after the date of the enactment of this  
20 section.

21 (2) REALLOCATION.—If a State or eligible enti-  
22 ty does not demonstrate the capacity to expend  
23 grant funds provided under this section, the Sec-  
24 retary may recapture amounts remaining available  
25 to a grantee that has not demonstrated the capacity

1 to expend such funds in a manner that furthers the  
2 purposes of this section and shall reallocate such  
3 amounts among any other States or eligible entities  
4 that have demonstrated to the Secretary the capac-  
5 ity to expend such amounts in a manner that fur-  
6 thers the purposes of this section.

7 (d) TERMS AND CONDITIONS OF GRANTS ALLO-  
8 CATED OR AWARDED FROM FUND.—

9 (1) USES OF FUNDS.—States and eligible enti-  
10 ties receiving grants from the Fund shall use such  
11 grants to provide assistance to or on behalf of a  
12 qualified homebuyer who has completed a program  
13 of housing counseling provided through a housing  
14 counseling agency approved by the Secretary or  
15 other adequate homebuyer education before entering  
16 into a sales purchase agreement for—

17 (A) costs in connection with the acquisi-  
18 tion, involving an eligible mortgage loan, of an  
19 eligible home, including downpayment costs,  
20 closing costs, and costs to reduce the rates of  
21 interest on eligible mortgage loans;

22 (B) subsidies to make shared equity homes  
23 affordable to eligible homebuyers; and



1 (C) pre-occupancy home modifications to  
2 accommodate qualified homebuyers or members  
3 of their household with disabilities;

4 (2) AMOUNT OF ASSISTANCE.—Assistance  
5 under this section—

6 (A) may be provided to or on behalf of any  
7 qualified homebuyer;

8 (B) may be provided to or on behalf of any  
9 qualified homebuyer only once in the form of  
10 grants or forgivable, non-amortizing, non-inter-  
11 est-bearing loans that may only be required to  
12 be repaid pursuant to paragraph (d)(4); and

13 (C) may not exceed the greater of \$20,000  
14 or 10 percent of the purchase price in the case  
15 of a qualified homebuyer, not to include assist-  
16 ance received under subsection (d)(1)(C) for  
17 disability related home modifications, except  
18 that the Secretary may increase such maximum  
19 limitation amounts for qualified homebuyers  
20 who are economically disadvantaged.

21 (3) PROHIBITION OF PRIORITY OR  
22 RECOUPMENT OF FUNDS.—In selecting qualified  
23 homebuyers for assistance with grant amounts under  
24 this section, a State or eligible entity may not pro-  
25 vide any priority or preference for homebuyers who

1 are acquiring eligible homes with a mortgage loan  
2 made, insured, guaranteed, or otherwise assisted by  
3 the State housing finance agency for the State, any  
4 other housing agency of the State, or an eligible en-  
5 tity when applicable, nor may the State or eligible  
6 entity seek to recoup any funds associated with the  
7 provision of downpayment assistance to the qualified  
8 homebuyer, whether through premium pricing or  
9 otherwise, except as provided in paragraph (4) of  
10 this subsection or otherwise authorized by the Sec-  
11 retary.

12 (4) REPAYMENT OF ASSISTANCE.—

13 (A) REQUIREMENT.—The Secretary shall  
14 require that, if a homebuyer to or on behalf of  
15 whom assistance is provided from grant  
16 amounts under this section fails or ceases to oc-  
17 cupy the property acquired using such assist-  
18 ance as the primary residence of the home-  
19 buyer, except in the case of assistance provided  
20 in connection with the purchase of a principal  
21 residence through a shared equity homeownership  
22 program, the homebuyer shall repay to the  
23 State or eligible entity, as applicable, in a pro-  
24 portional amount of the assistance the home-  
25 buyer receives based on the number of years

1           they have occupied the eligible home up to 5  
2           years, except that no assistance shall be repaid  
3           if the qualified homebuyer occupies the eligible  
4           home as a primary residence for 5 years or  
5           more.

6           (B) LIMITATION.—Notwithstanding sub-  
7           paragraph (A), a homebuyer to or on behalf of  
8           whom assistance is provided from grant  
9           amounts under this section shall not be liable to  
10          the State or eligible entity for the repayment of  
11          the amount of such shortage if the homebuyer  
12          fails or ceases to occupy the property acquired  
13          using such assistance as the principal residence  
14          of the homebuyer at least in part because of a  
15          hardship, or sells the property acquired with  
16          such assistance before the expiration of the 60-  
17          month period beginning on such date of acquisi-  
18          tion and the capital gains from such sale to a  
19          bona fide purchaser in an arm’s length trans-  
20          action are less than the amount the homebuyer  
21          is required to repay the State or eligible entity  
22          under subparagraph (A).

23          (5) RELIANCE ON BORROWER ATTESTATIONS.—  
24          No additional documentation beyond the borrower’s  
25          attestation shall be required to demonstrate eligi-

1 bility under subparagraphs (B) and (C) of sub-  
2 section (e)(7) and no State, eligible entity, or cred-  
3 itor shall be subject to liability based on the accu-  
4 racy of such attestation.

5 (6) COSTS TO GRANTEE.—States and eligible  
6 entities receiving grants from the Fund may use a  
7 portion of such grants for administrative costs up to  
8 the limit specified by the Secretary.

9 (e) DEFINITIONS.—For purposes of this section, the  
10 following definitions shall apply:

11 (1) ELIGIBLE ENTITY.—The term “eligible enti-  
12 ty” means—

13 (A) a minority depository institution, as  
14 such term is defined in section 308 of the Fi-  
15 nancial Institutions Reform, Recovery, and En-  
16 forcement Act of 1989 (12 U.S.C. 1463 note);

17 (B) a community development financial in-  
18 stitution, as such term is defined in section 103  
19 of the Riegle Community Development and  
20 Regulatory Improvement Act of 1994 (12  
21 U.S.C. 4702), that is certified by the Secretary  
22 of the Treasury and targets services to minority  
23 and low-income populations or provides services  
24 in neighborhoods having high concentrations of  
25 minority and low-income populations;

1           (C) any other nonprofit entity that the  
2           Secretary finds has a track record of providing  
3           assistance to homeowners, targets services to  
4           minority and low-income or provides services in  
5           neighborhoods having high concentrations of  
6           minority and low-income populations; and

7           (D) a unit of general local government, as  
8           such term is defined in section 102 of the  
9           Housing and Community Development Act of  
10          1974 (42 U.S.C. 5302).

11          (2) ELIGIBLE HOME.—The term “eligible  
12          home” means a residential dwelling that—

13               (A) consists of 1 to 4 dwelling units; and

14               (B) will be occupied by the qualified home-  
15          buyer as the primary residence of the home-  
16          buyer.

17          (3) ELIGIBLE MORTGAGE LOAN.—The term “el-  
18          igible mortgage loan” means a single-family residen-  
19          tial mortgage loan that—

20               (A) meets the underwriting requirements  
21          and dollar amount limitations for acquisition by  
22          the Federal National Mortgage Association or  
23          the Federal Home Loan Mortgage Corporation;

24               (B) is made, insured, or guaranteed under  
25          any program administered by the Secretary;

1 (C) is made, insured, or guaranteed by the  
2 Rural Housing Administrator of the Depart-  
3 ment of Agriculture;

4 (D) is a qualified mortgage, as such term  
5 is defined in section 129C(b)(2) of the Truth in  
6 Lending Act (15 U.S.C. 1639c(b)(2)); or

7 (E) is made, insured, or guaranteed for the  
8 benefit of a veteran.

9 (4) FIRST GENERATION HOMEBUYER.—The  
10 term “first-generation homebuyer” means a home-  
11 buyer that is, as attested by the homebuyer—

12 (A) an individual—

13 (i) whose parents or legal guardians  
14 do not, or did not at the time of their  
15 death, to the best of the individual’s knowl-  
16 edge, have any present ownership interest  
17 in a residence in any State, excluding own-  
18 ership of heir property or ownership of  
19 chattel; and

20 (ii) whose spouse or domestic partner  
21 has not, during the 3-year period ending  
22 upon acquisition of the eligible home to be  
23 acquired using such assistance, had any  
24 present ownership interest in a residence  
25 in any State, excluding ownership of heir

1 property or ownership of chattel, whether  
2 the individual is a co-borrower on the loan  
3 or not; or

4 (B) an individual who has at any time  
5 been placed in foster care or institutional care  
6 whose spouse or domestic partner has not, dur-  
7 ing the 3-year period ending upon acquisition of  
8 the eligible home to be acquired using such as-  
9 sistance, had any ownership interest in a resi-  
10 dence in any State, excluding ownership of heir  
11 property or ownership of chattel, whether such  
12 individuals are co-borrowers on the loan or not.

13 (5) HEIR PROPERTY.—The term “heir prop-  
14 erty” means residential property for which title  
15 passed by operation of law through intestacy and is  
16 held by two or more heirs as tenants in common.

17 (6) OWNERSHIP INTEREST .—The term “own-  
18 ership interest” means any ownership, excluding any  
19 interest in heir property, in—

20 (A) real estate in fee simple;

21 (B) a leasehold on real estate under a lease  
22 for not less than ninety-nine years which is re-  
23 newable; or

24 (C) a fee interest in, or long-term leasehold  
25 interest in, real estate consisting of a one-family

1 unit in a multifamily project, including a  
2 project in which the dwelling units are attached,  
3 or are manufactured housing units, semi-de-  
4 tached, or detached, and an undivided interest  
5 in the common areas and facilities which serve  
6 the project.

7 (7) QUALIFIED HOMEBUYER.—The term  
8 “qualified homebuyer” means a homebuyer—

9 (A) having an annual household income  
10 that is less than or equal to—

11 (i) 120 percent of median income, as  
12 determined by the Secretary, for—

13 (I) the area in which the home to  
14 be acquired using such assistance is  
15 located; or

16 (II) the area in which the place  
17 of residence of the homebuyer is lo-  
18 cated; or

19 (ii) 140 percent of the median income,  
20 as determined by the Secretary, for the  
21 area within which the eligible home to be  
22 acquired using such assistance is located if  
23 the homebuyer is acquiring an eligible  
24 home located in a high-cost area;



1           (B) who is a first-time homebuyer, as such  
2 term is defined in section 104 of the Cranston-  
3 Gonzalez National Affordable Housing Act (42  
4 U.S.C. 12704), except that for the purposes of  
5 this section the reference in such section 104 to  
6 title II shall be considered to refer to this sec-  
7 tion, and except that ownership of heir property  
8 shall not be treated as owning a home for pur-  
9 poses of determining whether a borrower quali-  
10 fies as a first-time homebuyer; and

11           (C) who is a first-generation homebuyer.

12           (8) SECRETARY.—The term “Secretary” means  
13 the Secretary of Housing and Urban Development.

14           (9) SHARED EQUITY HOMEOWNERSHIP PRO-  
15 GRAM.—

16           (A) IN GENERAL.—The term “shared eq-  
17 uity homeownership program” means affordable  
18 homeownership preservation through a resale  
19 restriction program administered by a commu-  
20 nity land trust, other nonprofit organization, or  
21 State or local government or instrumentalities.

22           (B) AFFORDABILITY REQUIREMENTS.—  
23 Any such program under subparagraph (A)  
24 shall—

1 (i) provide affordable homeownership  
2 opportunities to households; and

3 (ii) utilize a ground lease, deed re-  
4 striction, subordinate loan, or similar  
5 mechanism that includes provisions ensur-  
6 ing that the program shall—

7 (I) maintain the homeownership  
8 unit as affordable for subsequent very  
9 low-, low-, or moderate-income fami-  
10 lies for an affordability term of at  
11 least 30 years after recordation;

12 (II) apply a resale formula that  
13 limits the homeowner's proceeds upon  
14 resale; and

15 (III) provide the program admin-  
16 istrator or such administrator's as-  
17 signee a preemptive option to pur-  
18 chase the homeownership unit from  
19 the homeowner at resale.

20 (10) STATE.—The term “State” means any  
21 State of the United States, the District of Columbia,  
22 the Commonwealth of Puerto Rico, the United  
23 States Virgin Islands, Guam, the Commonwealth of  
24 the Northern Mariana Islands, and American  
25 Samoa.

1 (f) IMPLEMENTATION.—The Secretary shall have au-  
2 thority to issue such regulations, notices, or other guid-  
3 ance, forms, instructions, and publications to carry out the  
4 programs, projects, or activities authorized under this sec-  
5 tion to ensure that such programs, projects, or activities  
6 are completed in a timely and effective manner.

7 **SEC. 40202. HOME LOAN PROGRAM.**

8 (a) APPROPRIATION.—In addition to amounts other-  
9 wise available, there is appropriated for fiscal year 2022,  
10 out of any amounts in the Treasury not otherwise appro-  
11 priated, to remain available until September 30, 2031—

12 (1) \$4,000,000,000 to the Secretary of Housing  
13 and Urban Development for the cost of guaranteed  
14 or insured loans and other obligations, including the  
15 cost of modifying such loans, under subsection  
16 (e)(1)(A);

17 (2) \$500,000,000 to the Secretary of Housing  
18 and Urban Development for costs of carrying out  
19 the program under paragraph (1) and programs of  
20 the Federal Housing Administration and the Gov-  
21 ernment National Mortgage Association generally,  
22 including information technology, financial report-  
23 ing, and other cross-program costs in support of  
24 programs administered by the Secretary in this title,  
25 and other costs;

1           (3) \$150,000,000 to the Secretary of Agri-  
2           culture for the cost of guaranteed and insured loans  
3           and other obligations, including the cost of modi-  
4           fying such loans, under subsection (e)(1)(B);

5           (4) \$50,000,000 to the Secretary of Agriculture  
6           for the costs of carrying out the program under  
7           paragraph (3) and programs of the Rural Housing  
8           Service generally, including information technology  
9           and financial reporting in support of the Program  
10          administered by the Secretary of Agriculture in this  
11          title; and

12          (5) \$300,000,000 to the Secretary of Treasury  
13          for the costs of carrying out the program under this  
14          section.

15          (b) USE OF FUNDS.—

16               (1) IN GENERAL.—

17                   (A) The Secretary of Housing and Urban  
18                   Development and the Secretary of Agriculture  
19                   shall use the funds provided under subsections  
20                   (a)(1), (a)(2), (a)(3), and (a)(4) to carry out  
21                   the programs under subsections (a)(1) and  
22                   (a)(3) to make covered mortgage loans.

23                   (B) The Secretary of the Treasury shall  
24                   use the funds provided under subsections (a)(5)  
25                   and (b)(2) to—

1           (i) purchase, on behalf of the Sec-  
2           retary of Housing and Urban Develop-  
3           ment, securities that are secured by cov-  
4           ered mortgage loans, and sell, manage, and  
5           exercise any rights received in connection  
6           with, any financial instruments or assets  
7           acquired pursuant to the authorities grant-  
8           ed under this section, including, as appro-  
9           priate, establishing and using vehicles to  
10          purchase, hold, and sell such financial in-  
11          struments or assets;

12          (ii) designate one or more banks, se-  
13          curity brokers or dealers, asset managers,  
14          or investment advisers, as a financial agent  
15          of the Federal Government to perform du-  
16          ties related to authorities granted under  
17          this section; and

18          (iii) use the services of the Depart-  
19          ment of Housing and Urban Development  
20          on a reimbursable basis, and the Secretary  
21          of Housing and Urban Development is au-  
22          thorized to provide services as requested by  
23          the Secretary of Treasury using all au-  
24          thorities vested in or delegated to the De-

1                   partment of Housing and Urban Develop-  
2                   ment.

3                   (2) TRANSFER OF AMOUNTS TO TREASURY.—

4                   Such portions of the appropriation to the Secretary  
5                   of Housing and Urban Development shall be trans-  
6                   ferred by the Secretary of Housing and Urban De-  
7                   velopment to the Department of the Treasury from  
8                   time-to-time in an amount equal to, as determined  
9                   by the Secretary of the Treasury in consultation  
10                  with the Secretary of Housing and Urban Develop-  
11                  ment, the amount necessary for the purchase of se-  
12                  curities under the Program during the period for  
13                  which the funds are intended to be available.

14                  (3) USE OF PROCEEDS.—Revenues of and pro-  
15                  ceeds from the sale, exercise, or surrender of assets  
16                  purchased or acquired under the Program under this  
17                  section shall be available to the Secretary of the  
18                  Treasury through September 30, 2031, for purposes  
19                  of purchases under subsection (b)(1)(B)(i).

20                  (c) LIMITATION ON AGGREGATE LOAN INSURANCE  
21                  OR GUARANTEE AUTHORITY.—The aggregate original  
22                  principal obligation of all covered mortgage loans insured  
23                  or guaranteed under subsection (e)(1)(A) of this section  
24                  may not exceed \$48,000,000,000, and under section  
25                  (e)(1)(B) may not exceed \$12,000,000,000.

1 (d) GNMA GUARANTEE AUTHORITY AND FEE.—To  
2 carry out the purposes of this section, the Government Na-  
3 tional Mortgage Association may enter into new commit-  
4 ments to issue guarantees of securities based on or backed  
5 by mortgages insured or guaranteed under this section,  
6 not exceeding \$60,000,000,000, and shall collect guaranty  
7 fees consistent with section 306(g)(1) of the National  
8 Housing Act (12 U.S.C. 1721(g)(1)) that are paid at  
9 securitization.

10 (e) DEFINITIONS.—In this section:

11 (1) COVERED MORTGAGE LOAN.—

12 (A) IN GENERAL.—The term “covered  
13 mortgage loan” means, for purposes of the Pro-  
14 gram established by the Secretary of Housing  
15 and Urban Development, a mortgage loan  
16 that—

17 (i) is insured by the Federal Housing  
18 Administration pursuant to section 203(b)  
19 of the National Housing Act, subject to the  
20 eligibility criteria set forth in this sub-  
21 section, and has a case number issued on  
22 or before December 31, 2029;

23 (ii) is made for an original term of 20  
24 years with a monthly mortgage payment of  
25 principal and interest that is not more

1 than 110 percent and not less than 100  
2 percent of the monthly payment of prin-  
3 cipal, interest, and periodic mortgage in-  
4 surance premium associated with a newly  
5 originated 30-year mortgage loan with the  
6 same loan balance insured by the agency  
7 as determined by the Secretary;

8 (iii) subject to subparagraph (C) of  
9 this paragraph and notwithstanding sec-  
10 tion 203(c)(2) of the National Housing Act  
11 (12 U.S.C. 1709(c)(2)), has a mortgage in-  
12 surance premium of not more than 4 per-  
13 cent of the loan balance that is paid at  
14 closing, financed into the principal balance  
15 of the loan, paid through an annual pre-  
16 mium, or a combination thereof;

17 (iv) involves a rate of interest that is  
18 fixed over the term of the mortgage loan;  
19 and

20 (v) is secured by a single-family resi-  
21 dence that is the principal residence of an  
22 eligible homebuyer.

23 (B) The term “covered mortgage loan”  
24 means, for purposes of the Program established  
25 by the Secretary of Agriculture, a loan guaran-



1           teed under section 502(h) of the Housing Act  
2           of 1949 (42 U.S.C. 1472(h)) that—

3                   (i)           notwithstanding           section  
4                   502(h)(7)(A) of the Housing Act of 1949  
5                   (42 U.S.C. 1472(h)(7)(A)), is made for an  
6                   original term of 20 years with a monthly  
7                   mortgage payment of principal and interest  
8                   that is not more than 110 percent and not  
9                   less than 100 percent of the monthly pay-  
10                  ment of principal, interest, and loan guar-  
11                  antee fee associated with a newly origi-  
12                  nated 30-year mortgage loan with the  
13                  same loan balance guaranteed by the agen-  
14                  cy as determined by the Secretary; and

15                  (ii) subject to subparagraph (C) of  
16                  this paragraph and notwithstanding sec-  
17                  tion 502(h)(8)(A) of the Housing Act of  
18                  1949 (42 U.S.C. 1472(h)(8)(A)), has a  
19                  loan guarantee fee of not more than 4 per-  
20                  cent of the principal obligation of the loan.

21                  (C) WAIVER AND ALTERNATIVE REQUIRE-  
22                  MENTS.—The Secretary of Housing and Urban  
23                  Development and the Secretary of Agriculture,  
24                  in consultation with the Secretary of the Treas-  
25                  ury, and notwithstanding paragraph (8)(A) of

1 section 502(h) of the Housing Act of 1949 (42  
2 U.S.C. 1472(h)(8)(A)) for purposes of the Pro-  
3 gram established by the Secretary of Agri-  
4 culture, may waive or specify alternative re-  
5 quirements for subsection (e)(1)(A)(ii) or  
6 (e)(1)(B)(i) for covered mortgage loans in con-  
7 nection with the use of amounts made available  
8 under this section upon a finding that the waiv-  
9 er or alternative requirement is necessary to fa-  
10 cilitate the use of amounts made available  
11 under this section.

12 (2) ELIGIBLE HOMEBUYER.—The term “eligible  
13 homebuyer” means an individual who—

14 (A) for purposes of the Program estab-  
15 lished by the Secretary of Housing and Urban  
16 Development—

17 (i) has an annual household income  
18 that is less than or equal to—

19 (I) 120 percent of median income  
20 for the area, as determined by the  
21 Secretary of Housing and Urban De-  
22 velopment for—

23 (aa) the area in which the  
24 home to be acquired using such  
25 assistance is located; or

1 (bb) the area in which the  
2 place of residence of the home-  
3 buyer is located; or

4 (II) if the homebuyer is acquiring  
5 an eligible home that is located in a  
6 high-cost area, 140 percent of the me-  
7 dian income, as determined by the  
8 Secretary, for the area within which  
9 the eligible home to be acquired using  
10 assistance provided under this section  
11 is located;

12 (ii) is a first-time homebuyer, as de-  
13 fined in paragraph (4) of this subsection;  
14 and

15 (iii) is a first-generation homebuyer as  
16 defined in paragraph (3) of this subsection;

17 (B) for purposes of the Program estab-  
18 lished by the Secretary of Agriculture—

19 (i) meets the applicable requirements  
20 in section 502(h) of the Housing Act of  
21 1949 (42 U.S.C. 1472(h)); and

22 (ii) is a first-time homebuyer as de-  
23 fined in paragraph (4) of this subsection  
24 and a first-generation homebuyer as de-  
25 fined in paragraph (3) of this subsection.

1           (3) FIRST-GENERATION HOMEBUYER.—The  
2 term “first-generation homebuyer” means a home-  
3 buyer that, as attested by the homebuyer, is—

4           (A) an individual—

5                 (i) whose parents or legal guardians  
6 do not, or did not at the time of their  
7 death, to the best of the individual’s knowl-  
8 edge, have any present ownership interest  
9 in a residence in any State or ownership of  
10 chattel, excluding ownership of heir prop-  
11 erty; and

12                 (ii) whose spouse, or domestic partner  
13 has not, during the 3-year period ending  
14 upon acquisition of the eligible home to be  
15 acquired using such assistance, have any  
16 present ownership interest in a residence  
17 in any State, excluding ownership of heir  
18 property or ownership of chattel, whether  
19 the individual is a co-borrower on the loan  
20 or not; or

21           (B) an individual who has at any time  
22 been placed in foster care or institutional care  
23 whose spouse or domestic partner has not, dur-  
24 ing the 3-year period ending upon acquisition of  
25 the eligible home to be acquired using such as-

1           sistance, had any ownership interest in a resi-  
2           dence in any State, excluding ownership of heir  
3           property or ownership of chattel, whether such  
4           individuals are co-borrowers on the loan or not.

5           (4) FIRST-TIME HOMEBUYER.—The term “first-  
6           time homebuyer” means a homebuyer as defined in  
7           section 104 of the Cranston-Gonzalez National Af-  
8           fordable Housing Act (42 U.S.C. 12704), except  
9           that for the purposes of this section the reference in  
10          such section 12704(14) to title II shall be considered  
11          to refer to this section, and except that ownership of  
12          heir property shall not be treated as owning a home  
13          for purposes of determining whether a borrower  
14          qualifies as a first-time homebuyer.

15          (5) HEIR PROPERTY.—The term “heir prop-  
16          erty” means residential property for which title  
17          passed by operation of law through intestacy and is  
18          held by two or more heirs as tenants in common.

19          (6) OWNERSHIP INTEREST.—The term “owner-  
20          ship interest” means any ownership, excluding any  
21          interest in heir property, in—

22                  (A) real estate in fee simple;

23                  (B) a leasehold on real estate under a lease  
24                  for not less than ninety-nine years which is re-  
25                  newable; or

1           (C) a fee interest in, or long-term leasehold  
2           interest in, real estate consisting of a one-family  
3           unit in a multifamily project, including a  
4           project in which the dwelling units are attached,  
5           or are manufactured housing units, semi-de-  
6           tached, or detached, and an undivided interest  
7           in the common areas and facilities which serve  
8           the project.

9           (7) STATE.—The term “State” means the  
10          States of the United States, the District of Colum-  
11          bia, the Commonwealth of Puerto Rico, the Com-  
12          monwealth of the Northern Mariana Islands, Guam,  
13          the Virgin Islands, American Samoa, the Trust Ter-  
14          ritory of the Pacific Islands, and any other territory  
15          or possession of the United States.

16          (f) RELIANCE ON BORROWER ATTESTATIONS.—No  
17          additional documentation beyond the borrower’s attesta-  
18          tion shall be required to demonstrate eligibility under  
19          clauses (ii) and (iii) of subsection (e)(2)(A) and clause (ii)  
20          of subsection (e)(2)(B) and no State, eligible entity, or  
21          creditor shall be subject to liability based on the accuracy  
22          of such attestation.

23          (g) IMPLEMENTATION.—The Secretary of Housing  
24          and Urban Development, the Secretary of Agriculture,  
25          and the Secretary of Treasury shall have authority to issue

1 such regulations, notices, or other guidance, forms, in-  
2 structions, and publications to carry out the programs,  
3 projects, or activities authorized under this section to en-  
4 sure that such programs, projects, or activities are com-  
5 pleted in a timely and effective manner.

6 **SEC. 40203. HUD-INSURED SMALL DOLLAR MORTGAGE**  
7 **DEMONSTRATION PROGRAM.**

8 (a) APPROPRIATION.—In addition to amounts other-  
9 wise available, there is appropriated to the Secretary of  
10 Housing and Urban Development (in this section referred  
11 to as the “Secretary”) for fiscal year 2022, out of any  
12 money in the Treasury not otherwise appropriated, to re-  
13 main available until September 30, 2031—

14 (1) \$76,000,000 for a program to increase ac-  
15 cess to small-dollar mortgages, as defined in sub-  
16 section (b), which may include payment of incentives  
17 to lenders, adjustments to terms and costs, indi-  
18 vidual financial assistance, technical assistance to  
19 lenders and certain financial institutions to help  
20 originate loans, lender and borrower outreach, and  
21 other activities;

22 (2) \$10,000,000 for the cost of insured or guar-  
23 anteed loans, including the cost of modifying loans;  
24 and

1           (3) \$14,000,000 for the costs to the Secretary  
2 of administering and overseeing the implementation  
3 of this section and programs in the Office of Hous-  
4 ing generally, including information technology, fi-  
5 nancial reporting, research and evaluations, fair  
6 housing and fair lending compliance, and other  
7 cross-program costs in support of programs adminis-  
8 tered by the Secretary in this title, and other costs.

9           (b) **SMALL-DOLLAR MORTGAGE.**—For purposes of  
10 this section, the term “small-dollar mortgage” means a  
11 forward mortgage that—

12           (1) has an original principal balance of  
13 \$100,000 or less;

14           (2) is secured by a one- to four-unit property  
15 that is the mortgagor’s principal residence; and

16           (3) is insured or guaranteed by the Secretary.

17           (c) **IMPLEMENTATION.**—The Secretary shall have au-  
18 thority to issue such regulations, notices, or other guid-  
19 ance, forms, instructions, and publications to carry out the  
20 programs, projects, or activities authorized under this sec-  
21 tion to ensure that such programs, projects, or activities  
22 are completed in a timely and effective manner.

23 **SEC. 40204. INVESTMENTS IN RURAL HOMEOWNERSHIP.**

24           (a) **APPROPRIATION.**—In addition to amounts other-  
25 wise available, there is appropriated to the Rural Housing



1 Service of the Department of Agriculture for fiscal year  
2 2022, out of any money in the Treasury not otherwise ap-  
3 propriated, to remain available until expended—

4 (1) \$90,000,000 for providing single family  
5 housing repair grants under section 504(a) of the  
6 Housing Act of 1949 (42 U.S.C. 1474(a)), subject  
7 to the terms and conditions in subsection (b) of this  
8 section;

9 (2) \$10,000,000 for administrative expenses of  
10 the Rural Housing Service of the Department of Ag-  
11 riculture that in whole or in part support activities  
12 funded by this section and related activities.

13 (b) TERMS AND CONDITIONS.—

14 (1) ELIGIBILITY.—Eligibility for grants from  
15 amounts made available by subsection (a)(1) shall  
16 not be subject to the limitations in section  
17 3550.103(b) of title 7, Code of Federal Regulations.

18 (2) USES.—Notwithstanding the limitations in  
19 section 3550.102(a) of title 7, Code of Federal Reg-  
20 ulations, grants from amounts made available by  
21 subsection (a)(2) shall be available for the eligible  
22 purposes in section 3550.102(b) of title 7, Code of  
23 Federal Regulations.

24 (c) IMPLEMENTATION.—The Administrator of the  
25 Rural Housing Service shall have authority to issue such

1 regulations, notices, or other guidance, forms, instruc-  
2 tions, and publications to carry out the programs,  
3 projects, or activities authorized under this section to en-  
4 sure that such programs, projects, or activities are com-  
5 pleted in a timely and effective manner.

6 **Subtitle D—HUD Administration,**  
7 **Capacity Building, Technical**  
8 **Assistance, and Agency Over-**  
9 **sight**

10 **SEC. 40301. PROGRAM ADMINISTRATION, TRAINING, TECH-**  
11 **NICAL ASSISTANCE, CAPACITY BUILDING,**  
12 **AND OVERSIGHT.**

13 (a) APPROPRIATION.—In addition to amounts other-  
14 wise available, there is appropriated for fiscal year 2022,  
15 out of any money in the Treasury not otherwise appro-  
16 priated,—

17 (1) \$949,250,000 to the Secretary of Housing  
18 and Urban Development for—

19 (A) the costs to the Secretary of admin-  
20 istering and overseeing the implementation of  
21 this title and the Department’s programs gen-  
22 erally, including information technology, inspec-  
23 tions of housing units, research and evaluation,  
24 financial reporting, and other costs; and

1 (B) new awards or increasing prior awards  
2 to provide training, technical assistance, and ca-  
3 pacity building related to the Department's pro-  
4 grams, including direct program support to pro-  
5 gram recipients throughout the country, includ-  
6 ing insular areas, that require such assistance  
7 with daily operations;

8 (2) \$43,250,000 to the Office of Inspector Gen-  
9 eral of the Department of Housing and Urban De-  
10 velopment for necessary salaries and expenses for  
11 conducting oversight of amounts provided by this  
12 title;

13 (3) \$5,000,000 to the Office of Inspector Gen-  
14 eral of the Department of the Treasury for nec-  
15 essary salaries and expenses for conducting oversight  
16 of amounts provided by this title; and

17 (4) \$2,500,000 to the Office of Inspector Gen-  
18 eral of the Department of the Agriculture for nec-  
19 essary salaries and expenses for conducting oversight  
20 of amounts provided by this title.

21 Amounts appropriated by this section shall remain avail-  
22 able until September 30, 2031.

23 (b) IMPLEMENTATION.—The Secretary of Housing  
24 and Urban Development shall have authority to issue such  
25 regulations, notices, or other guidance, forms, instruc-

1 tions, and publications to carry out the programs,  
2 projects, or activities authorized under this section to en-  
3 sure that such programs, projects, or activities are com-  
4 pleted in a timely and effective manner.

5 **SEC. 40302. COMMUNITY-LED CAPACITY BUILDING.**

6 (a) APPROPRIATION.—In addition to amounts other-  
7 wise made available, there is appropriated to the Secretary  
8 of Housing and Urban Development (in this section re-  
9 ferred to as the “Secretary”) for fiscal year 2022, out of  
10 any money in the Treasury not otherwise appropriated—

11 (1) \$90,000,000 for competitively awarded  
12 funds for technical assistance and capacity building  
13 to non-Federal entities, including grants awarded to  
14 nonprofit organizations to provide technical assist-  
15 ance activities to community development corpora-  
16 tions, community housing development organiza-  
17 tions, community land trusts, nonprofit organiza-  
18 tions in insular areas, and other mission-driven and  
19 nonprofit organizations that target services to low-  
20 income and socially disadvantaged populations, and  
21 provide services in neighborhoods having high con-  
22 centrations of minority, low-income, or socially dis-  
23 advantaged populations to—

24 (A) provide training, education, support,  
25 and advice to enhance the technical and admin-

1            istrative capabilities of community development  
2            corporations, community housing development  
3            organizations, community land trusts, and other  
4            mission-driven and nonprofit organizations un-  
5            dertaking affordable housing development, ac-  
6            quisition, preservation, or rehabilitation activi-  
7            ties;

8            (B) provide predevelopment assistance to  
9            community development corporations, commu-  
10          nity housing development organizations, and  
11          other mission-driven and nonprofit organiza-  
12          tions undertaking affordable housing develop-  
13          ment, acquisition, preservation, or rehabilitation  
14          activities; and

15          (C) carry out such other activities as may  
16          be determined by the grantees in consultation  
17          with the Secretary; and

18          (2) \$10,000,000 for the costs to the Secretary  
19          of administering and overseeing the implementation  
20          of this section and the Department's technical as-  
21          sistance programs generally, including information  
22          technology, research and evaluations, financial re-  
23          porting, and other cross-program costs in support of  
24          programs administered by the Secretary in this title  
25          and other costs.

1 Amounts appropriated by this section shall remain avail-  
2 able until September 30, 2031.

3 (b) IMPLEMENTATION.—The Secretary shall have au-  
4 thority to issue such regulations, notices, or other guid-  
5 ance, forms, instructions, and publications to carry out the  
6 programs, projects, or activities authorized under this sec-  
7 tion to ensure that such programs, projects, or activities  
8 are completed in a timely and effective manner.

## 9 **Subtitle E—Economic Development**

### 10 **SEC. 40401. MINORITY BUSINESS DEVELOPMENT AGENCY.**

11 In addition to amounts otherwise available, there is  
12 appropriated to the Minority Business Development Agen-  
13 cy of the Department of Commerce for fiscal year 2022,  
14 out of any money in the Treasury not otherwise appro-  
15 priated—

16 (1) \$200,000,000, to remain available until  
17 September 30, 2026, for entering into agreements  
18 with minority-serving institutions of higher edu-  
19 cation or consortiums of institutions of higher edu-  
20 cation that are led by minority-serving institutions  
21 of higher education to operate a rural business cen-  
22 ter to assist minority business enterprises located in  
23 rural areas, priority for which shall be given to insti-  
24 tutions that have financial need and are located in

1 areas that have a significant population of socially  
2 or economically disadvantaged individuals; and

3 (2) \$1,000,000,000, to remain available until  
4 September 30, 2026, for entering into grants and  
5 agreements to—

6 (A) assist the formation and growth of mi-  
7 nority business enterprises;

8 (B) establish and provide Federal assist-  
9 ance to minority business centers, specialty cen-  
10 ters, and minority business enterprises;

11 (C) make grants to private, nonprofit orga-  
12 nizations that can demonstrate that a primary  
13 activity of the organization is to provide serv-  
14 ices to minority business enterprises, priority  
15 for which shall be given to organizations located  
16 in a Federally recognized area of economic dis-  
17 tress; and

18 (D) provide grants and assistance to mi-  
19 nority-serving institutions of higher education  
20 to develop and implement entrepreneurship cur-  
21 ricula and participate in the business center  
22 program of the Minority Business Development  
23 Agency; and

24 (3) \$400,000,000, to remain available until  
25 September 30, 2029, to—

1 (A) establish not less than 5 regional of-  
2 fices of the Minority Business Development  
3 Agency, 1 of which shall be established in each  
4 region of the United States, as determined by  
5 the Secretary;

6 (B) assist the formation and growth of mi-  
7 nority business enterprises;

8 (C) collect data relating to the needs and  
9 development of minority business enterprises;

10 (D) annually review the status of problems  
11 and programs relating to capital formation by  
12 minority business enterprises; and

13 (E) carry out this section.

14 **SEC. 40402. ENHANCED USE OF DEFENSE PRODUCTION ACT**  
15 **OF 1950.**

16 (a) APPROPRIATION.—In addition to amounts other-  
17 wise available, there is appropriated for fiscal year 2022,  
18 out of any money at the Treasury not otherwise appro-  
19 priated, \$500,000,000, to remain available until Sep-  
20 tember 30, 2025, to carry out the Defense Production Act  
21 of 1950 in accordance with subsection (b).

22 (b) USE.—Amounts appropriated by subsection (a)  
23 shall be used to create, maintain, protect, expand, or re-  
24 store the domestic industrial base capabilities essential for  
25 national and economic security.



1 **SEC. 40403. SUPPORTING FACTORY-BUILT HOUSING**  
2 **THROUGH SSBCL.**

3 (a) IN GENERAL.—Section 3009 of the State Small  
4 Business Credit Initiative Act of 2010 (12 U.S.C. 5708)  
5 is amended—

6 (1) in subsection (c), by striking “at the end of  
7 the 7-year period beginning on March 11, 2021”  
8 and inserting “on September 30, 2030”; and

9 (2) by adding at the end the following:

10 “(f) ADDITIONAL TECHNICAL ASSISTANCE WITH RE-  
11 SPECT TO FACTORY-BUILT HOUSING SECTOR.—The Sec-  
12 retary shall contract with legal, accounting, and financial  
13 advisory firms to provide technical assistance to existing  
14 and prospective business enterprises within the factory-  
15 built housing sector applying to—

16 “(1) State programs under the Program; and

17 “(2) other State or Federal programs that sup-  
18 port small businesses.”.

19 (b) APPROPRIATION.—In addition to amounts other-  
20 wise available, there is hereby appropriated to the Sec-  
21 retary of the Treasury for fiscal year 2022, out of any  
22 money in the Treasury not otherwise appropriated,  
23 \$25,000,000, to remain available until September 30,  
24 2030, to carry out the amendments made by subsection  
25 (a).

1           **TITLE V—COMMITTEE ON**  
2           **HOMELAND SECURITY**

3   **SEC. 50001. CYBERSECURITY AND INFRASTRUCTURE SECUR-**  
4           **RITY AGENCY.**

5           (a) IMPROVING FEDERAL SYSTEM CYBERSECUR-  
6   RITY.—In addition to amounts otherwise made available,  
7   there is appropriated to the Cybersecurity and Infrastruc-  
8   ture Security Agency for fiscal year 2022, out of any  
9   money in the Treasury not otherwise appropriated,  
10   \$100,000,000, to remain available until September 30,  
11   2031, for cybersecurity risk mitigation.

12          (b) CYBERSECURITY TRAINING.—In addition to  
13   amounts otherwise made available, there is appropriated  
14   to the Cybersecurity and Infrastructure Security Agency  
15   for fiscal year 2022, out of any money in the Treasury  
16   not otherwise appropriated, \$15,000,000, to remain avail-  
17   able until September 30, 2031, for the Cybersecurity Edu-  
18   cation and Training Assistance Program, Federal assist-  
19   ance grants under the Cybersecurity Education and Train-  
20   ing Assistance Program, and necessary mission support  
21   activities.

22          (c) CYBERSECURITY AWARENESS, TRAINING, AND  
23   WORKFORCE DEVELOPMENT.—In addition to amounts  
24   otherwise made available, there is appropriated to the Cy-  
25   bersecurity and Infrastructure Security Agency for fiscal

1 year 2022, out of any money in the Treasury not otherwise  
2 appropriated, \$100,000,000, to remain available until  
3 September 30, 2031, for improving cybersecurity aware-  
4 ness, training, and workforce development, including nec-  
5 essary mission support activities.

6 (d) MULTI-STATE INFORMATION SHARING AND  
7 ANALYSIS CENTER.—In addition to amounts otherwise  
8 made available, there is appropriated to the Cybersecurity  
9 and Infrastructure Security Agency for fiscal year 2022,  
10 out of any money in the Treasury not otherwise appro-  
11 priated, \$35,000,000, to remain available until September  
12 30, 2031, for Federal assistance through cooperative  
13 agreements with the Multi-State Information Sharing and  
14 Analysis Center.

15 (e) CYBERSENTRY.—In addition to amounts other-  
16 wise made available, there is appropriated to the Cyberse-  
17 curity and Infrastructure Security Agency for fiscal year  
18 2022, out of any money in the Treasury not otherwise ap-  
19 propriated, \$50,000,000, to remain available until Sep-  
20 tember 30, 2031, for the purpose of protecting critical in-  
21 frastructure industrial control systems and the  
22 CyberSentry program.

23 (f) CLOUD SECURITY.—In addition to amounts other-  
24 wise made available, there is appropriated to the Cyberse-  
25 curity and Infrastructure Security Agency for fiscal year

1 2022, out of any money in the Treasury not otherwise ap-  
2 propriated, \$50,000,000, to remain available until Sep-  
3 tember 30, 2031, for the purpose of executing the secure  
4 cloud architecture activities, migration advisory services,  
5 and cloud threat hunting capabilities of the Cybersecurity  
6 and Infrastructure Security Agency.

7 (g) INDUSTRIAL CONTROL SYSTEMS SECURITY.—In  
8 addition to amounts otherwise made available, there is ap-  
9 propriated to the Cybersecurity and Infrastructure Secu-  
10 rity Agency for fiscal year 2022, out of any money in the  
11 Treasury not otherwise appropriated, \$50,000,000, to re-  
12 main available until September 30, 2031, for the purpose  
13 of researching and developing the means by which to se-  
14 cure operational technology and industrial control systems  
15 against security vulnerabilities (as such term is defined  
16 in section 102(17) of the Cybersecurity Information Shar-  
17 ing Act of 2015 (6 U.S.C. 1501(17)).

18 **SEC. 50002. CYBERSECURITY ASSISTANCE.**

19 (a) STATE AND LOCAL CYBERSECURITY RECRUIT-  
20 MENT AND TRAINING.—In addition to amounts otherwise  
21 made available, there is appropriated for fiscal year 2022,  
22 out of any money in the Treasury not otherwise appro-  
23 priated, \$80,000,000, to remain available until September  
24 30, 2031, to the Administrator of the Federal Emergency  
25 Management Agency, in consultation with the Cybersecu-

1 rity and Infrastructure Security Agency, to award grants,  
2 contracts, or cooperative agreements to State, local, Trib-  
3 al, and territorial governments for cybersecurity recruit-  
4 ment and training to enhance efforts to address cybersecu-  
5 rity risks (as defined in paragraph (2) of section 2201 of  
6 the Homeland Security Act) and cybersecurity threats (as  
7 defined in paragraph (3) of section 2201 of the Homeland  
8 Security Act).

9 (b) MIGRATION TO .GOV DOMAIN.—In addition to  
10 amounts otherwise made available, there is appropriated  
11 for fiscal year 2022, out of any money in the Treasury  
12 not otherwise appropriated, \$20,000,000, to remain avail-  
13 able until September 30, 2031, to the Administrator of  
14 the Federal Emergency Management Agency, in consulta-  
15 tion with the Cybersecurity and Infrastructure Security  
16 Agency, to award grants, contracts, or cooperative agree-  
17 ments to State, local, Tribal, and territorial governments  
18 to carry out activities to migrating the online services of  
19 such governments to the .gov internet domain.

20 (c) LIMITATION.—The Administrator of the Federal  
21 Emergency Management Agency may not use amounts ap-  
22 propriated under this section for activities under the Na-  
23 tional Flood Insurance Act of 1968 or a function of the  
24 Federal Emergency Management Agency relating to that  
25 Act.

1 **SEC. 50003. NONPROFIT SECURITY GRANT PROGRAM.**

2 (a) HIGH-RISK URBAN AREAS.—In addition to  
3 amounts otherwise available, there is appropriated, out of  
4 any money in the Treasury not otherwise appropriated,  
5 \$50,000,000, to remain available until September 30,  
6 2031, to the Administrator of Federal Emergency Man-  
7 agement Agency for the Nonprofit Security Grant Pro-  
8 gram for grants to nonprofits under the Urban Area Secu-  
9 rity Initiative.

10 (b) OTHER AREAS.—In addition to amounts other-  
11 wise available, there is appropriated, out of any money in  
12 the Treasury not otherwise appropriated, \$50,000,000, to  
13 remain available until September 30, 2031, to the Admin-  
14 istrator of the Federal Emergency Management Agency  
15 for the Nonprofit Security Grant Program for grants to  
16 nonprofits under the State Homeland Security Grant Pro-  
17 gram.

18 (c) LIMITATION.—The Administrator of the Federal  
19 Emergency Management Agency may not use amounts ap-  
20 propriated under this section for activities under the Na-  
21 tional Flood Insurance Act of 1968 or a function of the  
22 Federal Emergency Management Agency relating to that  
23 Act.

1 **SEC. 50004. OFFICE OF CHIEF READINESS SUPPORT OFFI-**  
2 **CER.**

3 In addition to the amounts otherwise available, there  
4 is appropriated to the Secretary of Homeland Security for  
5 fiscal year 2022, out of any money in the Treasury not  
6 otherwise appropriated, \$900,000,000, to remain available  
7 until September 30, 2028, for the Office of the Chief  
8 Readiness Support Officer to carry out sustainability and  
9 environmental programs.

10 **TITLE VI—COMMITTEE ON THE**  
11 **JUDICIARY**

12 **Subtitle A—Immigration**  
13 **Provisions**

14 **SEC. 60001. PROTECTIONS AND WORK PERMITS.**

15 (a) IN GENERAL.—The Secretary of Homeland Secu-  
16 rity shall—

17 (1) under section 212(d)(5) of the Immigration  
18 and Nationality Act (8 U.S.C. 1182(d)(5)) and con-  
19 sistent with this section, parole into the United  
20 States for a period of 5 years or until September 30,  
21 2031, whichever is earlier, an alien described in sub-  
22 section (b), if such alien—

23 (A) files an application for parole after the  
24 date of the enactment of this section;

1 (B) pays an administrative fee in an  
2 amount sufficient to cover the cost of proc-  
3 essing the application; and

4 (C) completes security and law enforce-  
5 ment background checks to the satisfaction of  
6 the Secretary; and

7 (2) for the period during which an alien is pa-  
8 roled into the United States under paragraph (1)  
9 and any period in which such parole is extended  
10 under subsection (c)—

11 (A) provide employment and travel author-  
12 ization to such alien; and

13 (B) deem such alien eligible for a driver's  
14 license or identification card under section 202  
15 of the REAL ID Act of 2005 (division B of  
16 Public Law 109–13; 49 U.S.C. 30301 note).

17 (b) ALIENS DESCRIBED.—An alien is described in  
18 this subsection if the alien—

19 (1) before January 1, 2011—

20 (A) was inspected and admitted to the  
21 United States;

22 (B) entered the United States without in-  
23 spection; or

24 (C) was paroled into the United States;



1           (2) has continuously resided in the United  
2 States since such entry; and

3           (3) is not inadmissible pursuant to paragraph  
4 (2), (3), (6)(E), (8), (10)(A), (10)(C), or (10)(D) of  
5 section 212(a) of the Immigration and Nationality  
6 Act (8 U.S.C. 1182(a)).

7           (c) EXTENSION.—Consistent with the requirements  
8 under subsection (a), and based on the policies and imple-  
9 menting guidance issued pursuant to this section and in  
10 effect when parole was initially granted to the alien under  
11 this section, the Secretary of Homeland Security shall ex-  
12 tend a grant of parole for an alien described in subsection  
13 (b) from the date the initial parole period expires until  
14 September 30, 2031.

15           (d) REVOCATION.—The Secretary of Homeland Secu-  
16 rity may not revoke parole granted to an alien under sub-  
17 section (a) unless the Secretary determines that such alien  
18 is ineligible for parole under subsection (b) based on the  
19 policies and implementing guidance in effect when parole  
20 was initially granted to the alien under this section.

21           (e) CLARIFICATIONS.—

22           (1) IN GENERAL.—An alien paroled under this  
23 section shall not be counted for purposes of the cal-  
24 culation under section 201(c)(4) of the Immigration  
25 and Nationality Act (8 U.S.C. 1151(c)(4)).



1                   “(ii) In no case shall the number com-  
2                   puted under subparagraph (A) be less than  
3                   the sum of—

4                                 “(I) 226,000; and

5                                 “(II) the number computed  
6                   under paragraph (3).”.

7           (b) RECAPTURING UNUSED VISAS.—Section 201 of  
8 the Immigration and Nationality Act (8 U.S.C. 1151) is  
9 amended by adding at the end the following:

10           “(g) RECAPTURING UNUSED VISAS.—

11                   “(1) FAMILY-SPONSORED VISAS.—

12                                 “(A) IN GENERAL.—Notwithstanding the  
13 numerical limitations set forth in this section or  
14 in sections 202 or 203, beginning in fiscal year  
15 2022, the number of family-sponsored immi-  
16 grant visas that may be issued under section  
17 203(a) shall be increased by the number com-  
18 puted under subparagraph (B).

19                                 “(B) UNUSED VISAS.—The number com-  
20 puted under this subparagraph is the dif-  
21 ference, if any, between—

22                                 “(i) the difference, if any, between—

23   “(I) the number of visas that  
24 were originally made available to fam-  
25 ily-sponsored immigrants under sec-

1                   tion 201(c)(1) for fiscal years 1992  
2                   through 2021, setting aside any un-  
3                   used visas made available to such im-  
4                   migrants in such fiscal years under  
5                   section 201(c)(3); and

6                   “(II) the number of visas de-  
7                   scribed in subclause (I) that were  
8                   issued under section 203(a), or, in ac-  
9                   cordance with section 201(d)(2)(C),  
10                  under section 203(b); and

11                  “(ii) the number of visas resulting  
12                  from the calculation under clause (i) issued  
13                  under section 203(a) after fiscal year  
14                  2021.

15                  “(2) EMPLOYMENT-BASED VISAS.—

16                  “(A) IN GENERAL.—Notwithstanding the  
17                  numerical limitations set forth in this section or  
18                  in sections 202 or 203, beginning in fiscal year  
19                  2022, the number of employment-based immi-  
20                  grant visas that may be issued under section  
21                  203(b) shall be increased by the number com-  
22                  puted under subparagraph (B).

23                  “(B) UNUSED VISAS.—The number com-  
24                  puted under this paragraph is the difference, if  
25                  any, between—

1 “(i) the difference, if any, between—

2 “(I) the number of visas that  
3 were originally made available to em-  
4 ployment-based immigrants under sec-  
5 tion 201(d)(1) for fiscal years 1992  
6 through 2021, setting aside any un-  
7 used visas made available to such im-  
8 migrants in such fiscal years under  
9 section 201(d)(2); and

10 “(II) the number of visas de-  
11 scribed in subclause (I) that were  
12 issued under section 203(b), or, in ac-  
13 cordance with section 201(c)(3)(C),  
14 under section 203(a); and

15 “(ii) the number of visas resulting  
16 from the calculation under clause (i) issued  
17 under section 203(b) after fiscal year  
18 2021.

19 “(3) DIVERSITY VISAS.—Notwithstanding sec-  
20 tion 204(a)(1)(I)(ii)(II), an immigrant visa for an  
21 alien selected in accordance with section 203(e)(2) in  
22 fiscal year 2017, 2018, 2019, 2020, or 2021 shall  
23 remain available to such alien (and the spouse and  
24 children of such alien) if—

1           “(A) the alien was refused a visa, pre-  
2           vented from seeking admission, or denied ad-  
3           mission to the United States solely because of  
4           Executive Order 13769, Executive Order  
5           13780, Presidential Proclamation 9645, or  
6           Presidential Proclamation 9983; or

7           “(B) because of restrictions or limitations  
8           on visa processing, visa issuance, travel, or  
9           other effects associated with the COVID–19  
10          public health emergency—

11           “(i) the alien was unable to receive a  
12          visa interview despite submitting an Online  
13          Immigrant Visa and Alien Registration  
14          Application (Form DS–260) to the Sec-  
15          retary of State; or

16           “(ii) the alien was unable to seek ad-  
17          mission or was denied admission to the  
18          United States despite being approved for a  
19          visa under section 203(c).”.

20   **SEC. 60003. ADJUSTMENT OF STATUS.**

21          Section 245 of the Immigration and Nationality Act  
22   (8 U.S.C. 1255) is amended by adding at the end the fol-  
23   lowing:

24          “(n) VISA AVAILABILITY.—

1           “(1) IN GENERAL.—Notwithstanding subsection  
2           (a)(3), the Secretary of Homeland Security may ac-  
3           cept for filing an application for adjustment of sta-  
4           tus from an alien (and the spouse and children of  
5           such alien), if such alien—

6                   “(A) is the beneficiary of an approved peti-  
7                   tion under section 204(a)(1);

8                   “(B) pays a supplemental fee of \$1,500,  
9                   plus \$250 for each derivative beneficiary; and

10                   “(C) is otherwise eligible for such adjust-  
11                   ment.

12           “(2) EXEMPTION.—The Secretary of Homeland  
13           Security shall exempt an alien (and the spouse and  
14           children of such alien) from the numerical limita-  
15           tions described in sections 201, 202, and 203, and  
16           the Secretary of Homeland Security may adjust the  
17           status of such alien (and the spouse and children of  
18           such alien) to lawful permanent resident, if such  
19           alien submits or has submitted an application for  
20           adjustment of status and—

21                   “(A) such alien—

22                           “(i) is the beneficiary of an approved  
23                           petition under subparagraph (A)(i) or  
24                           (B)(i)(I) of section 204(a)(1) that bears a  
25                           priority date that is more than 2 years be-

1 fore the date the alien requests an exemp-  
2 tion from the numerical limitations; and

3 “(ii) pays a supplemental fee of  
4 \$2,500;

5 “(B) such alien—

6 “(i) is the beneficiary of an approved  
7 petition under subparagraph (E) or (F) of  
8 section 204(a)(1) that bears a priority date  
9 that is more than 2 years before the date  
10 the alien requests an exemption from the  
11 numerical limitations; and

12 “(ii) pays a supplemental fee of  
13 \$5,000; or

14 “(C) such alien—

15 “(i) is the beneficiary of an approved  
16 petition under subparagraph (H) of section  
17 204(a)(1) that bears a priority date that is  
18 more than 2 years before the date the alien  
19 requests an exemption from the numerical  
20 limitations; and

21 “(ii) pays a supplemental fee of  
22 \$50,000.

23 “(3) EFFECTIVE DATE.—

24 “(A) IN GENERAL.—The provisions of this  
25 subsection—



1 “(i) shall take effect on the earlier of  
2 the date that is—

3 “(I) 180 days after the date of  
4 the enactment of this subsection; or

5 “(II) May 1, 2022; and

6 “(ii) except as provided in subpara-  
7 graph (B), shall cease to have effect on  
8 September 30, 2031.

9 “(B) CONTINUATION.—Paragraph (2)  
10 shall continue in effect with respect to an alien  
11 who requested an exemption of the numerical  
12 limitations and paid the requisite fee prior to  
13 the date described in subparagraph (A)(ii),  
14 until the Secretary of Homeland Security ren-  
15 ders a final administrative decision on such ap-  
16 plication.”.

17 **SEC. 60004. ADDITIONAL SUPPLEMENTAL FEES.**

18 (a) TREASURY.—The fees described in this section,  
19 section 60001, and section 245(n) of the Immigration and  
20 Nationality Act, as added by this subtitle—

21 (1) shall be deposited in the general fund of the  
22 Treasury; and

23 (2) may not be waived, in whole or in part.

24 (b) IMMIGRANT VISA PETITIONS.—In addition to any  
25 other fee collected in connection with a petition described

1 in this subsection, the Secretary of Homeland Security  
2 shall collect a supplemental fee in the amount of—

3 (1) \$100 in connection with each petition filed  
4 under—

5 (A) section 204(a)(1)(A)(i) of the Immi-  
6 gration and Nationality Act (8 U.S.C.  
7 1154(a)(1)(A)(i)) for classification by reason of  
8 a relationship described under paragraph (1),  
9 (3), or (4) of section 203(a) of such Act (8  
10 U.S.C. 1153(a)); and

11 (B) section 204(a)(1)(B)(i)(I) of such Act  
12 (8 U.S.C. 1154(a)(1)(B)(i)(I));

13 (2) \$800 in connection with each petition filed  
14 under subparagraph (E) or (F) of section 204(a)(1)  
15 of the Immigration and Nationality Act (8 U.S.C.  
16 1154(a)(1)); and

17 (3) \$15,000 in connection with each petition  
18 filed under subparagraph (H) of section 204(a)(1) of  
19 the Immigration and Nationality Act (8 U.S.C.  
20 1154(a)(1)).

21 (c) FORM I-94 OR FORM I-94W.—The Secretary of  
22 Homeland Security shall collect from each individual who  
23 is admitted to the United States as a nonimmigrant, and  
24 is issued an electronic or paper arrival/departure record

1 (Form I-94 or Form I-94W, or any successor form), a  
2 fee of \$19.

3 (d) STUDENT AND EXCHANGE VISITORS.—In addi-  
4 tion to any other fee collected from an approved institution  
5 of higher education, other approved educational institu-  
6 tion, or designated exchange visitor program in the United  
7 States, in connection with nonimmigrants described in  
8 subparagraph (F), (J), or (M) of section 101(a)(15) of  
9 the Immigration and Nationality Act (8 U.S.C.  
10 1101(a)(15)) enrolled in such institution or program, the  
11 Secretary of Homeland Security shall collect a supple-  
12 mental fee of \$250 for each such nonimmigrant.

13 (e) PERMANENT RESIDENT CARD REPLACEMENT.—  
14 In addition to any other fee collected in connection with  
15 each Application to Replace Permanent Resident Card  
16 (Form I-90, or any successor form), filed for purposes of  
17 replacing an expired or expiring permanent resident card,  
18 the Secretary of Homeland Security shall collect a supple-  
19 mental fee of \$500.

20 (f) NONIMMIGRANT VISA PETITIONS.—In addition to  
21 any other fee collected in connection with a petition filed  
22 under section 214 of the Immigration and Nationality Act  
23 (8 U.S.C. 1184), the Secretary of Homeland Security shall  
24 collect a supplemental fee of \$500 in connection with each  
25 such petition for classification as a nonimmigrant under

1 subparagraph (E), (H)(i)(b), (L), (O), or (P) of section  
2 101(a)(15) of such Act (8 U.S.C. 1101(a)(15)).

3 (g) EXTEND/CHANGE STATUS.—In addition to any  
4 other fee collected in connection with each Application to  
5 Extend/Change Nonimmigrant Status (Form I-539, or  
6 any successor form), the Secretary of Homeland Security  
7 shall collect a supplemental fee of \$500.

8 (h) EMPLOYMENT AUTHORIZATION.—In addition to  
9 any other fee collected in connection with an application  
10 for employment authorization (Form I-765, or any suc-  
11 cessor form), the Secretary of Homeland Security shall  
12 collect a supplemental fee of \$500 for each such applica-  
13 tion filed by an individual seeking such authorization as—

14 (1) the spouse of a nonimmigrant described in  
15 subparagraph (E), (H), or (L) of section 101(a)(15)  
16 of the Immigration and Nationality Act (8 U.S.C.  
17 1101(a)(15));

18 (2) a nonimmigrant described in section  
19 101(a)(15)(F) of such Act (8 U.S.C.  
20 1101(a)(15)(F)) to engage in optional practical  
21 training; or

22 (3) as an applicant for adjustment of status  
23 under section 245(a) of such Act (8 U.S.C.  
24 1255(a)).

1 (i) EFFECTIVE DATE.—The fees authorized by this  
2 section shall take effect on the earlier of the date that  
3 is—

4 (1) 180 days after the date of the enactment of  
5 this Act; and

6 (2) May 1, 2022.

7 **SEC. 60005. U.S. CITIZENSHIP AND IMMIGRATION SERVICES.**

8 In addition to amounts otherwise available, there is  
9 appropriated to U.S. Citizenship and Immigration Serv-  
10 ices for fiscal year 2022, out of any money in the Treasury  
11 not otherwise appropriated, \$2,800,000,000, to remain  
12 available until expended, for the purpose of increasing the  
13 capacity of U.S. Citizenship and Immigration Services to  
14 adjudicate efficiently applications described in section  
15 60001 of this Act, and section 245(n) of the Immigration  
16 and Nationality Act (8 U.S.C. 1255(n)), as added by  
17 60003 of this Act, and to reduce case processing backlogs.

18 **Subtitle B—Community Violence**  
19 **Prevention**

20 **SEC. 61001. FUNDING FOR COMMUNITY-BASED VIOLENCE**  
21 **INTERVENTION INITIATIVES.**

22 (a) IN GENERAL.—In addition to amounts otherwise  
23 available, there is appropriated to the Attorney General  
24 for fiscal year 2022, out of any money in the Treasury  
25 not otherwise appropriated, \$2,500,000,000, to remain

1 available until September 30, 2031, for the purposes de-  
2 scribed in subsection (b).

3 (b) USE OF FUNDING.—The Attorney General, act-  
4 ing through the Assistant Attorney General of the Office  
5 of Justice Programs, the Director of the Office of Commu-  
6 nity Oriented Policing Services, and the Director of the  
7 Office on Violence Against Women, shall use amounts ap-  
8 propriated by subsection (a)—

9 (1) to award competitive grants or contracts to  
10 units of local government, States, the District of Co-  
11 lumbia, Indian Tribes, nonprofit community-based  
12 organizations, victim services providers, or other en-  
13 tities as determined by the Attorney General, to sup-  
14 port evidence-informed intervention strategies to re-  
15 duce community violence;

16 (2) to support training, technical assistance, re-  
17 search, evaluation, and data collection on strategies  
18 to effectively reduce community violence and ensure  
19 public safety; and

20 (3) to support research, evaluation, and data  
21 collection on the differing impact of community vio-  
22 lence on demographic categories.

1                   **Subtitle C—Antitrust**

2   **SEC. 62001. ANTITRUST DIVISION.**

3           In addition to amounts otherwise available, there is  
4 appropriated to the Attorney General for fiscal year 2022,  
5 out of any money in the Treasury not otherwise appro-  
6 priated, \$500,000,000, to remain available until Sep-  
7 tember 30, 2031, for necessary expenses for the Depart-  
8 ment of Justice Antitrust Division for carrying out work  
9 of the Division related to competition or enforcement of  
10 the antitrust laws.

11   **SEC. 62002. FEDERAL TRADE COMMISSION FUNDING FOR**  
12                   **UNFAIR COMPETITION AND ANTITRUST EN-**  
13                   **FORCEMENT WORK.**

14           In addition to amounts otherwise available, there is  
15 appropriated to the Federal Trade Commission for fiscal  
16 year 2022, out of any money in the Treasury not otherwise  
17 appropriated, \$500,000,000 to remain available until Sep-  
18 tember 30, 2031, for carrying out work of the Commission  
19 related to unfair methods of competition or enforcement  
20 of the antitrust laws.

1           **Subtitle D—Revenue Matters**

2   **SEC. 63001. ADDITIONAL APPROPRIATION FOR ENFORCE-**  
3                   **MENT RELATING TO FEDERAL INCOME TAX**  
4                   **EVASION.**

5           In addition to amounts otherwise available, there is  
6 appropriated to the Attorney General for fiscal year 2022,  
7 out of any money in the Treasury not otherwise appro-  
8 priated, \$498,000,000, to remain available until Sep-  
9 tember 30, 2030, for necessary expenses for the Depart-  
10 ment of Justice Tax Division for purposes of enforcing  
11 Federal laws against tax evasion, including by pursuing  
12 civil cases or prosecuting criminal violations.

13           **TITLE VII—COMMITTEE ON**

14                   **NATURAL RESOURCES**

15           **Subtitle A—Native American and**

16                   **Native Hawaiian Affairs**

17   **SEC. 70101. TRIBAL CLIMATE RESILIENCE.**

18           (a) **TRIBAL CLIMATE RESILIENCE AND ADAPTA-**  
19 **TION.**—In addition to amounts otherwise available, there  
20 is appropriated to the Director of the Bureau of Indian  
21 Affairs for fiscal year 2022, out of any money in the  
22 Treasury not otherwise appropriated, \$441,000,000, to re-  
23 main available until September 30, 2031, for Tribal cli-  
24 mate resilience and adaptation programs.



1           (b) BUREAU OF INDIAN AFFAIRS FISH HATCH-  
2 ERIES.—In addition to amounts otherwise available, there  
3 is appropriated to the Director of the Bureau of Indian  
4 Affairs for fiscal year 2022, out of any money in the  
5 Treasury not otherwise appropriated, \$19,600,000, to re-  
6 main available until September 30, 2031, for fish hatchery  
7 operations and maintenance programs of the Bureau of  
8 Indian Affairs.

9           (c) ADMINISTRATION.—In addition to amounts other-  
10 wise available, there is appropriated to the Director of the  
11 Bureau of Indian Affairs for fiscal year 2022, out of any  
12 money in the Treasury not otherwise appropriated,  
13 \$9,400,000, to remain available until September 30, 2031,  
14 for the administrative costs of carrying out this section.  
15 None of the funds provided by this section shall be subject  
16 to cost-sharing or matching requirements

17           (d) SMALL AND NEEDY PROGRAM.—Amounts made  
18 available under this section shall be excluded from the cal-  
19 culation of funds received by those Tribal governments  
20 that participate in the “Small and Needy” program.

21           (e) DISTRIBUTION; USE OF FUNDS.—Amounts made  
22 available under this section that are distributed to Indian  
23 Tribes and Tribal organizations for services pursuant to  
24 a self-determination contract (as defined in subsection (j))  
25 of section 4 of the Indian Self-Determination and Edu-

1 cation Assistance Act (25 U.S.C. 5304(j))) or a self-gov-  
2 ernance compact entered into pursuant to subsection (a)  
3 of section 404 of the Indian Self-Determination and Edu-  
4 cation Assistance Act (25 U.S.C. 5364(a))—

5 (1) shall be distributed on a 1-time basis;

6 (2) shall not be part of the amount required by  
7 subsections (a) through (b) of section 106 of the In-  
8 dian Self-Determination and Education Assistance  
9 Act (25 U.S.C. 5325(a)–(b)); and

10 (3) shall only be used for the purposes identi-  
11 fied under the applicable subsection.

12 **SEC. 70102. NATIVE HAWAIIAN CLIMATE RESILIENCE.**

13 (a) NATIVE HAWAIIAN CLIMATE RESILIENCE AND  
14 ADAPTATION.—In addition to amounts otherwise avail-  
15 able, there is appropriated to the Senior Program Director  
16 of the Office of Native Hawaiian Relations for fiscal year  
17 2022, out of any money in the Treasury not otherwise ap-  
18 propriated, \$49,000,000, to remain available until Sep-  
19 tember 30, 2031, to carry out, through financial assist-  
20 ance, technical assistance, direct expenditure, grants, con-  
21 tracts, or cooperative agreements, climate resilience and  
22 adaptation activities that serve the Native Hawaiian Com-  
23 munity.

24 (b) ADMINISTRATION.—In addition to amounts oth-  
25 erwise available, there is appropriated to the Senior Pro-

1 gram Director of the Office of Native Hawaiian Relations  
2 for fiscal year 2022, out of any money in the Treasury  
3 not otherwise appropriated, \$1,000,000, to remain avail-  
4 able until September 30, 2031, for the administrative  
5 costs of carrying out this section. None of the funds pro-  
6 vided by this section shall be subject to cost-sharing or  
7 matching requirements.

8 **SEC. 70103. TRIBAL ELECTRIFICATION PROGRAM.**

9 (a) TRIBAL ELECTRIFICATION PROGRAM.—In addi-  
10 tion to amounts otherwise available, there is appropriated  
11 to the Director of the Bureau of Indian Affairs for fiscal  
12 year 2022, out of any money in the Treasury not otherwise  
13 appropriated, \$294,000,000, to remain available until  
14 September 30, 2031, for—

15 (1) the provision of electricity to unelectrified  
16 Tribal homes through renewable energy systems;

17 (2) transitioning electrified Tribal homes to re-  
18 newable energy systems; and

19 (3) associated home repairs and retrofitting  
20 necessary to install the renewable energy systems  
21 authorized under paragraphs (1) and (2).

22 (b) ADMINISTRATION.—In addition to amounts oth-  
23 erwise available, there is appropriated to the Director of  
24 the Bureau of Indian Affairs for fiscal year 2022, out of  
25 any money in the Treasury not otherwise appropriated,

1 \$6,000,000, to remain available until September 30, 2031,  
2 for the administrative costs of carrying out this section.

3 (c) SMALL AND NEEDY PROGRAM.—Amounts made  
4 available under this section shall be excluded from the cal-  
5 culation of funds received by those Tribal governments  
6 that participate in the “Small and Needy” program.

7 (d) DISTRIBUTION; USE OF FUNDS.—Amounts made  
8 available under this section that are distributed to Indian  
9 Tribes and Tribal organizations for services pursuant to  
10 a self-determination contract (as defined in subsection (j)  
11 of section 4 of the Indian Self-Determination and Edu-  
12 cation Assistance Act (25 U.S.C. 5304(j))) or a self-gov-  
13 ernance compact entered into pursuant to subsection (a)  
14 of section 404 of the Indian Self-Determination and Edu-  
15 cation Assistance Act (25 U.S.C. 5364(a))—

16 (1) shall be distributed on a 1-time basis;

17 (2) shall not be part of the amount required by  
18 subsections (a) through (b) of section 106 of the In-  
19 dian Self-Determination and Education Assistance  
20 Act (25 U.S.C. 5325(a)–(b)); and

21 (3) shall only be used for the purposes identi-  
22 fied under the applicable subsection.

23 **SEC. 70104. EMERGENCY DROUGHT RELIEF FOR TRIBES.**

24 In addition to amounts otherwise available, there is  
25 appropriated to the Commissioner of the Bureau of Rec-

1 lamation for fiscal year 2022, out of any money in the  
2 Treasury not otherwise appropriated, \$25,000,000, to re-  
3 main available until September 30, 2026, for near-term  
4 drought relief actions to mitigate drought impacts for In-  
5 dian Tribes that are impacted by the operation of a Bu-  
6 reau of Reclamation water project, including through di-  
7 rect financial assistance to address drinking water short-  
8 ages and to mitigate the loss of Tribal trust resources.

9 **SEC. 70105. NATIVE AMERICAN CONSULTATION RESOURCE**  
10 **CENTER.**

11 (a) IN GENERAL.—In addition to amounts otherwise  
12 available, there is appropriated to the Secretary of the In-  
13 terior for fiscal year 2022, out of any money in the Treas-  
14 ury not otherwise appropriated, \$33,000,000, to remain  
15 available until September 30, 2031, to establish and ad-  
16 minister a Native American Consultation Resource Center  
17 (the authority for which shall expire on September 30,  
18 2031) to provide training and technical assistance to sup-  
19 port Federal consultation and coordination responsibilities  
20 relating to—

- 21 (1) the protection of the natural and cultural  
22 resources of Native Americans;
- 23 (2) land use planning and development that im-  
24 pacts Tribal Governments, Alaska Native Corpora-  
25 tions, and the Native Hawaiian Community; and

1           (3) infrastructure projects that impact Tribal  
2 Governments, Alaska Native Corporations, and the  
3 Native Hawaiian Community.

4 (b) DEFINITION.—In this section:

5           (1) ALASKA NATIVE CORPORATION.—The term  
6 “Alaska Native Corporation” has the meaning given  
7 the term in subsection (m) of section 3 of the Alaska  
8 Native Claims Settlement Act (43 U.S.C. 1602(m)).

9           (2) NATIVE AMERICAN.—The term “Native  
10 American” means—

11           (A) an Indian (as defined in subsection (d)  
12 of section 4 of the Indian Self-Determination  
13 and Education Assistance Act (25 U.S.C.  
14 5304(d)));

15           (B) a Native Hawaiian (as defined in item  
16 (10) of section 2 of the Native American Graves  
17 Protection and Repatriation Act (25 U.S.C.  
18 3001(10))); and

19           (C) a Native (as defined in subsection (b)  
20 of section 3 of the Alaska Native Claims Settle-  
21 ment Act (43 U.S.C. 1602(b))).

22           (3) TRIBAL GOVERNMENT.—The term “Tribal  
23 Government” means the recognized governing body  
24 of any Indian or Alaska Native tribe, band, nation,  
25 pueblo, village, community, component band, or com-

1       ponent reservation, individually identified (including  
2       parenthetically) in the list published most recently as  
3       of the date of enactment of this paragraph pursuant  
4       to section 104 of the Federally Recognized Indian  
5       Tribe List Act of 1994 (25 U.S.C. 5131).

6       **SEC. 70106. INDIAN HEALTH SERVICE.**

7       (a) MAINTENANCE AND IMPROVEMENT.—In addition  
8       to amounts otherwise available, there is appropriated to  
9       the Director of the Indian Health Service for fiscal year  
10      2022, out of any money in the Treasury not otherwise ap-  
11      propriated, \$945,000,000, to remain available until Sep-  
12      tember 30, 2031, for maintenance and improvement of fa-  
13      cilities operated by the Indian Health Service or pursuant  
14      to a self-determination contract (as defined in subsection  
15      (j) of section 4 of the Indian Self-Determination and Edu-  
16      cation Assistance Act (25 U.S.C. 5304(j))) or a self-gov-  
17      ernance compact entered into pursuant to subsection (a)  
18      of section 404 of the Indian Self-Determination and Edu-  
19      cation Assistance Act (25 U.S.C. 5364(a)).

20      (b) MENTAL HEALTH AND SUBSTANCE USE DIS-  
21      ORDERS.—In addition to amounts otherwise available,  
22      there is appropriated to the Director of the Indian Health  
23      Service for fiscal year 2022, out of any money in the  
24      Treasury not otherwise appropriated, \$123,716,000, to re-  
25      main available until September 30, 2031, for mental

1 health and substance use prevention and treatment serv-  
2 ices, including facility renovation, construction, or expan-  
3 sion relating to mental health and substance use preven-  
4 tion and treatment services.

5 (c) PRIORITY HEALTH CARE FACILITIES.—In addi-  
6 tion to amounts otherwise available, there is appropriated  
7 to the Director of the Indian Health Service for fiscal year  
8 2022, out of any money in the Treasury not otherwise ap-  
9 propriated, \$1,000,000,000, to remain available until Sep-  
10 tember 30, 2031, for projects identified through the health  
11 care facility priority system established and maintained  
12 pursuant to subparagraph (A) of paragraph (1) of sub-  
13 section (c) of section 301 of the Indian Health Care Im-  
14 provement Act (25 U.S.C. 1631(c)(1)(A)).

15 (d) SMALL AMBULATORY.—In addition to amounts  
16 otherwise available, there is appropriated to the Director  
17 of the Indian Health Service for fiscal year 2022, out of  
18 any money in the Treasury not otherwise appropriated,  
19 \$40,000,000, to remain available until September 30,  
20 2031, for small ambulatory construction.

21 (e) URBAN INDIAN ORGANIZATIONS.—In addition to  
22 amounts otherwise available, there is appropriated to the  
23 Director of the Indian Health Service for fiscal year 2022,  
24 out of any money in the Treasury not otherwise appro-  
25 priated, \$100,000,000, to remain available until Sep-



1   tember 30, 2031, for, notwithstanding section 509 of the  
2   Indian Health Care Improvement Act (25 U.S.C. 1659),  
3   the renovation, construction, expansion, equipping, and  
4   improvement of facilities owned or leased by an Urban In-  
5   dian organization (as defined in item (29) of section 4 of  
6   that Act (25 U.S.C. 1603(29))).

7       (f) EPIDEMIOLOGY CENTERS.—In addition to  
8   amounts otherwise available, there is appropriated to the  
9   Director of the Indian Health Service for fiscal year 2022,  
10   out of any money in the Treasury not otherwise appro-  
11   priated, \$25,000,000, to remain available until September  
12   30, 2031, for the epidemiology centers established under  
13   paragraphs (1) through (2) of subsection (a) of section  
14   214 of the Indian Health Care Improvement Act (25  
15   U.S.C. 1621m(a)(1)–(2)).

16       (g) ENVIRONMENTAL HEALTH AND FACILITIES SUP-  
17   PORT ACTIVITIES.—In addition to amounts otherwise  
18   available, there is appropriated to the Director of the In-  
19   dian Health Service for fiscal year 2022, out of any money  
20   in the Treasury not otherwise appropriated,  
21   \$113,284,000, to remain available until September 30,  
22   2031, for environmental health and facilities support ac-  
23   tivities of the Indian Health Service.

24       (h) DISTRIBUTION; USE OF FUNDS.—Amounts ap-  
25   propriated under this section that are distributed to In-

1 dian Tribes and Tribal organizations for services pursuant  
2 to a self-determination contract (as defined in subsection  
3 (j) of section 4 of the Indian Self-Determination and Edu-  
4 cation Assistance Act (25 U.S.C. 5304(j))) or a self-gov-  
5 ernance compact entered into pursuant to subsection (a)  
6 of section 404 of the Indian Self-Determination and Edu-  
7 cation Assistance Act (25 U.S.C. 5364(a))—

8 (1) shall be distributed on a 1-time basis;

9 (2) shall not be part of the amount required by  
10 subsections (a) through (b) of section 106 of the In-  
11 dian Self-Determination and Education Assistance  
12 Act (25 U.S.C. 5325(a)–(b)); and

13 (3) shall only be used for the purposes identi-  
14 fied under the applicable subsection.

15 **SEC. 70107. TRIBAL PUBLIC SAFETY.**

16 (a) **PUBLIC SAFETY AND JUSTICE.**—In addition to  
17 amounts otherwise available, there is appropriated to the  
18 Assistant Secretary for Indian Affairs for fiscal year 2022,  
19 out of any money in the Treasury not otherwise appro-  
20 priated, \$490,000,000, to remain available until Sep-  
21 tember 30, 2031, for public safety and justice programs  
22 and construction.

23 (b) **ADMINISTRATION.**—In addition to amounts oth-  
24 erwise available, there is appropriated to the Assistant  
25 Secretary for Indian Affairs for fiscal year 2022, out of

1 any money in the Treasury not otherwise appropriated,  
2 \$10,000,000, to remain available until September 30,  
3 2031, for the administrative costs of carrying out this sec-  
4 tion.

5 (c) SMALL AND NEEDY PROGRAM.—Amounts made  
6 available under this section shall be excluded from the cal-  
7 culation of funds received by those Tribal governments  
8 that participate in the “Small and Needy” program.

9 (d) DISTRIBUTION; USE OF FUNDS.—Amounts made  
10 available under this section that are distributed to Indian  
11 Tribes and Tribal organizations for services pursuant to  
12 a self-determination contract (as defined in subsection (j)  
13 of section 4 of the Indian Self-Determination and Edu-  
14 cation Assistance Act (25 U.S.C. 5304(j))) or a self-gov-  
15 ernance compact entered into pursuant to subsection (a)  
16 of section 404 of the Indian Self-Determination and Edu-  
17 cation Assistance Act (25 U.S.C. 5364(a))—

18 (1) shall be distributed on a 1-time basis;

19 (2) shall not be part of the amount required by  
20 subsections (a) through (b) of section 106 of the In-  
21 dian Self-Determination and Education Assistance  
22 Act (25 U.S.C. 5325(a)–(b)); and

23 (3) shall only be used for the purposes identi-  
24 fied under the applicable subsection.

1 **SEC. 70108. BUREAU OF INDIAN AFFAIRS AND TRIBAL**  
2 **ROADS.**

3 (a) **ROADS.**—In addition to amounts otherwise avail-  
4 able, there is appropriated to the Director of the Bureau  
5 of Indian Affairs for fiscal year 2022, out of any money  
6 in the Treasury not otherwise appropriated,  
7 \$715,400,000, to remain available until September 30,  
8 2026, for the Bureau of Indian Affairs Road System and  
9 Tribal transportation facilities (as defined in paragraph  
10 (31) of subsection (a) of section 101 of title 23, United  
11 States Code)—

12 (1) for road maintenance;

13 (2) for planning, design, construction, and re-  
14 construction activities; and

15 (3) to address the deferred road maintenance  
16 backlog at the Bureau of Indian Affairs.

17 (b) **ADMINISTRATION.**—In addition to amounts oth-  
18 erwise available, there is appropriated to the Director of  
19 the Bureau of Indian Affairs for fiscal year 2022, out of  
20 any money in the Treasury not otherwise appropriated,  
21 \$14,600,000, to remain available until September 30,  
22 2026, for the administrative costs of carrying out this sec-  
23 tion.

1     **Subtitle B—National Oceanic and**  
2             **Atmospheric Administration**

3     **SEC. 70201. INVESTING IN COASTAL COMMUNITIES AND**  
4             **CLIMATE RESILIENCE.**

5             (a) IN GENERAL.—In addition to amounts otherwise  
6 available, there is appropriated to the National Oceanic  
7 and Atmospheric Administration for fiscal year 2022, out  
8 of any money in the Treasury not otherwise appropriated,  
9 \$6,000,000,000, to remain available until September 30,  
10 2026, to provide funding through direct expenditure, con-  
11 tracts, grants, cooperative agreements, or technical assist-  
12 ance to coastal states (as defined in paragraph (4) of sec-  
13 tion 304 of the Coastal Zone Management Act of 1972  
14 (16 U.S.C. 1453(4))), the District of Columbia, Tribal  
15 Governments, nonprofit organizations, local governments,  
16 and institutions of higher education (as defined in sub-  
17 section (a) of section 101 of the Higher Education Act  
18 of 1965 (20 U.S.C. 1001(a))), for the conservation, res-  
19 toration, and protection of coastal and marine habitats  
20 and resources, including fisheries, to enable coastal com-  
21 munities to prepare for extreme storms and other chang-  
22 ing climate conditions, and for projects that support nat-  
23 ural resources that sustain coastal and marine resource  
24 dependent communities, and for related administrative ex-

1 penses. None of the funds provided by this section shall  
2 be subject to cost-sharing or matching requirements.

3 (b) TRIBAL GOVERNMENT DEFINED.—In this sec-  
4 tion, the term “Tribal Government” means the recognized  
5 governing body of any Indian or Alaska Native tribe,  
6 band, nation, pueblo, village, community, component band,  
7 or component reservation, individually identified (includ-  
8 ing parenthetically) in the list published most recently as  
9 of the date of enactment of this subsection pursuant to  
10 section 104 of the Federally Recognized Indian Tribe List  
11 Act of 1994 (25 U.S.C. 5131).

12 **SEC. 70202. PACIFIC SALMON RESTORATION AND CON-**  
13 **SERVATION.**

14 In addition to amounts otherwise available, there is  
15 appropriated to the National Oceanic and Atmospheric  
16 Administration for fiscal year 2022, out of any money in  
17 the Treasury not otherwise appropriated, \$1,000,000,000,  
18 to remain available until September 30, 2026, for the pur-  
19 poses of supporting the restoration and conservation of  
20 Pacific salmon and steelhead populations and the habitat  
21 of those populations, including by improving climate resil-  
22 ience and climate adaptation, and for related administra-  
23 tive expenses.

1 **SEC. 70203. MARINE FISHERIES INFRASTRUCTURE.**

2 (a) IN GENERAL.—In addition to amounts otherwise  
3 available, there is appropriated to the National Oceanic  
4 and Atmospheric Administration for fiscal year 2022, out  
5 of any money in the Treasury not otherwise appropriated,  
6 \$400,000,000, to remain available until September 30,  
7 2026, for grants to States and Tribal Governments, to re-  
8 pair, replace, and upgrade hatchery infrastructure for the  
9 production of a fishery (as defined in paragraph (13) of  
10 section 3 of the Magnuson-Stevens Fishery Conservation  
11 and Management Act (16 U.S.C. 1802(13))) that is in-  
12 cluded in a fishery management plan or plan amendment  
13 approved by the Secretary of Commerce under subsection  
14 (a) of section 301 of the Magnuson-Stevens Fishery Con-  
15 servation and Management Act (16 U.S.C. 1851(a)), and  
16 for related administrative expenses.

17 (b) TRIBAL GOVERNMENT.—In this section, the term  
18 “Tribal Government” means the recognized governing  
19 body of any Indian or Alaska Native tribe, band, nation,  
20 pueblo, village, community, component band, or compo-  
21 nent reservation, individually identified (including par-  
22 enthetically) in the list published most recently as of the  
23 date of enactment of this subsection pursuant to section  
24 104 of the Federally Recognized Indian Tribe List Act  
25 of 1994 (25 U.S.C. 5131).

1 **SEC. 70204. MARINE FISHERIES AND MARINE MAMMAL**  
2 **STOCK ASSESSMENTS, SURVEYS, AND RE-**  
3 **SEARCH AND MANAGEMENT.**

4 In addition to amounts otherwise available, there is  
5 appropriated to the National Oceanic and Atmospheric  
6 Administration for fiscal year 2022, out of any money in  
7 the Treasury not otherwise appropriated, \$500,000,000,  
8 to remain available until September 30, 2026, for pur-  
9 poses of Federal fisheries management, marine fisheries  
10 conservation, and marine mammal research, including  
11 fisheries and marine mammal stock assessments, marine  
12 fisheries data collection, surveys, scientific research, and  
13 management, acquisition of electronic monitoring equip-  
14 ment for fishery participants, transitional gear research,  
15 and ecosystem-based assessments in support of marine  
16 fish species, including fisheries managed under section  
17 303 of the Magnuson-Stevens Fishery Conservation and  
18 Management Act (16 U.S.C. 1853) and subsection (a) of  
19 section 117 of the Marine Mammal Protection Act of 1972  
20 (16 U.S.C. 1386(a)).

21 **SEC. 70205. FACILITIES OF THE NATIONAL OCEANIC AND**  
22 **ATMOSPHERIC ADMINISTRATION AND NA-**  
23 **TIONAL MARINE SANCTUARIES.**

24 (a) NATIONAL OCEANIC AND ATMOSPHERIC ADMIN-  
25 ISTRATION FACILITIES.—In addition to amounts other-  
26 wise available, there is appropriated to the National Oce-



1 anic and Atmospheric Administration for fiscal year 2022,  
2 out of any money in the Treasury not otherwise appro-  
3 priated, \$300,000,000, to remain available until Sep-  
4 tember 30, 2026, for the construction of new facilities (in-  
5 cluding facilities in need of replacement) including piers,  
6 marine operations facilities, and fisheries laboratories.

7 (b) NATIONAL MARINE SANCTUARIES FACILITIES.—  
8 In addition to amounts otherwise available, there is appro-  
9 priated to the National Oceanic and Atmospheric Adminis-  
10 tration for fiscal year 2022, out of any money in the  
11 Treasury not otherwise appropriated, \$100,000,000, to re-  
12 main available until September 30, 2026, for the construc-  
13 tion of facilities to support the National Marine Sanctuary  
14 System established under subsection (c) of section 301 of  
15 the National Marine Sanctuaries Act (16 U.S.C. 1431(c)).

16 **SEC. 70206. NOAA EFFICIENT AND EFFECTIVE REVIEWS.**

17 In addition to amounts otherwise available, there is  
18 appropriated to the National Oceanic and Atmospheric  
19 Administration for fiscal year 2022, out of any money in  
20 the Treasury not otherwise appropriated, \$20,000,000, to  
21 remain available until September 30, 2026, to provide for  
22 the development of more efficient, accurate, and timely re-  
23 views for planning, permitting and approval processes  
24 through the hiring and training of personnel, the develop-  
25 ment of programmatic documents, the procurement of

1 technical or scientific services for reviews, the development  
2 of environmental data or information systems, stakeholder  
3 and community engagement, the purchase of new equip-  
4 ment for environmental analysis, and the development of  
5 geographic information systems and other analysis tools,  
6 techniques, and guidance to improve agency transparency,  
7 accountability, and public engagement.

8 **SEC. 70207. SEAFOOD IMPORT MONITORING PROGRAM.**

9 In addition to amounts otherwise available, there is  
10 appropriated to the National Oceanic and Atmospheric  
11 Administration for fiscal year 2022, out of any money in  
12 the Treasury not otherwise appropriated, \$2,000,000, to  
13 remain available until September 30, 2026, to implement  
14 the seafood import monitoring program of the National  
15 Oceanic and Atmospheric Administration.

16 **Subtitle C—United States Fish and**  
17 **Wildlife Service**

18 **SEC. 70301. ENDANGERED SPECIES ACT RECOVERY PLANS.**

19 In addition to amounts otherwise available, there is  
20 appropriated to the United States Fish and Wildlife Serv-  
21 ice for fiscal year 2022, out of any money in the Treasury  
22 not otherwise appropriated, \$180,000,000, to remain  
23 available until expended, for the purposes of developing  
24 and implementing recovery plans under paragraphs (1),

1 (3), and (4) of subsection (f) of section 4 of the Endan-  
2 gered Species Act of 1973 (16 U.S.C. 1533(f)).

3 **SEC. 70302. ISLAND PLANT CONSERVATION.**

4 (a) IN GENERAL.—In addition to amounts otherwise  
5 available, there is appropriated to the United States Fish  
6 and Wildlife Service for fiscal year 2022, out of any money  
7 in the Treasury not otherwise appropriated, \$4,850,000,  
8 to remain available until expended, to make direct expend-  
9 itures, award grants, and enter into contracts and cooper-  
10 ative agreements for the purposes of conserving endan-  
11 gered species and threatened species of plants in the Ha-  
12 waiian Islands and the Pacific Island Territories of the  
13 United States under paragraphs (1), (3), and (4) of sub-  
14 section (f) of section 4 of the Endangered Species Act of  
15 1973 (16 U.S.C. 1533(f)).

16 (b) ADMINISTRATIVE EXPENSES.—In addition to  
17 amounts otherwise available, there is appropriated to the  
18 United States Fish and Wildlife Service for fiscal year  
19 2022, out of any money in the Treasury not otherwise ap-  
20 propriated, \$150,000, to remain available until September  
21 30, 2030, for necessary administrative expenses associated  
22 with carrying out this section.

23 **SEC. 70303. POLLINATOR CONSERVATION.**

24 (a) IN GENERAL.—In addition to amounts otherwise  
25 available, there is appropriated to the United States Fish

1 and Wildlife Service for fiscal year 2022, out of any money  
2 in the Treasury not otherwise appropriated, \$4,850,000,  
3 to remain available until expended, to make direct expend-  
4 itures, award grants, and enter into contracts and cooper-  
5 ative agreements for the purposes of conserving endan-  
6 gered species and threatened species of pollinators in the  
7 United States under paragraphs (1), (3), and (4) of sub-  
8 section (f) of section 4 of the Endangered Species Act of  
9 1973 (16 U.S.C. 1533(f)).

10 (b) ADMINISTRATIVE EXPENSES.—In addition to  
11 amounts otherwise available, there is appropriated to the  
12 United States Fish and Wildlife Service for fiscal year  
13 2022, out of any money in the Treasury not otherwise ap-  
14 propriated, \$150,000, to remain available until September  
15 30, 2030, for necessary administrative expenses associated  
16 with carrying out this section.

17 **SEC. 70304. MUSSEL CONSERVATION.**

18 (a) IN GENERAL.—In addition to amounts otherwise  
19 available, there is appropriated to the United States Fish  
20 and Wildlife Service for fiscal year 2022, out of any money  
21 in the Treasury not otherwise appropriated, \$4,850,000,  
22 to remain available until expended, to make direct expend-  
23 itures, award grants, and enter into contracts and cooper-  
24 ative agreements for the purposes of conserving endan-  
25 gered species and threatened species of freshwater mussels

1 in the United States under paragraphs (1), (3), and (4)  
2 of subsection (f) of section 4 of the Endangered Species  
3 Act of 1973 (16 U.S.C. 1533(f)).

4 (b) ADMINISTRATIVE EXPENSES.—In addition to  
5 amounts otherwise available, there is appropriated to the  
6 United States Fish and Wildlife Service for fiscal year  
7 2022, out of any money in the Treasury not otherwise ap-  
8 propriated, \$150,000, to remain available until September  
9 30, 2030, for necessary administrative expenses associated  
10 with carrying out this section.

11 **SEC. 70305. DESERT FISH CONSERVATION.**

12 (a) IN GENERAL.—In addition to amounts otherwise  
13 available, there is appropriated to the United States Fish  
14 and Wildlife Service for fiscal year 2022, out of any money  
15 in the Treasury not otherwise appropriated, \$4,850,000,  
16 to remain available until expended, to make direct expend-  
17 itures, award grants, and enter into contracts and cooper-  
18 ative agreements for the purposes of conserving endan-  
19 gered species and threatened species of desert fish in the  
20 United States under paragraphs (1), (3), and (4) of sub-  
21 section (f) of section 4 of the Endangered Species Act of  
22 1973 (16 U.S.C. 1533(f)).

23 (b) ADMINISTRATIVE EXPENSES.—In addition to  
24 amounts otherwise available, there is appropriated to the  
25 United States Fish and Wildlife Service for fiscal year

1 2022, out of any money in the Treasury not otherwise ap-  
2 propriated, \$150,000, to remain available until September  
3 30, 2030, for necessary administrative expenses associated  
4 with carrying out this section.

5 **SEC. 70306. FUNDING FOR THE UNITED STATES FISH AND**  
6 **WILDLIFE SERVICE TO ADDRESS CLIMATE-IN-**  
7 **DUCED WEATHER EVENTS.**

8 (a) **IN GENERAL.**—In addition to amounts otherwise  
9 available, there is appropriated to the United States Fish  
10 and Wildlife Service for fiscal year 2022, out of any money  
11 in the Treasury not otherwise appropriated,  
12 \$242,500,000, to remain available until September 30,  
13 2026, to make direct expenditures, award grants, and  
14 enter into contracts and cooperative agreements for the  
15 purposes of rebuilding and restoring units of the National  
16 Wildlife Refuge System and State wildlife management  
17 areas, including by—

- 18 (1) addressing the threat of invasive species;  
19 (2) increasing the resiliency and capacity of  
20 habitats and infrastructure to withstand climate-in-  
21 duced weather events; and  
22 (3) reducing the amount of damage caused by  
23 climate-induced weather events.

24 (b) **ADMINISTRATIVE COSTS.**—In addition to  
25 amounts otherwise available, there is appropriated to the

1 United States Fish and Wildlife Service for fiscal year  
2 2022, out of any money in the Treasury not otherwise ap-  
3 propriated, \$7,500,000, to remain available until Sep-  
4 tember 30, 2026, for necessary administrative expenses  
5 associated with carrying out this section.

6 **SEC. 70307. WILDLIFE CORRIDOR CONSERVATION.**

7 (a) IN GENERAL.—In addition to amounts otherwise  
8 available, there is appropriated to the United States Fish  
9 and Wildlife Service for fiscal year 2022, out of any money  
10 in the Treasury not otherwise appropriated, \$9,700,000,  
11 to remain available until expended, to carry out, through  
12 direct expenditures, contracts, grants, and cooperative  
13 agreements, activities necessary for—

14 (1) mapping wildlife corridors;

15 (2) the conservation and restoration of wildlife  
16 corridors; and

17 (3) addressing the conservation and restoration  
18 of wildlife corridors—

19 (A) on land included in the National Wild-  
20 life Refuge System; and

21 (B) on private land through—

22 (i) the Partners for Fish and Wildlife  
23 Program of the United States Fish and  
24 Wildlife Service; and

1 (ii) the Coastal Program of the  
2 United States Fish and Wildlife Service.

3 (b) ADMINISTRATIVE COSTS.—In addition to  
4 amounts otherwise available, there is appropriated to the  
5 United States Fish and Wildlife Service for fiscal year  
6 2022, out of any money in the Treasury not otherwise ap-  
7 propriated, \$300,000, to remain available until September  
8 30, 2030, for necessary administrative expenses associated  
9 with carrying out this section.

10 **SEC. 70308. GRASSLAND RESTORATION.**

11 (a) IN GENERAL.—In addition to amounts otherwise  
12 available, there is appropriated to the United States Fish  
13 and Wildlife Service for fiscal year 2022, out of any money  
14 in the Treasury not otherwise appropriated, \$38,800,000,  
15 to remain available until expended to make direct expendi-  
16 tures, award grants, and enter into contracts and coopera-  
17 tive agreements for carrying out the protection and res-  
18 toration of grassland habitats.

19 (b) ADMINISTRATIVE COSTS.—In addition to  
20 amounts otherwise available, there is appropriated to the  
21 United States Fish and Wildlife Service for fiscal year  
22 2022, out of any money in the Treasury not otherwise ap-  
23 propriated, \$1,200,000, to remain available until Sep-  
24 tember 30, 2030, for necessary administrative expenses  
25 associated with carrying out this section.



1 **Subtitle D—Water Resources Re-**  
2 **search and Technology Insti-**  
3 **tutes**

4 **SEC. 70401. WATER RESOURCES RESEARCH AND TECH-**  
5 **NOLOGY INSTITUTES.**

6 In addition to amounts otherwise available, there is  
7 appropriated to the United States Geological Survey for  
8 fiscal year 2022, out of any money in the Treasury not  
9 otherwise appropriated, \$50,000,000, to remain available  
10 until September 30, 2031, for grants and other financial  
11 assistance to water resources research and technology in-  
12 stitutes, centers, and equivalent agencies.

13 **Subtitle E—Council on**  
14 **Environmental Quality**

15 **SEC. 70501. ENVIRONMENTAL AND CLIMATE DATA COLLEC-**  
16 **TION.**

17 In addition to amounts otherwise available, there is  
18 appropriated to the Chair of the Council on Environmental  
19 Quality for fiscal year 2022, out of any money in the  
20 Treasury not otherwise appropriated, \$65,000,000, to re-  
21 main available until September 30, 2026—

22 (1) to support data collection efforts relating  
23 to—

24 (A) disproportionate negative environ-  
25 mental harms and climate impacts; and

1 (B) cumulative impacts of pollution and  
2 temperature rise;

3 (2) to establish, expand, and maintain efforts to  
4 track disproportionate burdens and cumulative im-  
5 pacts, including academic and workforce support for  
6 analytics and informatics infrastructure and data  
7 collection systems; and

8 (3) to support efforts to ensure that any map-  
9 ping or screening tool is accessible to community-  
10 based organizations and community members.

11 **SEC. 70502. COUNCIL ON ENVIRONMENTAL QUALITY EFFI-**  
12 **CIENT AND EFFECTIVE ENVIRONMENTAL RE-**  
13 **VIEWS.**

14 In addition to amounts otherwise available, there is  
15 appropriated to the Chair of the Council on Environmental  
16 Quality for fiscal year 2022, out of any money in the  
17 Treasury not otherwise appropriated, \$15,000,000, to re-  
18 main available until September 30, 2026, to carry out the  
19 Council on Environmental Quality's functions and for the  
20 purposes of training personnel, developing programmatic  
21 environmental documents, and developing tools, guidance,  
22 and techniques to improve stakeholder and community en-  
23 gagement.

1 **Subtitle F—Department of the Inte-**  
2 **rior Efficient and Effective Re-**  
3 **views**

4 **SEC. 70601. DEPARTMENT OF THE INTERIOR EFFICIENT**  
5 **AND EFFECTIVE REVIEWS.**

6 In addition to amounts otherwise available, there is  
7 appropriated to the Department of the Interior for fiscal  
8 year 2022, out of any money in the Treasury not otherwise  
9 appropriated, \$100,000,000, to remain available until  
10 September 30, 2026, to provide for the development of  
11 more efficient, accurate, and timely reviews for planning,  
12 permitting, and approval processes for the National Park  
13 Service, the Bureau of Land Management, the Bureau of  
14 Ocean Energy Management, the Bureau of Reclamation,  
15 the Bureau of Safety and Environmental Enforcement,  
16 and the Office of Surface Mining Reclamation and En-  
17 forcement through the hiring and training of personnel,  
18 the development of programmatic documents, the procure-  
19 ment of technical or scientific services for reviews, the de-  
20 velopment of environmental data or information systems,  
21 stakeholder and community engagement, the purchase of  
22 new equipment for environmental analysis, and the devel-  
23 opment of geographic information systems and other anal-  
24 ysis tools, techniques, and guidance to improve agency  
25 transparency, accountability, and public engagement.

1                   **Subtitle G—Public Lands**

2   **SEC. 70701. NATIONAL PARKS AND PUBLIC LANDS CON-**  
3                   **SERVATION AND RESILIENCE.**

4           In addition to amounts otherwise available, there is  
5 appropriated to the Secretary of the Interior for fiscal year  
6 2022, out of any money in the Treasury not otherwise ap-  
7 propriated, \$1,250,000,000, to remain available until Sep-  
8 tember 30, 2031, to carry out projects for the conserva-  
9 tion, protection, and resiliency of lands and resources ad-  
10 ministered by the National Park Service and Bureau of  
11 Land Management. None of the funds provided under this  
12 section shall be subject to cost-share or matching require-  
13 ments.

14   **SEC. 70702. NATIONAL PARKS AND PUBLIC LANDS CON-**  
15                   **SERVATION AND ECOSYSTEM RESTORATION.**

16           In addition to amounts otherwise available, there is  
17 appropriated to the Secretary of the Interior for fiscal year  
18 2022, out of any money in the Treasury not otherwise ap-  
19 propriated, \$750,000,000, to remain available until Sep-  
20 tember 30, 2031, to carry out conservation, ecosystem and  
21 habitat restoration projects on lands administered by the  
22 National Park Service and Bureau of Land Management.  
23 None of the funds provided under this section shall be sub-  
24 ject to cost-share or matching requirements.

1 **SEC. 70703. LANDS PROJECTS.**

2 (a) DEFINITIONS.—With regard to this section:

3 (1) APPROPRIATE CONSERVATION PROJECTS.—

4 The term “appropriate conservation projects” means  
5 any project for the conservation, restoration, con-  
6 struction, or rehabilitation of natural, cultural, his-  
7 toric, archaeological, recreational, or scenic resources  
8 on public lands administered by the National Park  
9 Service or Bureau of Land Management.

10 (2) RESILIENCY OR RESTORATION PROJECTS.—

11 The term “restoration or resiliency projects” means  
12 any project funded under sections 70701 and 70702.

13 (b) IN GENERAL.—In addition to amounts otherwise

14 available, there is appropriated to the Secretary of the In-  
15 terior for fiscal year 2022, out of any money in the Treas-  
16 ury not otherwise appropriated, \$500,000,000, to remain  
17 available until September 30, 2031, to provide funding,  
18 including all expenses necessary to provide funding,  
19 through direct expenditure, grants, contracts, or coopera-  
20 tive agreements, to perform appropriate conservation  
21 projects or resiliency or restoration projects, including all  
22 expenses necessary to carry out such projects, on public  
23 lands administered by the National Park Service and Bu-  
24 reau of Land Management. None of the funds provided  
25 under this section shall be subject to cost-share or match-  
26 ing requirements.

**1 SEC. 70704. WILDFIRE MANAGEMENT.**

2 In addition to amounts otherwise available, there is  
3 appropriated to the Secretary of the Interior for fiscal year  
4 2022, out of any money in the Treasury not otherwise ap-  
5 propriated, \$500,000,000, to remain available until Sep-  
6 tember 30, 2031, for wildland fire management by the Bu-  
7 reau of Land Management or National Park Service, in-  
8 cluding improvement, relocation, renovation, or construc-  
9 tion of firefighting facilities; reduction of wildfire hazards  
10 to communities through fuels projects within the wildland-  
11 urban interface; burned area rehabilitation; rural fire as-  
12 sistance; for salaries and expenses for wildland fire-  
13 fighters; wildfire-related information technology and  
14 geospatial analysis; deployment of remote sensing tech-  
15 nologies; wildfire science and research, including fireshed  
16 mapping; and, through the Office of Aviation Services,  
17 purchase, lease or contract of fixed-wing aircraft, and the  
18 assessment and deployment of technologies to limit interrup-  
19 tions to firefighting operations at night, in a degraded vis-  
20 ual environment, and by unauthorized unmanned aircraft  
21 system, including the feasibility of optionally-piloted rotor-  
22 wing aircraft and containerized retardant-delivery sys-  
23 tems.

1 **SEC. 70705. NATIONAL PARK SERVICE DEFERRED MAINTEN-**  
2 **NANCE AND DEPARTMENT OF THE INTERIOR**  
3 **HOUSING.**

4 In addition to amounts otherwise available, there is  
5 appropriated to the Secretary of the Interior for fiscal year  
6 2022, out of any money in the Treasury not otherwise ap-  
7 propriated, \$400,000,000, to remain available until Sep-  
8 tember 30, 2026, for carrying out priority deferred main-  
9 tenance projects, which may include resolving directly-re-  
10 lated infrastructure deficiencies, including through direct  
11 expenditures or transfer authority, within the boundaries  
12 of the National Park System and to provide housing, in-  
13 cluding expenses necessary to provide housing, for—

14 (1) field employees of the National Park Service  
15 pursuant to subchapter III of chapter 1013 of title  
16 54, United States Code;

17 (2) field employees of the Bureau of Land Man-  
18 agement in a manner similar to the provision of  
19 housing under paragraph (1); and

20 (3) participants in corps programs performing  
21 appropriate conservation projects or resiliency and  
22 restoration projects under grants, contracts, or coop-  
23 erative agreements with the National Park Service  
24 or the Bureau of Land Management in a manner  
25 similar to the provision of housing under paragraph  
26 (1).

**1 SEC. 70706. URBAN PARKS.**

2 In addition to amounts otherwise available, there is  
3 appropriated to the Director of the National Park Service  
4 for fiscal year 2022, out of any money in the Treasury  
5 not otherwise appropriated, \$100,000,000, to remain  
6 available until September 30, 2026, to carry out direct,  
7 competitive grants to localities for acquisition of land or  
8 interests in land, or for development of recreation facilities  
9 to create or significantly enhance access to parks or out-  
10 door recreation in urban areas, subject to the conditions  
11 that no property acquired or developed with funding under  
12 this section shall be converted to uses other than public  
13 outdoor recreation without the approval of the Secretary.  
14 Such approval shall require assurances as the Secretary  
15 considers necessary to ensure the substitution of other rec-  
16 reational properties of equivalent or greater fair market  
17 value and of equivalent usefulness and accessibility.

**18 SEC. 70707. HISTORIC PRESERVATION.**

19 In addition to amounts otherwise available, there is  
20 appropriated to the Director of the National Park Service  
21 for fiscal year 2022, out of any money in the Treasury  
22 not otherwise appropriated, \$25,000,000, to remain avail-  
23 able until September 30, 2026, to provide funding through  
24 direct expenditure, contracts, grants, cooperative agree-  
25 ments, or technical assistance to States, Indian Tribes, the  
26 District of Columbia, and Territories to carry out preser-



1 vation or historic preservation as defined by section  
2 300315 of title 54, United States Code.

3 **SEC. 70708. NATIONAL HERITAGE AREAS.**

4       In addition to amounts otherwise available, there is  
5 appropriated to the Director of the National Park Service  
6 for fiscal year 2022, out of any money in the Treasury  
7 not otherwise appropriated, \$50,000,000, to remain avail-  
8 able until September 30, 2026, to carry out funding for  
9 National Heritage Area Partnerships, including funding  
10 in fiscal year 2022 for any national heritage area, national  
11 heritage corridor, cultural heritage corridor, national her-  
12 itage partnership, national heritage canalway, national  
13 heritage route, and battlefields national historic district  
14 authorized to receive Federal funds as of September 1,  
15 2021.

16 **SEC. 70709. WITHDRAWALS.**

17       The Secretary of the Interior shall, on or before June  
18 30, 2024, withdraw, permanently or for a set term and  
19 subject to valid existing rights, lands or interest in lands  
20 administered by the Bureau of Land Management from  
21 entry, appropriation, disposal, location, leasing, permit-  
22 ting, and patent. Withdrawals made under this section  
23 shall result in an aggregate reduction of receipts payable  
24 to the Treasury between the date of the enactment of this  
25 section and the end of fiscal year 2031 of \$10,000,000.

1 **SEC. 70710. NATIONAL PARK SERVICE EMPLOYEES.**

2 In addition to amounts otherwise available, there is  
3 appropriated to the Secretary of the Interior for fiscal year  
4 2022, out of any money in the Treasury not otherwise ap-  
5 propriated, \$500,000,000, to remain available through  
6 September 30, 2030, to hire employees in units of the Na-  
7 tional Park System.

8 **Subtitle H—Drought Response and**  
9 **Preparedness**

10 **SEC. 70801. BUREAU OF RECLAMATION DOMESTIC WATER**  
11 **SUPPLY PROJECTS.**

12 (a) **FUNDING FOR DOMESTIC WATER SUPPLY**  
13 **PROJECTS.**—In addition to amounts otherwise available,  
14 there is appropriated to the Commissioner of the Bureau  
15 of Reclamation for fiscal year 2022, out of any money in  
16 the Treasury not otherwise appropriated, \$550,000,000,  
17 to remain available until expended, for grants, contracts,  
18 or financial assistance agreements for disadvantaged com-  
19 munities (identified according to criteria adopted by the  
20 Commissioner) in a manner as determined by the Commis-  
21 sioner for up to 100 percent of the cost of the planning,  
22 design, or construction of water projects the primary pur-  
23 pose of which is to provide domestic water supplies to com-  
24 munities or households that do not have reliable access  
25 to domestic water supplies in a State or territory described

1 in the first section of the Act of June 17, 1902 (43 U.S.C.  
2 391; 32 Stat. 388, chapter 1093).

3 (b) **ADDITIONAL FUNDING.**—In addition to amounts  
4 otherwise available, there is appropriated to the Commis-  
5 sioner of the Bureau of Reclamation for fiscal year 2032  
6 and each fiscal year thereafter, out of any money in the  
7 Treasury not otherwise appropriated, \$50,000,000, to re-  
8 main available until expended, for grants, contracts, or fi-  
9 nancial assistance agreements for disadvantaged commu-  
10 nities (identified according to criteria adopted by the Com-  
11 missioner) in a manner as determined by the Commis-  
12 sioner for up to 100 percent of the cost of the planning,  
13 design, or construction of water projects the primary pur-  
14 pose of which is to provide domestic water supplies to com-  
15 munities or households that do not have reliable access  
16 to domestic water supplies in a United States territory or  
17 a Western State (as described in item (6) of section 3002  
18 of the Western Water Policy Review Act of 1992).

19 **SEC. 70802. LARGE SCALE WATER REUSE.**

20 (a) **DEFINITIONS.**—In this section:

21 (1) **ELIGIBLE ENTITY.**—The term “eligible enti-  
22 ty” means—

23 (A) a State, Indian Tribe, municipality, ir-  
24 rigation district, water district, wastewater dis-

1           trict, or other organization with water or power  
2           delivery authority;

3           (B) a State, regional, or local authority,  
4           the members of which include 1 or more organi-  
5           zations with water or power delivery authority;  
6           or

7           (C) an agency established under State law  
8           for the joint exercise of powers or a combina-  
9           tion of entities described in subparagraphs (A)  
10          and (B).

11          (2) RECLAMATION STATE.—The term “Recla-  
12          mation State” means a State or territory described  
13          in the first section of the Act of June 17, 1902 (32  
14          Stat. 388, chapter 1093; 43 U.S.C. 391).

15          (b) IN GENERAL.—In addition to amounts otherwise  
16          available, there is appropriated to the Bureau of Reclama-  
17          tion for fiscal year 2022, out of any money in the Treasury  
18          not otherwise appropriated, \$100,000,000, to remain  
19          available until September 30, 2031, to provide nonreim-  
20          bursable grants on a competitive basis to eligible entities  
21          that shall not exceed 25 percent of the total cost of an  
22          eligible project unless the project advances at least a pro-  
23          portionate share of authorized nonreimbursable benefits  
24          (including benefits provided through measurable reduc-  
25          tions in water diversions from a river basin that is associ-

1 ated with or affected by, or located within the same river  
2 basin as a Federal reclamation project) up to a maximum  
3 75 percent of the total costs of an eligible project, to carry  
4 out the planning, design, and construction of projects to  
5 reclaim and reuse municipal, industrial, domestic, or agri-  
6 cultural wastewater or impaired ground or surface waters  
7 that have a total estimated cost of more than  
8 \$500,000,000 and that provide benefits to drought strick-  
9 en regions within the Reclamation States for the purposes  
10 of—

11 (1) helping to advance water management plans  
12 across a multi-state area, such as drought contin-  
13 gency plans in the Colorado River Basin; and

14 (2) providing multiple benefits, including water  
15 supply reliability benefits for drought-stricken  
16 States, Indian Tribes, and communities, and benefits  
17 from measurable reductions in water diversions.

18 The Bureau of Reclamation shall not impose a total dollar  
19 cap on Federal contributions that applies to all individual  
20 projects funded under this section. An eligible project shall  
21 not be considered ineligible for assistance under this sec-  
22 tion because the project has received assistance authorized  
23 under title XVI of Public Law 102–575 or section 4009  
24 of Public Law 114–322. The Bureau of Reclamation shall  
25 consider the planning, design, and construction of an eligi-

1 ble project's conveyance system to be eligible for grant  
2 funding under this section.

3 **SEC. 70803. ADDRESSING REDUCED WATER AVAILABILITY**  
4 **FOR INLAND WATER BODIES.**

5 In addition to amounts otherwise available, there is  
6 appropriated to the Bureau of Reclamation for fiscal year  
7 2022, out of any money in the Treasury not otherwise ap-  
8 propriated, \$100,000,000, to remain available until Sep-  
9 tember 30, 2031, to provide grants and enter into con-  
10 tracts and cooperative agreements to carry out projects  
11 to mitigate the impact of reduced water inflows into inland  
12 water bodies associated with, affected by, or located within  
13 the same river basin as a Bureau of Reclamation water  
14 project, to cover up to 50 percent of the total cost of the  
15 project, in partnership with a State, Indian Tribe, munic-  
16 ipality, irrigation district, water district, wastewater dis-  
17 trict, nonprofit organization, institution of higher learn-  
18 ing, or an agency established under State law for the joint  
19 exercise of powers.

20 **SEC. 70804. CANAL REPAIR AND IMPROVEMENT PROJECTS.**

21 (a) CONVEYANCE REPAIRS.—In addition to amounts  
22 otherwise available, there is appropriated to the Bureau  
23 of Reclamation for fiscal year 2022, out of any money in  
24 the Treasury not otherwise appropriated, \$25,000,000, to  
25 remain available until September 30, 2031, to provide

1 nonreimbursable grants in a manner as determined by the  
2 Secretary of the Interior (in this section referred to as  
3 the “Secretary”) on a competitive basis to eligible entities  
4 that in aggregate shall not exceed 33 percent of the total  
5 cost of an eligible project to carry out the planning, de-  
6 sign, and construction of projects to make major, non-re-  
7 curring maintenance repairs to water conveyance facilities  
8 that do not enlarge the carrying capacity of a conveyance  
9 facility beyond the capacity as previously constructed for  
10 conveyance facilities in need of emergency capacity res-  
11 toration due to subsidence and experiencing exceptional  
12 drought for the purposes of increasing drought resiliency,  
13 primarily through groundwater recharge.

14 (b) SOLAR CANAL INTEGRATION.—In addition to  
15 amounts otherwise available, there is appropriated to the  
16 Bureau of Reclamation for fiscal year 2022, out of any  
17 money in the Treasury not otherwise appropriated,  
18 \$25,000,000, to remain available until September 30,  
19 2031, for the design, study, and implementation of  
20 projects (including pilot and demonstration projects) to  
21 cover conveyance facilities receiving grants under sub-  
22 section (a) with solar panels to generate renewable energy  
23 in a manner as determined by the Secretary or for other  
24 solar projects associated with Bureau of Reclamation

1 projects that increase water efficiency and assist in imple-  
2 mentation of clean energy goals.

### 3 **Subtitle I—Insular Affairs**

#### 4 **SEC. 70901. INSULAR AFFAIRS CRITICAL INFRASTRUCTURE** 5 **FUNDING.**

6 In addition to amounts otherwise available, there is  
7 appropriated to the Department of the Interior Office of  
8 Insular Affairs for fiscal year 2022, out of any money in  
9 the Treasury not otherwise appropriated, \$1,000,000,000,  
10 to remain available until September 30, 2026, for critical  
11 infrastructure in the territories.

#### 12 **SEC. 70902. OFFICE OF INSULAR AFFAIRS CLIMATE** 13 **CHANGE TECHNICAL ASSISTANCE.**

14 (a) **IN GENERAL.**—In addition to amounts otherwise  
15 available, there is appropriated to the Department of the  
16 Interior Office of Insular Affairs for fiscal year 2022, out  
17 of any money in the Treasury not otherwise appropriated,  
18 \$29,100,000, to remain available until September 30,  
19 2026, to provide technical assistance for climate change  
20 planning, mitigation, adaptation, and resilience to United  
21 States Insular Areas under the Office of Insular Affairs.

22 (b) **ADMINISTRATIVE EXPENSES.**—In addition to  
23 amounts otherwise available, there is appropriated to the  
24 Department of the Interior Office of Insular Affairs for  
25 fiscal year 2022, out of any money in the Treasury not



1 otherwise appropriated, \$900,000, to remain available  
2 until September 30, 2026, for necessary administrative ex-  
3 penses associated with carrying out this section.

4 **SEC. 70903. DEFINITIONS.**

5 For the purposes of this subtitle:

6 (1) **TERRITORIES.**—The term “territories”  
7 means American Samoa, the Commonwealth of the  
8 Northern Mariana Islands, Guam, and the Virgin Is-  
9 lands of the United States.

10 (2) **UNITED STATES INSULAR AREAS.**—The  
11 term “United States Insular Areas” means Amer-  
12 ican Samoa, the Commonwealth of the Northern  
13 Mariana Islands, Guam, Puerto Rico, or the Virgin  
14 Islands of the United States.

15 **Subtitle J—Offshore Wind**

16 **SEC. 71001. RENEWABLE ENERGY LEASING ON THE OUTER**  
17 **CONTINENTAL SHELF.**

18 The Secretary of the Interior shall grant leases, ease-  
19 ments, and rights-of-way, to produce or support produc-  
20 tion, transportation, or transmission of electricity from re-  
21 newable energy facilities on the Outer Continental Shelf  
22 in the areas identified on the map entitled “Outer Conti-  
23 nental Shelf Lower 48 States Planning Areas” and dated  
24 October 18, 2021, as the Mid Atlantic Planning Area, the

1 South Atlantic Planning Area, the Straits of Florida Plan-  
2 ning Area, and the Eastern Gulf of Mexico Planning Area.

3 **SEC. 71002. OFFSHORE WIND FOR THE TERRITORIES.**

4       The Secretary of the Interior shall grant leases, ease-  
5 ments, and rights-of-way to produce or support produc-  
6 tion, transportation, or transmission of electricity from re-  
7 newable energy facilities in submerged lands seaward from  
8 the coastline of Puerto Rico, Guam, American Samoa, the  
9 Virgin Islands of the United States, and the Common-  
10 wealth of the Northern Mariana Islands and of which the  
11 subsoil and seabed appertain to the United States and are  
12 subject to its jurisdiction and control. The Secretary of  
13 the Interior shall conduct wind lease sales in said sub-  
14 merged lands if the Secretary of the Interior has deter-  
15 mined that a wind lease sale is feasible and issued a call  
16 for information and nominations, determined there is suf-  
17 ficient interest in leasing the area, and consulted with the  
18 Governor of the territory regarding the suitability of the  
19 area for wind energy development.

20       **Subtitle K—Preventing Damage**  
21                                   **From Mining**

22 **SEC. 71101. FUNDING TO PREVENT DAMAGE FROM MINING.**

23       In addition to amounts otherwise available, there is  
24 appropriated to the Bureau of Land Management for fis-  
25 cal year 2022, out of any money in the Treasury not other-

1 wise appropriated, \$3,000,000, to remain available until  
2 September 30, 2031, to revise rules and regulations to  
3 prevent undue degradation of public lands due to hardrock  
4 mining activities.

## 5 **Subtitle L—Arctic National Wildlife** 6 **Refuge**

### 7 **SEC. 71201. REPEAL OF THE ARCTIC NATIONAL WILDLIFE** 8 **REFUGE OIL AND GAS PROGRAM.**

9 Section 20001 of Public Law 115–97 is repealed and  
10 any leases issued pursuant to section 20001 of Public Law  
11 115–97 are hereby cancelled and all payments related to  
12 the leases shall be returned to the lessee(s) within 30 days  
13 of enactment of this section.

## 14 **Subtitle M—Outer Continental** 15 **Shelf Oil and Gas Leasing**

### 16 **SEC. 71301. PROTECTION OF THE EASTERN GULF, ATLANTIC,** 17 **AND PACIFIC COASTS.**

18 The Secretary of the Interior may not issue a lease  
19 or any other authorization for the exploration, develop-  
20 ment, or production of oil or natural gas in any of the  
21 planning areas on the Outer Continental Shelf in the Pa-  
22 cific Region Planning Areas, in the Atlantic Region Plan-  
23 ning Areas, or in the Eastern Gulf of Mexico Planning  
24 Area identified on the map entitled “Outer Continental

1 Shelf Lower 48 States Planning Areas” and dated October  
2 18, 2021.

### 3 **Subtitle N—Fossil Fuel Resources**

#### 4 **SEC. 71401. ONSHORE FOSSIL FUEL ROYALTY RATES.**

5 All new onshore oil and gas leases issued by the Sec-  
6 retary of the Interior shall be conditioned upon the pay-  
7 ment of a royalty at a rate of 18.75 percent in amount  
8 or value of the production from the lease. Before a termi-  
9 nated or cancelled oil or gas lease may be reinstated by  
10 the Secretary of the Interior, back royalties must be paid,  
11 and future royalties shall be at a rate of 25 percent in  
12 amount or value of the production from the lease.

#### 13 **SEC. 71402. OFFSHORE OIL AND GAS ROYALTY RATE.**

14 All new offshore oil and gas leases on submerged  
15 lands of the outer Continental Shelf granted by the Sec-  
16 retary of the Interior shall be conditioned upon the pay-  
17 ment of a royalty at a rate of not less than 14 percent  
18 in amount or value of the production from the lease.

#### 19 **SEC. 71403. OIL AND GAS MINIMUM BID.**

20 The onshore minimum acceptable bid charged by the  
21 Secretary of the Interior shall be \$10 per acre on Federal  
22 lands in the contiguous United States authorized to be  
23 leased by the Secretary for production of oil and gas. The  
24 Secretary of the Interior shall by regulation, at least once

1 every 4 years, adjust the dollar amount to reflect the  
2 change in inflation.

3 **SEC. 71404. DEFERRED COAL BONUS PAYMENTS.**

4 The Secretary of the Interior may not offer Federal  
5 coal leases under a system of deferred bonus payment.

6 **SEC. 71405. FOSSIL FUEL RENTAL RATES.**

7 The Secretary of the Interior shall require all onshore  
8 oil and gas leases in the contiguous United States to be  
9 conditioned upon payment by the lessee of a rental of \$3  
10 per acre per year during the 2-year period beginning on  
11 the date the lease begins for new leases, and after the end  
12 of such two-year period \$5 per acre per year. The Sec-  
13 retary of the Interior shall by regulation, at least once  
14 every 4 years, adjust the dollar amounts to reflect the  
15 change in inflation. A terminated onshore oil and gas lease  
16 may not be reinstated without the payment of back rentals  
17 and a requirement that future rentals be at a rate of \$20  
18 per acre per year.

19 **SEC. 71406. FOSSIL FUEL LEASE TERM LENGTH.**

20 (a) A new coal lease issued by the Secretary of the  
21 Interior shall be for a term of ten years. Any lease which  
22 is not producing in commercial quantities at the end of  
23 5 years shall be terminated. The aggregate number of  
24 years during the period of any lease for which advance

1 royalties may be accepted in lieu of the condition of contin-  
2 ued operation shall not exceed 10 years.

3 (b) Leases for exploration for and development of oil  
4 or gas in the contiguous United States issued by the Sec-  
5 retary of the Interior shall be for a primary term of 5  
6 years.

7 **SEC. 71407. EXPRESSION OF INTEREST FEE.**

8 (a) IN GENERAL.—The Secretary of the Interior shall  
9 charge any person who submits an expression of interest  
10 in leasing land in the contiguous United States available  
11 for disposition for exploration and development of oil or  
12 gas a fee in an amount determined by the Secretary of  
13 the Interior under subsection (b).

14 (b) AMOUNT.—The fee authorized under subsection  
15 (a) shall be established by the Secretary of the Interior  
16 in an amount that is determined by the Secretary of the  
17 Interior to be appropriate to cover the aggregate cost of  
18 processing an expression of interest under this section, but  
19 not less than \$15 per acre and not more than \$50 per  
20 acre of the area covered by the applicable expression of  
21 interest.

22 (c) ADJUSTMENT OF FEE.—The Secretary of the In-  
23 terior shall, by regulation at least every 4 years, establish  
24 a higher expression of interest fee to reflect the change  
25 in inflation.

1 **SEC. 71408. ELIMINATION OF NONCOMPETITIVE LEASING.**

2       The Secretary of the Interior may not issue an oil  
3 or gas lease noncompetitively. Land made available by the  
4 Secretary of the Interior for oil and gas leasing for which  
5 no bid is accepted or received, or the land for which a  
6 lease terminates, expires, is cancelled, or is relinquished,  
7 may only be made available by the Secretary of the Inte-  
8 rior for a new round of sealed, competitive bidding.

9 **SEC. 71409. OIL AND GAS BONDING REQUIREMENTS.**

10       Not later than 18 months after the date of enactment  
11 of this subtitle, the Secretary of the Interior shall publish  
12 a final rule in the Federal Register requiring that an ade-  
13 quate bond, surety, or other financial arrangement be pro-  
14 vided by an oil or gas lessee prior to the commencement  
15 of surface-disturbing activities on an onshore oil and gas  
16 lease issued by the Secretary to ensure the complete and  
17 timely restoration and reclamation of any land, water,  
18 range, or other environmental resources adversely affected  
19 by lease activities or operations after the abandonment or  
20 cessation of oil and gas operations on the lease. The Sec-  
21 retary of the Interior shall find that a bond, surety or  
22 other financial arrangement required by rule or regulation  
23 is inadequate if it is for less than the complete and timely  
24 reclamation of the least tract, the restoration of any lands  
25 or surface waters adversely affected by lease operations,  
26 and, in the case of an idled well, the total plugging and

1 reclamation costs for each idled well controlled by the  
2 same operator.

3 **SEC. 71410. PER-ACRE LEASE FEES.**

4 (a) OIL AND GAS LEASE FEES.—The Secretary of  
5 the Interior shall charge onshore and offshore oil and gas  
6 leaseholders the following annual, non-refundable fees:

7 (1) CONSERVATION OF RESOURCES FEE.—

8 There is established a Conservation of Resources  
9 Fee of \$4 per acre per year on new producing Fed-  
10 eral onshore and offshore oil and gas leases.

11 (2) SPECULATIVE LEASING FEE.—There is es-

12 tablished a Speculative Leasing Fee of \$6 per acre  
13 per year on new nonproducing Federal onshore and  
14 offshore oil and gas leases.

15 (b) DEPOSIT.—All funds collected pursuant to sub-  
16 section (a) shall be deposited into the United States  
17 Treasury General Fund.

18 (c) ADJUSTMENT FOR INFLATION.—The Secretary of  
19 the Interior shall, by regulation at least once every four  
20 years, adjust each fee created by subsection (a) to reflect  
21 any increase in inflation.

22 **SEC. 71411. OFFSHORE OIL AND GAS INSPECTION FEES.**

23 (a) IN GENERAL.—

24 (1) ESTABLISHMENT.—The Secretary of the In-  
25 terior shall collect inspection fees from the operators



1 of oil and gas facilities on the outer continental shelf  
2 subject to any environmental or safety regulation to  
3 prevent or ameliorate blowouts, fires, spills,  
4 spillages, or major accidents—

5 (A) at an aggregate level to offset the an-  
6 nual expenses of such inspections; and

7 (B) using a schedule that reflect the dif-  
8 ferences in complexity among the classes of fa-  
9 cilities to be inspected.

10 (2) ADJUSTMENT FOR INFLATION.—For each  
11 fiscal year beginning after fiscal year 2022, the Sec-  
12 retary of the Interior shall adjust the amount of the  
13 fees collected under this section for inflation.

14 (3) FEES FOR FISCAL YEAR 2022.—

15 (A) ANNUAL FEES.—For fiscal year 2022,  
16 the Secretary of the Interior shall collect annual  
17 fees from the operator of facilities that are  
18 above the waterline, excluding drilling rigs, and  
19 are in place at the start of the fiscal year in the  
20 following amounts:

21 (i) \$11,725 for facilities with no wells,  
22 but with processing equipment or gath-  
23 ering lines.

1                   (ii) \$18,984 for facilities with 1 to 10  
2 wells, with any combination of active or in-  
3 active wells.

4                   (iii) \$35,176 for facilities with more  
5 than 10 wells, with any combination of ac-  
6 tive or inactive wells.

7                   (B) FEES FOR DRILLING RIGS.—For fiscal  
8 year 2022, the Secretary of the Interior shall  
9 collect fees for each inspection from the opera-  
10 tors of drilling rigs in the following amounts:

11                   (i) \$34,059 per inspection for rigs op-  
12 erating in water depths of 500 feet or  
13 more.

14                   (ii) \$18,649 per inspection for rigs  
15 operating in water depths of less than 500  
16 feet.

17                   (C) FEES FOR NON-RIG UNITS.—For fiscal  
18 year 2022, the Secretary of the Interior shall  
19 collect fees for each inspection from the opera-  
20 tors of well operations conducted via non-rig  
21 units in the following amounts:

22                   (i) \$13,260 per inspection for non-rig  
23 units operating in water depths of 2,500  
24 feet or more.

1 (ii) \$11,530 per inspection for non-rig  
2 units operating in water depths between  
3 500 and 2,499 feet.

4 (iii) \$4,470 per inspection for non-rig  
5 units operating in water depths of less  
6 than 500 feet.

7 (b) DISPOSITION.—Amounts collected as fees under  
8 subsection (a) shall be deposited into the general fund of  
9 the Treasury.

10 (c) BILLING.—

11 (1) ANNUAL FEES.—The Secretary of the Inte-  
12 rior shall bill designated operators under subsection  
13 (a)(3)(A) annually, with payment required not later  
14 than 30 days after such billing.

15 (2) FEES FOR DRILLING RIGS.—The Secretary  
16 of the Interior shall bill designated operators under  
17 subsection (a)(3)(B) not later than 30 days after the  
18 end of the month in which the inspection occurred,  
19 with payment required not later than 30 days after  
20 such billing.

21 **SEC. 71412. ONSHORE OIL AND GAS INSPECTION FEES.**

22 (a) IN GENERAL.—The designated operator under  
23 each oil and gas lease on Federal land or each unit and  
24 communitization agreement that includes one or more  
25 such Federal leases that is subject to inspection and that

1 is in force at the start of the fiscal year 2021, shall pay  
2 a nonrefundable annual inspection fee in an amount that,  
3 except as provided in subsection (b), is established by the  
4 Secretary of the Interior by regulation and is sufficient  
5 to recover the full costs incurred by the United States for  
6 inspection and enforcement with respect to such leases.

7 (b) AMOUNT.—Until the effective date of regulations  
8 under subsection (a)—

9 (1) the amount of the fee for all States shall be  
10 \$1,000 for each lease, unit, or communitization  
11 agreement; and

12 (2) the Secretary of the Interior may increase  
13 the fees based upon the actual costs incurred for in-  
14 spections.

15 (c) ASSESSMENT FOR FISCAL YEAR 2022.—For fis-  
16 cal year 2022, the Secretary of the Interior shall assess  
17 the fee described under this section at \$1,000 for each  
18 lease, unit, or communitization agreement, and shall pro-  
19 vide notice of such assessment to each designated operator  
20 who is liable for such fee, by not later than 60 days after  
21 the date of enactment of this section.

22 **SEC. 71413. SEVERANCE FEES.**

23 The Secretary of the Interior shall collect annual,  
24 non-refundable fees on fossil fuels produced from new  
25 leases on Federal lands and the Outer Continental Shelf

1 and deposit the funds into the United States Treasury  
2 General Fund. Such fees shall be—

3 (1) \$0.50 per barrel of oil equivalent on oil and  
4 natural gas produced from Federal lands and the  
5 Outer Continental Shelf; and

6 (2) \$2 per metric ton of coal produced from  
7 Federal lands.

8 **SEC. 71414. IDLED WELL FEES.**

9 (a) IN GENERAL.—The Secretary of the Interior  
10 shall, not later than 180 days after the date of enactment  
11 of this section, issue regulations to require each operator  
12 of an idled well on Federal land and the Outer Continental  
13 Shelf to pay an annual, nonrefundable fee for each such  
14 idled well in accordance with this subsection.

15 (b) AMOUNTS.—Except as provided in subsection (d),  
16 the amount of the fee shall be as follows:

17 (1) \$500 for each well that has been considered  
18 an idled well for at least 1 year, but not more than  
19 5 years.

20 (2) \$1,500 for each well that has been consid-  
21 ered an idled well for at least 5 years, but not more  
22 than 10 years.

23 (3) \$3,500 for each well that has been consid-  
24 ered an idled well for at least 10 years, but not more  
25 than 15 years.

1           (4) \$7,500 for each well that has been consid-  
2           ered an idled well for at least 15 years.

3           (c) DUE DATE.—An owner of an idled well that is  
4           required to pay a fee under this section shall submit to  
5           the Secretary of the Interior such fee by not later than  
6           October 1 of each year.

7           (d) ADJUSTMENT FOR INFLATION.—The Secretary of  
8           the Interior shall, by regulation not less than once every  
9           4 years, adjust each fee under this section to account for  
10          inflation.

11          (e) DEPOSIT.—All funds collected pursuant to sub-  
12          section (a) shall be deposited into the United States  
13          Treasury General Fund.

14          (f) IDLED WELL DEFINITION.—For the purposes of  
15          this section, the term “idled well” means a well that has  
16          been non-operational for at least two consecutive years  
17          and for which there is no anticipated beneficial future use.

18          **SEC. 71415. ANNUAL PIPELINE OWNERS FEE.**

19          (a) IN GENERAL.—Not later than 180 days after the  
20          date of enactment of this section, the Bureau of Safety  
21          and Environmental Enforcement shall issue regulations to  
22          assess an annual fee on owners of existing and new off-  
23          shore oil and gas pipelines defined as “DOI pipelines”  
24          under 30 C.F.R. 250.1001. No portion of such fee that  
25          is passed on to a lessee may be deducted as part of a les-

1 see's transportation allowance when calculating royalties  
2 due to the United States.

3 (b) AMOUNTS.—Fees established under this para-  
4 graph shall be—

5 (1) \$10,000 per mile for pipelines in water with  
6 a depth of 500 feet or greater; and

7 (2) \$1,000 per mile for pipelines in water depth  
8 of under 500 feet.

9 **SEC. 71416. ROYALTIES ON ALL EXTRACTED METHANE.**

10 (a) IN GENERAL.—Except as provided in subsection  
11 (b), royalties paid for gas produced from Federal lands  
12 and on the Outer Continental Shelf shall be assessed on  
13 all gas produced, including—

14 (1) gas used or consumed within the area of the  
15 lease tract for the benefit of the lease; and

16 (2) all gas that is consumed or lost by venting,  
17 flaring, or fugitive releases through any equipment  
18 during upstream operations.

19 (b) EXCEPTION.—Subsection (a) shall not apply with  
20 respect to gas vented or flared for not longer than 48  
21 hours in an acute emergency situation that poses a danger  
22 to human health.

23 **SEC. 71417. ELIMINATION OF ROYALTY RELIEF.**

24 (a) LIMITATION ON AUTHORITY.—The Secretary of  
25 the Interior may not reduce, eliminate, or suspend royal-

1 ties or net profit share for any oil and gas leases on the  
2 Outer Continental Shelf. Royalty relief may not be per-  
3 mitted on any future oil and gas leases on the Outer Con-  
4 tinental Shelf.

5 (b) REPEAL.—Section 39 of the Mineral Leasing Act  
6 (30 U.S.C. 209) is repealed.

7 **Subtitle O—United States**  
8 **Geological Survey**

9 **SEC. 71501. UNITED STATES GEOLOGICAL SURVEY 3D ELE-**  
10 **VATION PROGRAM.**

11 In addition to amounts otherwise available, there is  
12 appropriated to the Director of the United States Geologi-  
13 cal Survey for fiscal year 2022, out of any money in the  
14 Treasury not otherwise appropriated, \$47,000,000, to re-  
15 main available until September 30, 2031, to produce, col-  
16 lect, disseminate, and use 3D elevation data.

17 **SEC. 71502. CLIMATE ADAPTATION SCIENCE CENTERS.**

18 In addition to amounts otherwise available, there is  
19 appropriated to the United States Geological Survey for  
20 fiscal year 2022, out of any money in the Treasury not  
21 otherwise appropriated, \$50,000,000, to remain available  
22 until September 30, 2031, for the Regional and National  
23 Climate Adaptation Science Centers to provide localized  
24 information to help communities respond to climate  
25 change. Funding provided under this section shall only be



1 executed through existing cooperative agreements with  
2 non-Federal partners or used internally for United States  
3 Geological Survey activities.

4       **TITLE VIII—COMMITTEE ON**  
5       **OVERSIGHT AND REFORM**

6       **SEC. 80001. GENERAL SERVICES ADMINISTRATION CLEAN**  
7                               **FLEETS.**

8           In addition to amounts otherwise available, there is  
9 appropriated to the Administrator of General Services for  
10 fiscal year 2022, out of any money in the Treasury not  
11 otherwise appropriated, \$2,995,000,000, to remain avail-  
12 able until September 30, 2026, for the procurement of  
13 zero-emission and electric vehicles and related costs.

14       **SEC. 80002. FUNDING FOR GENERAL SERVICES ADMINIS-**  
15                               **TRATION OFFICE OF INSPECTOR GENERAL.**

16           In addition to amounts otherwise available, there is  
17 appropriated to the Office of Inspector General of the  
18 General Services Administration for fiscal year 2022, out  
19 of any money in the Treasury not otherwise appropriated,  
20 \$5,000,000, to remain available until September 30, 2031,  
21 to support oversight of General Services Administration  
22 activities implemented pursuant to this Act.

1 **SEC. 80003. UNITED STATES POSTAL SERVICE CLEAN**  
2 **FLEETS.**

3 In addition to amounts otherwise available, there is  
4 appropriated to the United States Postal Service for fiscal  
5 year 2022, out of any money in the Treasury not otherwise  
6 appropriated, the following amounts, to be deposited into  
7 the Postal Service Fund established under section 2003  
8 of title 39, United States Code:

9 (1) \$2,573,550,000, to remain available  
10 through September 30, 2031, for the purchase of  
11 electric delivery vehicles.

12 (2) \$3,411,450,000, to remain available  
13 through September 30, 2031, for the purchase, de-  
14 sign, and installation of the requisite infrastructure  
15 to support electric delivery vehicles at facilities that  
16 the United States Postal Service owns or leases from  
17 non-Federal entities.

18 **SEC. 80004. UNITED STATES POSTAL SERVICE OFFICE OF**  
19 **INSPECTOR GENERAL.**

20 In addition to amounts otherwise available, there is  
21 appropriated to the Office of Inspector General of the  
22 United States Postal Service for fiscal year 2022, out of  
23 any money in the Treasury not otherwise appropriated,  
24 \$15,000,000, to remain available through September 30,  
25 2031, to support oversight of United States Postal Service  
26 activities implemented pursuant to this Act.

1 **SEC. 80005. GOVERNMENT ACCOUNTABILITY OFFICE OVER-**  
2 **SIGHT.**

3 In addition to amounts otherwise available, there is  
4 appropriated to the Comptroller General of the United  
5 States for fiscal year 2022, out of any money in the Treas-  
6 ury not otherwise appropriated, \$25,000,000, to remain  
7 available until September 30, 2031, for necessary expenses  
8 of the Government Accountability Office to support the  
9 oversight of—

10 (1) the distribution and use of funds appro-  
11 priated under this Act; and

12 (2) whether the economic, social, and environ-  
13 mental impacts of the funds described in paragraph

14 (1) are equitable.

15 **SEC. 80006. OFFICE OF MANAGEMENT AND BUDGET OVER-**  
16 **SIGHT.**

17 In addition to amounts otherwise available, there are  
18 appropriated to the Director of the Office of Management  
19 and Budget for fiscal year 2022, out of any money in the  
20 Treasury not otherwise appropriated, \$25,000,000, to re-  
21 main available until September 30, 2026, for necessary ex-  
22 penses to—

23 (1) support the implementation of this Act; and

24 (2) track labor, equity, and environmental  
25 standards and performance.

1 **SEC. 80007. GENERAL SERVICES ADMINISTRATION EMERG-**  
2 **ING TECHNOLOGIES.**

3 In addition to amounts otherwise available, there is  
4 appropriated to the Administrator of General Services for  
5 fiscal year 2022, out of any money in the Treasury not  
6 otherwise appropriated, \$975,000,000, to remain available  
7 until September 30, 2026, for emerging and sustainable  
8 technologies, and related sustainability and environmental  
9 programs.

10 **SEC. 80008. GENERAL SERVICES ADMINISTRATION PRO-**  
11 **CUREMENT AND TECHNOLOGY.**

12 In addition to amounts otherwise available, there is  
13 appropriated to the Administrator of General Services for  
14 fiscal year 2022 out of any money in the Treasury not  
15 otherwise appropriated, \$3,250,000,000, to remain avail-  
16 able until September 30, 2026, for the purchase of goods,  
17 services, and systems to improve energy efficiency, pro-  
18 mote the purchase of lower-carbon materials, and reduce  
19 the carbon footprint.

20 **SEC. 80009. TECHNOLOGY MODERNIZATION FUND.**

21 In addition to amounts otherwise available, there is  
22 appropriated to the Administrator of General Services for  
23 fiscal year 2022, out of any money in the Treasury not  
24 otherwise appropriated, \$250,000,000, to remain available  
25 until September 30, 2026, to carry out the purposes of  
26 the Technology Modernization Fund.

1 **SEC. 80010. FEDERAL CITIZENS SERVICES FUND.**

2 In addition to amounts otherwise available, there is  
3 appropriated to the Administrator of General Services for  
4 fiscal year 2022, out of any money in the Treasury not  
5 otherwise appropriated, \$200,000,000, to remain available  
6 until September 30, 2026, to carry out the purposes of  
7 the Federal Citizen Services Fund.

8 **SEC. 80011. INFORMATION TECHNOLOGY OVERSIGHT AND**  
9 **REFORM FUND.**

10 In addition to amounts otherwise available, there is  
11 appropriated for fiscal year 2022, out of any money in  
12 the Treasury not otherwise appropriated, to remain avail-  
13 able until September 30, 2026, \$50,000,000 for the Infor-  
14 mation Technology Oversight and Reform Fund.

15 **TITLE IX—COMMITTEE ON**  
16 **SCIENCE, SPACE, AND TECH-**  
17 **NOLOGY**

18 **SEC. 90001. DEPARTMENT OF ENERGY RESEARCH, DEVELOP-**  
19 **MENT, AND DEMONSTRATION ACTIVITIES.**

20 (a) OFFICE OF ENERGY EFFICIENCY AND RENEW-  
21 ABLE ENERGY.—In addition to amounts otherwise avail-  
22 able, there is appropriated to the Department of Energy  
23 Office of Energy Efficiency and Renewable Energy for fis-  
24 cal year 2022, out of any money in the Treasury not other-  
25 wise appropriated, \$1,000,000,000, to remain available

1 until September 30, 2026, to carry out demonstration  
2 projects, including demonstration of advanced—

- 3 (1) building technologies;
- 4 (2) solar energy technologies;
- 5 (3) geothermal energy technologies;
- 6 (4) wind energy technologies;
- 7 (5) water power technologies;
- 8 (6) bioenergy technologies; and
- 9 (7) vehicle technologies.

10 (b) OFFICE OF SCIENCE.—In addition to amounts  
11 otherwise available, there is appropriated to the Office of  
12 Science of the Department of Energy for fiscal year 2022,  
13 out of any money in the Treasury not otherwise appro-  
14 priated, to remain available until September 30, 2026—

15 (1) \$100,000,000 to carry out the low-dose ra-  
16 diation research program established under section  
17 306(c) of the Department of Energy Research and  
18 Innovation Act (42 U.S.C. 18644(c)(1));

19 (2) \$200,000,000 to carry out the fusion mate-  
20 rials research and development program established  
21 under section 307(b) of the Department of Energy  
22 Research and Innovation Act (42 U.S.C. 18645(b));

23 (3) \$200,000,000 to carry out the alternative  
24 and enabling fusion energy concepts program estab-  
25 lished under section 307(e) of the Department of

1 Energy Research and Innovation Act (42 U.S.C.  
2 18645(e));

3 (4) \$325,000,000 to carry out the milestone-  
4 based fusion energy development program estab-  
5 lished under section 307(i) of the Department of  
6 Energy Research and Innovation Act (42 U.S.C.  
7 18645(i));

8 (5) \$140,000,000 to carry out the program of  
9 research and technology development in inertial fu-  
10 sion for energy applications established under sec-  
11 tion 307(d) of the Department of Energy Research  
12 and Innovation Act (42 U.S.C. 18645(d)); and

13 (6) \$20,000,000 to carry out the fusion reactor  
14 system design activities authorized in section 307(j)  
15 of the Department of Energy Research and Innova-  
16 tion Act (42 U.S.C. 18645(j)).

17 (c) OFFICE OF FOSSIL ENERGY AND CARBON MAN-  
18 AGEMENT.—In addition to amounts otherwise available,  
19 there is appropriated to the Department of Energy Office  
20 of Fossil Energy and Carbon Management for fiscal year  
21 2022, out of any money in the Treasury not otherwise ap-  
22 propriated, \$10,000,000, to remain available until Sep-  
23 tember 30, 2026, to carry out on-site demonstration  
24 projects on the reduction of environmental impacts of pro-  
25 duced water.

1 (d) DIVERSITY SUPPORT.—In addition to amounts  
2 otherwise available, there is appropriated to the Depart-  
3 ment of Energy Office of Economic Impact and Diversity  
4 for fiscal year 2022, out of any money in the Treasury  
5 not otherwise appropriated, \$5,000,000, to remain avail-  
6 able until September 30, 2026, to support programs  
7 across the Department’s civilian research, development,  
8 demonstration, and commercial application activities.

9 **SEC. 90002. AVAILABILITY OF HIGH-ASSAY LOW-ENRICHED**  
10 **URANIUM.**

11 (a) APPROPRIATIONS.—In addition to amounts other-  
12 wise available, there is appropriated to the Secretary of  
13 Energy for fiscal year 2022, out of any money in the  
14 Treasury not otherwise appropriated, to remain available  
15 until September 30, 2026, \$500,000,000 to carry out the  
16 program elements described in subparagraphs (D)  
17 through (H) of section 2001(a)(2) of the Energy Act of  
18 2020 (42 U.S.C. 16281(a)(2)), and for related adminis-  
19 trative expenses.

20 (b) COMPETITIVE PROCEDURES.—To the maximum  
21 extent practicable, the Department of Energy shall, in a  
22 manner consistent with section 989 of the Energy Policy  
23 Act of 2005 (42 U.S.C. 16353), use a competitive, merit-  
24 based review process in carrying out research, develop-



1 ment, demonstration, and deployment activities under sec-  
2 tion 2001 of the Energy Act of 2020 (42 U.S.C. 16281).

3 **SEC. 90003. AIR QUALITY AND CLIMATE RESEARCH.**

4 In addition to amounts otherwise available, there is  
5 appropriated to the Environmental Protection Agency for  
6 fiscal year 2022, out of any money in the Treasury not  
7 otherwise appropriated, \$100,000,000, to remain available  
8 until September 30, 2026, for air quality and climate re-  
9 search in support of research related to climate change  
10 mitigation, adaptation and resilience activities to help re-  
11 duce the impacts of climate change on human health and  
12 welfare; the issuance of award grants for the collection of  
13 regional and local climate data to better estimate the eco-  
14 nomic impacts of climate change and support community-  
15 based responses to climate change to better anticipate,  
16 prepare for, adapt to, and recover from climate-driven ex-  
17 treme events; research on the impacts of climate change,  
18 and the cumulative impacts of pollution exposure, in low-  
19 income and disadvantaged communities.

20 **SEC. 90004. PFAS REPLACEMENT ASSISTANCE TO FIRE-**  
21 **FIGHTERS GRANTS.**

22 (a) IN GENERAL.—In addition to amounts otherwise  
23 available, there is appropriated for fiscal year 2022, out  
24 of any money in the Treasury not otherwise appropriated,  
25 \$95,000,000, to remain available until September 30,

1 2030, to the Federal Emergency Management Agency for  
2 grants for personal protective firefighting equipment and  
3 firefighting foam that does not contain perfluoroalkyl or  
4 polyfluoroalkyl substances.

5 (b) PROGRAM ADMINISTRATION.—In addition to  
6 amounts otherwise available, there is appropriated for fis-  
7 cal year 2022, out of any money in the Treasury not other-  
8 wise appropriated, \$5,000,000, to remain available until  
9 September 30, 2030, to the Federal Emergency Manage-  
10 ment Agency for the administration and management of  
11 this section.

12 (c) APPLICATIONS.—With respect to the grant pro-  
13 gram described in subsection (a), the Administrator of the  
14 Federal Emergency Management Agency shall—

15 (1) require eligible applicants to submit an ap-  
16 plication at such time, in such form, and containing  
17 such information and assurances as the Adminis-  
18 trator of the Federal Emergency Management Agen-  
19 cy may require; and

20 (2) establish appropriate review and delivery  
21 mechanisms for an application submitted under  
22 paragraph (1).

1 **SEC. 90005. NATIONAL AERONAUTICS AND SPACE ADMINIS-**  
2 **TRATION INFRASTRUCTURE.**

3 In addition to amounts otherwise available, there are  
4 appropriated to the National Aeronautics and Space Ad-  
5 ministration for fiscal year 2022, out of any money in the  
6 Treasury not otherwise appropriated, \$748,000,000, to re-  
7 main available until September 30, 2028, for repair, re-  
8 capitalization, modification, modernization, and construc-  
9 tion of physical infrastructure and facilities, including re-  
10 lated administrative expenses, consistent with the respon-  
11 sibilities under sections 31502 and 31503 of title 51,  
12 United States Code.

13 **SEC. 90006. NATIONAL AERONAUTICS AND SPACE ADMINIS-**  
14 **TRATION CLIMATE RESEARCH AND DEVEL-**  
15 **OPMENT.**

16 In addition to amounts otherwise available, there are  
17 appropriated to the National Aeronautics and Space Ad-  
18 ministration for fiscal year 2022, out of any money in the  
19 Treasury not otherwise appropriated, to remain available  
20 until September 30, 2028—

21 (1) \$85,000,000 for research and development  
22 on subseasonal to seasonal models and observations,  
23 climate resilience and sustainability, and for air-  
24 borne instruments, campaigns, and surface networks  
25 to understand, observe, and mitigate climate change  
26 and its impacts, consistent with NASA's mission to

1 expand human knowledge of the Earth, as carried  
2 out through programs under the Earth Science Divi-  
3 sion, and for research and development activities on  
4 upper atmospheric research, and for related adminis-  
5 trative expenses;

6 (2) \$30,000,000 for investments in data man-  
7 agement and processing to support research, devel-  
8 opment, and applications to understand, observe,  
9 and mitigate climate change and its impacts, con-  
10 sistent with NASA's mission to expand human  
11 knowledge of the Earth, as carried out through pro-  
12 grams under the Earth Science Division, and for re-  
13 lated administrative expenses;

14 (3) \$25,000,000 for research and development  
15 to support the wildfire fighting community and im-  
16 prove wildfire fighting operations through new and  
17 existing programs under the authority of the Admin-  
18 istrator of the National Aeronautics and Space Ad-  
19 ministration, and for related administrative ex-  
20 penses; and

21 (4) \$225,000,000 for aeronautics research and  
22 development on sustainable aviation, consistent with  
23 sections 40701 and 40702 of title 51, United States  
24 Code, and for related administrative expenses.

1 **SEC. 90007. NATIONAL AERONAUTICS AND SPACE ADMINIS-**  
2 **TRATION OFFICE OF INSPECTOR GENERAL.**

3 In addition to amounts otherwise available, there are  
4 appropriated to the National Aeronautics and Space Ad-  
5 ministration for fiscal year 2022, out of money in the  
6 treasury not otherwise appropriated, \$2,000,000, to re-  
7 main available until September 30, 2030, for the Office  
8 of Inspector General to provide oversight over the manage-  
9 ment of funds appropriated under sections 90005 and  
10 90006.

11 **SEC. 90008. NATIONAL INSTITUTE OF STANDARDS AND**  
12 **TECHNOLOGY RESEARCH.**

13 In addition to amounts otherwise available, there is  
14 appropriated to the National Institute of Standards and  
15 Technology for fiscal year 2022, out of any money in the  
16 Treasury not otherwise appropriated \$100,000,000, to re-  
17 main available until September 30, 2028, for research on  
18 the impact of fire on structures and communities located  
19 at the Wildland Urban Interface under the direction of  
20 the Institute, and for related administrative expenses.

21 **SEC. 90009. NATIONAL INSTITUTE OF STANDARDS AND**  
22 **TECHNOLOGY HOLLINGS MANUFACTURING**  
23 **EXTENSION PARTNERSHIP.**

24 In addition to amounts otherwise available, there is  
25 appropriated to the National Institute of Standards and  
26 Technology for fiscal year 2022, out of any money in the

1 Treasury not otherwise appropriated, \$260,000,000, to re-  
2 main available until September 30, 2028, for the Hollings  
3 Manufacturing Extension Partnership of the National In-  
4 stitute of Standards and Technology, established in sec-  
5 tion 25(b) of the National Institute of Standards and  
6 Technology Act (15 U.S.C. 278k(b)), including programs  
7 established under section 25A(a) of such Act (15 U.S.C.  
8 278k-1(a)) and section 26(a) of such Act (15 U.S.C.  
9 278l(a)), and for related administrative expenses, except  
10 that no funds shall be used for subsections (c)(2), (c)(5),  
11 (l), or (g) of such Act (15 U.S.C. 278k).

12 **SEC. 90010. NATIONAL INSTITUTE OF STANDARDS AND**  
13 **TECHNOLOGY MANUFACTURING.**

14 In addition to amounts otherwise available, there is  
15 appropriated to the National Institute of Standards and  
16 Technology for fiscal year 2022, out of any money in the  
17 Treasury not otherwise appropriated—

18 (1) \$220,000,000, to remain available until  
19 September 30, 2028, to provide funds for advanced  
20 manufacturing research, development, and testbeds,  
21 through new and existing programs and public pri-  
22 vate partnerships, and for related administrative ex-  
23 penses; and

24 (2) \$20,000,000, to remain available until Sep-  
25 tember 30, 2028, for the development and execution

1 of a cybersecurity workforce training center, and for  
2 related administrative expenses.

3 **SEC. 90011. NATIONAL INSTITUTE OF STANDARDS AND**  
4 **TECHNOLOGY RESEARCH INFRASTRUCTURE.**

5 In addition to amounts otherwise available, there is  
6 appropriated to the National Institute of Standards and  
7 Technology for fiscal year 2022, out of any money in the  
8 Treasury not otherwise appropriated, \$650,000,000, to re-  
9 main available until September 30, 2028, for the upgrade,  
10 replacement, maintenance, or renovation of facilities and  
11 equipment as necessary to conduct laboratory activities,  
12 and for related administrative expenses.

13 **SEC. 90012. OCEANIC AND ATMOSPHERIC RESEARCH AND**  
14 **FORECASTING FOR WEATHER AND CLIMATE.**

15 (a) FORECASTING AND RESEARCH.—In addition to  
16 amounts otherwise available, there is appropriated to the  
17 National Oceanic and Atmospheric Administration for fis-  
18 cal year 2022, out of any money in the Treasury not other-  
19 wise appropriated, \$200,000,000, to remain available until  
20 September 30, 2026, to accelerate advances and improve-  
21 ments in research, observation systems, modeling, fore-  
22 casting, assessments, and dissemination of information to  
23 the public as it pertains to ocean and atmospheric proc-  
24 esses related to weather, coasts, oceans, and climate, and  
25 to carry out section 102(a) of the Weather Research and

1 Forecasting Innovation Act of 2017 (15 U.S.C. 8512(a)),  
2 and for related administrative expenses.

3 (b) RESEARCH GRANTS AND SCIENCE INFORMATION,  
4 PRODUCTS, AND SERVICES.—In addition to amounts oth-  
5 erwise available, there are appropriated to the National  
6 Oceanic and Atmospheric Administration for fiscal year  
7 2022, out of any money in the Treasury not otherwise ap-  
8 propriated, to remain available until September 30,  
9 2026—

10 (1) \$100,000,000 for competitive grants to  
11 fund climate research as it relates to weather, ocean,  
12 coastal, and atmospheric processes and conditions,  
13 and impacts to marine species and coastal habitat,  
14 and for related administrative expenses; and

15 (2) \$100,000,000 for education and training  
16 pursuant to section 4002(b)(2) of the America  
17 COMPETES Act (33 U.S.C. 893a(b)(2)), and for  
18 increased development and dissemination of climate  
19 science information, products, and services, in sup-  
20 port of climate adaptation preparedness as it relates  
21 to weather, ocean, coastal, and atmospheric proc-  
22 esses and conditions, impacts to marine species and  
23 coastal habitat, and for related administrative ex-  
24 penses.



1           (c) RESEARCH INFRASTRUCTURE AND PROCURE-  
2 MENT.—In addition to amounts otherwise available, there  
3 are appropriated to the National Oceanic and Atmospheric  
4 Administration for fiscal year 2022, out of any money in  
5 the Treasury not otherwise appropriated, \$100,000,000,  
6 to remain available until September 30, 2026, for the pro-  
7 vision of research infrastructure that improves accuracy,  
8 timing, and dissemination of public information con-  
9 cerning extreme climate and weather and for procure-  
10 ments necessary to support the activities described in sub-  
11 sections (a) and (b), and for related administrative ex-  
12 penses.

13 **SEC. 90013. CLIMATE EDUCATION.**

14           In addition to amounts otherwise available, there is  
15 appropriated to the National Oceanic and Atmospheric  
16 Administration for fiscal year 2022, out of any money in  
17 the Treasury not otherwise appropriated, \$20,000,000, to  
18 remain available until September 30, 2026, for contracts,  
19 grants, and technical assistance for education activities  
20 and materials under section 4002(b)(2) of the America  
21 COMPETES Act (33 U.S.C. 893a(b)(2)) related to im-  
22 proving public understanding of climate change as it re-  
23 lates to weather, ocean, coastal, and atmospheric processes  
24 and conditions and marine fisheries and resources, and for  
25 related administrative expenses. None of the funds pro-

1 vided by this subsection shall be subject to cost-sharing  
2 or matching requirements.

3 **SEC. 90014. COMPUTING CAPACITY AND RESEARCH FOR**  
4 **WEATHER, OCEANS, AND CLIMATE.**

5 In addition to amounts otherwise available, there is  
6 appropriated to the National Oceanic and Atmospheric  
7 Administration for fiscal year 2022, out of any money in  
8 the Treasury not otherwise appropriated, \$200,000,000,  
9 to remain available until September 30, 2026, for the pro-  
10 curement of additional high-performance computing, data  
11 processing capacity, data management, and storage assets,  
12 to carry out section 204(a)(2) of the High-Performance  
13 Computing Act of 1991 (15 U.S.C. 5524(a)(2)), and for  
14 transaction agreements authorized under section  
15 301(d)(1)(A) of the Weather Research and Forecasting  
16 Innovation Act of 2017 (15 U.S.C. 8531(d)(1)(A)), and  
17 for related administrative expenses.

18 **SEC. 90015. ACQUISITION OF HURRICANE FORECASTING**  
19 **AIRCRAFT.**

20 In addition to amounts otherwise available, there is  
21 appropriated to the National Oceanic and Atmospheric  
22 Administration for fiscal year 2022, out of any money in  
23 the Treasury not otherwise appropriated, \$139,000,000,  
24 to remain available until September 30, 2026, for the ac-  
25 quisition of hurricane hunter aircraft under section 413(a)

1 of the Weather Research and Forecasting Innovation Act  
2 of 2017 (15 U.S.C. 8549(a)).

3 **SEC. 90016. NATIONAL SCIENCE FOUNDATION CORE RE-**  
4 **SEARCH.**

5 In addition to amounts otherwise available, there is  
6 appropriated to the National Science Foundation (referred  
7 to in this section as “the Foundation”) for fiscal year  
8 2022, out of any money in the Treasury not otherwise ap-  
9 propriated—

10 (1) \$668,000,000, to remain available until  
11 September 30, 2026, to fund or extend new and ex-  
12 isting research awards, traineeships, scholarships,  
13 and fellowships administered by the National  
14 Science Foundation, across all science, technology,  
15 engineering, and mathematics disciplines supported  
16 by the National Science Foundation, and for related  
17 administrative expenses;

18 (2) \$25,000,000, to remain available until Sep-  
19 tember 30, 2028, for activities and research to en-  
20 sure broad demographic participation in the activi-  
21 ties of the Foundation, consistent with the goals  
22 under section 526(a)(7) of the America COM-  
23 PETES Reauthorization Act of 2010 (42 U.S.C.  
24 1862p-14(a)(7)) and section 3(e) of the National  
25 Science Foundation Act of 1950 (42 U.S.C.

1 1862(e)), and for related administrative expenses;  
2 and

3 (3) \$500,000,000, to remain available until  
4 September 30, 2028, for climate change research as  
5 it relates to fundamental understanding of physical,  
6 chemical, biological, and human systems and the  
7 interactions among them, and for related adminis-  
8 trative expenses.

9 **SEC. 90017. NATIONAL SCIENCE FOUNDATION TECH-**  
10 **NOLOGY, INNOVATION, AND PARTNERSHIPS**  
11 **DIRECTORATE.**

12 In addition to amounts otherwise available, there is  
13 appropriated to the National Science Foundation for fiscal  
14 year 2022, out of any money in the Treasury not otherwise  
15 appropriated—

16 (1) \$1,520,000,000, to remain available until  
17 September 30, 2026, to fund and administer the Di-  
18 rectorate for Technology, Innovation, and Partner-  
19 ships, which shall accelerate use-inspired and  
20 translational research and the development, commer-  
21 cialization, and use of technologies and innovations  
22 of national importance, including technologies and  
23 innovations relevant to natural disaster mitigation  
24 and other societal challenges, through programs of

1 the National Science Foundation, and for related ad-  
2 ministrative expenses;

3 (2) \$25,000,000, to remain available until Sep-  
4 tember 30, 2028, for research security activities;

5 (3) \$200,000,000, to remain available until  
6 September 30, 2028, for research capacity building  
7 at historically Black colleges and universities, Tribal  
8 Colleges and Universities, Hispanic-serving institu-  
9 tions, and other minority-serving institutions, admin-  
10 istered through the Directorate for Technology, In-  
11 novation, and Partnerships, and for related adminis-  
12 trative expenses; and

13 (4) \$55,000,000, to remain available until Sep-  
14 tember 30, 2028, to fund cybersecurity education  
15 and training, including scholarships, through pro-  
16 grams of the National Science Foundation, and for  
17 related administrative expenses.

18 **SEC. 90018. NATIONAL SCIENCE FOUNDATION RESEARCH**  
19 **INFRASTRUCTURE.**

20 In addition to amounts otherwise available, there is  
21 appropriated to the National Science Foundation for fiscal  
22 year 2022, out of any money in the Treasury not otherwise  
23 appropriated—

24 (1) \$200,000,000 to remain available until Sep-  
25 tember 30, 2026, for the repair, renovation, or, in

1 exceptional cases, replacement of obsolete science  
2 and engineering facilities primarily devoted to re-  
3 search and research training, and for related admin-  
4 istrative expenses;

5 (2) \$200,000,000, to remain available until  
6 September 30, 2026, for additional mid-scale and  
7 major research instrumentation, equipment, and in-  
8 frastructure awards under the direction of the Na-  
9 tional Science Foundation, and for related adminis-  
10 trative expenses; and

11 (3) \$100,000,000, to remain available until  
12 September 30, 2028, for academic research facilities  
13 modernization and research instrumentation, includ-  
14 ing construction, upgrade, renovation, or repair of  
15 research infrastructure, at historically Black colleges  
16 and universities, Tribal Colleges and Universities,  
17 Hispanic-serving institutions, and other minority-  
18 serving institutions, through programs of the Na-  
19 tional Science Foundation, and for related adminis-  
20 trative expenses.

21 **SEC. 90019. NATIONAL SCIENCE FOUNDATION OVERSIGHT.**

22 In addition to amounts otherwise available, there is  
23 appropriated to the National Science Foundation for fiscal  
24 year 2022, out of any money in the Treasury not otherwise  
25 appropriated, \$7,000,000, to remain available until Sep-

1 tember 30, 2030, for administrative expenses of the In-  
2 spector General relating to oversight of funds provided to  
3 the National Science Foundation under this Act.

4 **TITLE X—COMMITTEE ON SMALL**  
5 **BUSINESS**

6 **Subtitle A—Increasing Federal**  
7 **Contracting Opportunities for**  
8 **Small Businesses**

9 **SEC. 100101. VETERAN FEDERAL PROCUREMENT ENTRE-**  
10 **PRENEURSHIP TRAINING PROGRAM.**

11 (a) APPROPRIATIONS.—In addition to amounts other-  
12 wise available, there is appropriated to the Small Business  
13 Administration for fiscal year 2022, out of any money in  
14 the Treasury not otherwise appropriated, \$35,000,000, to  
15 remain available until September 30, 2030, for carrying  
16 out subsection (h) of section 32 of the Small Business Act  
17 (15 U.S.C. 657b), as added by this section.

18 (b) ESTABLISHMENT.—Section 32 of the Small Busi-  
19 ness Act (15 U.S.C. 657b) is amended by adding at the  
20 end the following:

21 “(h) VETERAN FEDERAL PROCUREMENT ENTREPRE-  
22 NEURSHIP TRAINING PROGRAM.—The Administrator, act-  
23 ing through the Associate Administrator, shall make  
24 grants to, or enter into cooperative agreements with, non-  
25 profit entities to operate a Federal procurement entrepre-

1 neurship training program to provide assistance to small  
2 business concerns owned and controlled by veterans re-  
3 garding how to increase the likelihood of being awarded  
4 contracts with the Federal Government. A grant or coop-  
5 erative agreement under this subsection—

6           “(1) shall be made to or entered into with non-  
7 profit entities that have a track record of success-  
8 fully providing educational and job training services  
9 to veteran populations from diverse locations; and

10           “(2) shall include terms under which the non-  
11 profit entities shall use a diverse group of profes-  
12 sional service experts, such as Federal, State, and  
13 local contracting experts and private sector industry  
14 experts with first-hand experience in Federal Gov-  
15 ernment contracting, to provide assistance to small  
16 business concerns owned and controlled by veterans  
17 through a program operated under this section.”.

18 **SEC. 100102. EXPANDING SURETY BOND PROGRAM.**

19           (a) APPROPRIATIONS.—In addition to amounts other-  
20 wise available, there is appropriated to the Small Business  
21 Administration for fiscal year 2022, out of any money in  
22 the Treasury not otherwise appropriated, to remain avail-  
23 able until September 30, 2031—

24           (1) \$85,000,000 for additional capital for the  
25 fund established under section 412 of the Small



1 Business Investment Act of 1958 (15 U.S.C. 694c);  
2 and

3 (2) \$15,000,000 for administrative expenses  
4 and oversight costs related to carrying out this sec-  
5 tion, and any amendments made by this section.

6 (b) EXPANDING SURETY BOND PROGRAM.—Part B  
7 of title IV of the Small Business Investment Act of 1958  
8 is amended—

9 (1) in section 411—

10 (A) in subsection (a)(1)—

11 (i) in subparagraph (A), by striking  
12 “\$6,500,000” and inserting  
13 “\$10,000,000”; and

14 (ii) by amending subparagraph (B) to  
15 read as follows:

16 “(B) The Administrator may guarantee a  
17 surety under subparagraph (A) for a total work  
18 order or contract in an amount that does not  
19 exceed \$20,000,000.”; and

20 (B) in subsection (e)(2), by striking  
21 “\$6,500,000” and inserting “the amount de-  
22 scribed in subparagraph (A) or (B) of sub-  
23 section (a)(1), as applicable”; and

1           (2) in section 412(a) (15 U.S.C. 694c(a)), in  
2           the third sentence, by striking “, excluding adminis-  
3           trative expenses,”.

4           **Subtitle B—Empowering Small**  
5           **Business Creation and Expans-**  
6           **ion in Underrepresented Com-**  
7           **munities**

8           **SEC. 100201. FUNDING FOR UPLIFT INCUBATORS.**

9           (a) APPROPRIATIONS.—In addition to amounts other-  
10          wise available, there is appropriated to the Small Business  
11          Administration for fiscal year 2022, out of any money in  
12          the Treasury not otherwise appropriated, to remain avail-  
13          able until September 30, 2031—

14                 (1) \$850,000,000 for carrying out section 49 of  
15          the Small Business Act, as added by subsection (b);  
16          and

17                 (2) \$150,000,000 for administrative expenses  
18          and costs related to carrying out section 49 of the  
19          Small Business Act, as added by subsection (b).

20          (b) ESTABLISHMENT.—The Small Business Act is  
21          amended—

22                 (1) by redesignating section 49 (15 U.S.C. 631  
23          note) as section 54; and

24                 (2) by inserting after section 48 the following:

1 **“SEC. 49. UPLIFT INCUBATORS.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) ECONOMIC DEVELOPMENT ORGANIZA-  
4 TION.—The term ‘economic development organiza-  
5 tion’—

6 “(A) means a regional, State, tribal, or  
7 local private nonprofit organization established  
8 for purposes of promoting or otherwise facili-  
9 tating economic development; and

10 “(B) includes community financial institu-  
11 tions, as defined in section 7(a)(36)(A).

12 “(2) ELIGIBLE APPLICANT.—The term ‘eligible  
13 applicant’ means—

14 “(A) an economic development organiza-  
15 tion;

16 “(B) an SBA partner organization;

17 “(C) a historically Black college or univer-  
18 sity;

19 “(D) an institution of higher education, as  
20 described in section 371(a) of the Higher Edu-  
21 cation Act; or

22 “(E) a junior or community college.

23 “(3) ELIGIBLE SMALL BUSINESS CONCERN.—  
24 The term ‘eligible small business concern’ means a  
25 business concern that—

1           “(A) is organized or incorporated in the  
2 United States;

3           “(B) is operating primarily in the United  
4 States;

5           “(C) meets—

6               “(i) the applicable industry-based size  
7 standard established under section 3; or

8               “(ii) the alternate size standard appli-  
9 cable to the program under section 7(a) or  
10 the loan programs under title V of the  
11 Small Business Investment Act of 1958;

12           “(D) is—

13               “(i) in the planning stages or has  
14 been in business for not more than 5 years  
15 as of the date on which assistance under  
16 this section commences; or

17               “(ii) a small government contractor;  
18 and

19           “(E) is—

20               “(i) owned and controlled by 1 or  
21 more members of an underrepresented  
22 community; or

23               “(ii) a Native Entity.

24           “(4) HISTORICALLY BLACK COLLEGE OR UNI-  
25 VERSITY.—The term ‘historically Black college or

1 university' means a 'part B institution', as defined  
2 in section 322 of the Higher Education Act of 1965.

3 “(5) MEMBER OF AN UNDERREPRESENTED  
4 COMMUNITY.—The term ‘member of an underrep-  
5 resented community’ means an individual—

6 “(A) who is a resident of—

7 “(i) a low-income community, as de-  
8 fined in section 45D(e) of the Internal  
9 Revenue Code of 1986;

10 “(ii) a low-income rural community;

11 or

12 “(iii) a HUBZone, as defined in sec-  
13 tion 31(b);

14 “(B) who is a member of an Indian or  
15 Alaska Native tribe, band, nation, pueblo, vil-  
16 lage, community, component band, or compo-  
17 nent reservation, individually identified (includ-  
18 ing parenthetically) in the most recent list pub-  
19 lished pursuant to section 104 of the Federally  
20 Recognized Indian Tribe List Act of 1994;

21 “(C) with a disability, as defined in section  
22 3 of the Americans with Disabilities Act of  
23 1990;

24 “(D) who is a veteran;

1           “(E) who completed a term of imprison-  
2           ment; or

3           “(F) who is otherwise identified by the Ad-  
4           ministrators.

5           “(6) NATIVE ENTITY.—The term ‘Native Enti-  
6           ty’ means—

7           “(A) an Alaska Native Corporation, as de-  
8           fined in section 3(m) of the Alaska Native  
9           Claims Settlement Act; and

10           “(B) a Native Hawaiian organization, as  
11           defined in section 6207 of the Elementary and  
12           Secondary Education Act of 1965.

13           “(7) SBA PARTNER ORGANIZATION.—The term  
14           ‘SBA partner organization’ means any organization  
15           awarded financial assistance in the form of a grant,  
16           prize, cooperative agreement, or contract for the  
17           purpose of conducting a public project funded, either  
18           in whole or in part, under a program of the Admin-  
19           istration.

20           “(8) SMALL GOVERNMENT CONTRACTOR.—The  
21           term ‘small government contractor’ means a small  
22           business concern that is performing a government  
23           contract or subcontract.

24           “(9) UPLIFT INCUBATOR.—The term ‘uplift in-  
25           cubator’ means an organization that is designed to

1 accelerate the growth and success of startups and  
2 small business concerns through a variety of busi-  
3 ness support resources and services, including—

4 “(A) access to physical workspace and fa-  
5 cilities;

6 “(B) access to capital, business education,  
7 and counseling;

8 “(C) networking opportunities;

9 “(D) mentorship opportunities;

10 “(E) assistance in becoming prime contrac-  
11 tors and submitting bids for prime contracts;

12 “(F) conducting market research, drafting  
13 statements, and identifying acquisition authori-  
14 ties under which eligible small business con-  
15 cerns assisted under this section may enter into  
16 Federal contracts or agreements; and

17 “(G) other services intended to aid in de-  
18 veloping a business.

19 “(b) **AUTHORITY.**—The Administrator may provide  
20 financial assistance on a competitive basis in the form of  
21 a grant, prize, cooperative agreement, or contract to an  
22 eligible applicant for purposes of—

23 “(1) providing the services of a uplift incubator  
24 to eligible small business concerns; or

1           “(2) expanding or establishing a network of the  
2           eligible applicant to provide the services of a uplift  
3           incubator to eligible small business concerns.

4           “(c) USE OF FUNDS.—An eligible applicant that re-  
5           ceives assistance under this section—

6           “(1) shall support areas that serve members of  
7           an underrepresented community by providing the  
8           services of a uplift incubator; and

9           “(2) shall not impose or otherwise collect a fee  
10          or other compensation from eligible small business  
11          concerns in connection with the provision of such  
12          services.

13          “(d) PENALTIES FOR FAILURE TO ABIDE BY TERMS  
14          OR CONDITIONS OF AWARD.—At the discretion of the Ad-  
15          ministrators and in addition to any other civil or criminal  
16          consequences, the Administrator shall withhold payments  
17          to an eligible applicant or order the eligible applicant to  
18          return any assistance provided under this section for fail-  
19          ure to abide by the terms and conditions of such assist-  
20          ance.”.

21          **SEC. 100202. OFFICE OF NATIVE AMERICAN AFFAIRS.**

22          “(a) APPROPRIATIONS.—In addition to amounts other-  
23          wise available, there is appropriated to the Small Business  
24          Administration, out of any money in the Treasury not oth-  
25          erwise appropriated for fiscal year 2022, \$10,000,000, to



1 remain available until September 30, 2029, to carry out  
2 section 50 of the Small Business Act, as added by sub-  
3 section (b).

4 (b) ESTABLISHMENT.—The Small Business Act is  
5 amended by inserting after section 49, as added by section  
6 100201 of this title, the following:

7 **“SEC. 50. OFFICE OF NATIVE AMERICAN AFFAIRS.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) ALASKA NATIVE CORPORATION.—The term  
10 ‘Alaska Native Corporation’ has the meaning given  
11 the term section 3(m) of the Alaska Native Claims  
12 Settlement Act.

13 “(2) INDIAN TRIBE.—The term ‘Indian Tribe’  
14 means any Indian or Alaska Native tribe, band, na-  
15 tion, pueblo, village, community, component band, or  
16 component reservation, individually identified (in-  
17 cluding parenthetically) in the most recent list pub-  
18 lished pursuant to section 104 of the Federally Rec-  
19 ognized Indian Tribe List Act of 1994.

20 “(3) NATIVE AMERICAN.—The term ‘Native  
21 American’ means a member of an Indian Tribe.

22 “(4) NATIVE HAWAIIAN ORGANIZATION.—The  
23 term ‘Native Hawaiian Organization’ has the mean-  
24 ing given in section 6207 of the Elementary and  
25 Secondary Education Act of 1965.

1           “(5) RESOURCE PARTNERS.—The term ‘re-  
2           source partners’ means—

3                   “(A) small business development centers;

4                   “(B) women’s business centers described in  
5           section 29;

6                   “(C) chapters of the Service Corps of Re-  
7           tired Executives established under section  
8           8(b)(1)(B); and

9                   “(D) Veteran Business Outreach Centers  
10           described in section 32.

11           “(b) ESTABLISHMENT.—There is established in the  
12           Administration an Office of Native American Affairs, in  
13           this section referred to as the ‘Office’, which shall provide  
14           entrepreneurship outreach and development assistance to  
15           Native Americans, Native Hawaiian Organizations and  
16           members thereof, Alaska Native Corporations and mem-  
17           bers thereof, and Indian Tribes, through the Native Amer-  
18           ican Outreach Program established under subsection (c).

19           “(c) NATIVE AMERICAN OUTREACH PROGRAM.—

20                   “(1) ESTABLISHMENT.—The Administrator  
21           shall establish and administer a Native American  
22           Outreach Program within the Office—

23                   “(A) to ensure that small business con-  
24           cerns owned and controlled by Native Ameri-  
25           cans, Native Hawaiian Organizations, Alaska

1 Native Corporations, and Indian Tribes, and  
2 Native American entrepreneurs have access to  
3 programs and services of the Administration;

4 “(B) to provide information to State, local,  
5 and tribal governments and other interested  
6 persons about Federal assistance available to  
7 small business concerns owned and controlled  
8 by Native Americans, Native Hawaiian Organi-  
9 zations, Alaska Native Corporations, and In-  
10 dian Tribes, and Native American entre-  
11 preneurs; and

12 “(C) to ensure access to in-person and vir-  
13 tual counseling and training services to small  
14 business concerns owned and controlled by Na-  
15 tive Americans, Native Hawaiian Organizations,  
16 Alaska Native Corporations, and Indian Tribes,  
17 and Native American entrepreneurs.

18 “(2) SERVICES.—The services described in  
19 paragraph (1) shall include—

20 “(A) financial education on applying for  
21 and securing credit, loan guarantees, surety  
22 bonds, and investment capital, managing finan-  
23 cial operations, and preparing and presenting  
24 financial statements and business plans;

1           “(B) education on management of a small  
2           business concern, including planning, orga-  
3           nizing, staffing, and marketing;

4           “(C) identifying market opportunities; and

5           “(D) implementing economic and business  
6           development strategies to improve long-term job  
7           growth.”.

8 **SEC. 100203. OFFICE OF RURAL AFFAIRS.**

9           (a) APPROPRIATIONS.—In addition to amounts other-  
10          wise available, there is appropriated to the Small Business  
11          Administration, out of any money in the Treasury not oth-  
12          erwise appropriated for fiscal year 2022, \$10,000,000, to  
13          remain available until September 30, 2029, to carry out  
14          subsection (d) of section 26 of the Small Business Act (15  
15          U.S.C. 653), as added by subsection (b).

16          (b) OFFICE OF RURAL AFFAIRS.—Section 26 of the  
17          Small Business Act (15 U.S.C. 653) is amended by adding  
18          at the end the following:

19                 “(d) RURAL SMALL BUSINESS CONFERENCES.—The  
20          Office shall administer 1 or more annual Rural Small  
21          Business Conferences, to be held in various regions of the  
22          United States. The purpose of such Conferences shall be  
23          to—

24                         “(1) promote policies and programs of the Ad-  
25          ministration specific to small business concerns lo-

1 cated in rural areas, and make publicly available in-  
2 formation about such policies and programs;

3 “(2) coordinate with all offices of the Adminis-  
4 tration, resource partners, lenders, and other inter-  
5 ested persons to ensure that the needs of small busi-  
6 ness concerns located in rural area are being met;  
7 and

8 “(3) analyze data on the effectiveness of pro-  
9 grams of the Administration that benefit small busi-  
10 ness concerns located in rural areas.”.

11 **SEC. 100204. OFFICE OF EMERGING MARKETS.**

12 (a) APPROPRIATIONS.—In addition to amounts other-  
13 wise available, there is appropriated to the Small Business  
14 Administration, out of any money in the Treasury not oth-  
15 erwise appropriated in fiscal year 2022, \$10,000,000, to  
16 remain available until September 30, 2029, to carry out  
17 subsection (o) of section 7 of the Small Business Act (15  
18 U.S.C. 636), as added by subsection (b).

19 (b) ESTABLISHMENT.—Section 7 of the Small Busi-  
20 ness Act (15 U.S.C. 636) is amended by adding at the  
21 end the following:

22 “(o) OFFICE OF EMERGING MARKETS.—

23 “(1) DEFINITIONS.—In this subsection—

24 “(A) the term ‘Director’ means the Direc-  
25 tor of the Office of Emerging Markets;

1           “(B) the term ‘microloan program’ means  
2 the program described in subsection (m);

3           “(C) the term ‘small business concern in  
4 an emerging market’ means a small business  
5 concern—

6           “(i) that is located in—

7                   “(I) a low-income or moderate-in-  
8 come area for purposes of the Com-  
9 munity Development Block Grant  
10 Program under title I of the Housing  
11 and Community Development Act of  
12 1974; or

13                   “(II) a HUBZone, as that term  
14 is defined in section 31(b);

15           “(ii) that is growing, newly estab-  
16 lished, or a startup;

17           “(iii) owned and controlled by vet-  
18 erans;

19           “(iv) owned and controlled by individ-  
20 uals with a disability, as defined in section  
21 3 of the Americans with Disabilities Act of  
22 1990; or

23           “(v) owned and controlled by other in-  
24 dividuals or groups identified by the Ad-  
25 ministrator.

1           “(2) ESTABLISHMENT.—There is established  
2           within the Office of Capital Access of the Adminis-  
3           tration an office to be known as the ‘Office of  
4           Emerging Markets’. The Office of Emerging Mar-  
5           kets shall be administered by a Director who shall  
6           be responsible for the planning, coordination, imple-  
7           mentation, evaluation, and improvement of the ef-  
8           forts of the Administrator to enhance the economic  
9           well-being of small business concerns in an emerging  
10          market.”.

11 **SEC. 100205. STATE TRADE EXPANSION PROGRAM.**

12          In addition to amounts otherwise available, there is  
13          appropriated to the Small Business Administration for fis-  
14          cal year 2022, out of any money in the Treasury not other-  
15          wise appropriated—

16               (1) \$31,710,000, to remain available until Sep-  
17               tember 30, 2027, to carry out section 22(l) of the  
18               Small Business Act (15 U.S.C. 649(l)) in fiscal year  
19               2023, and

20               (2) \$31,710,000, to remain available until Sep-  
21               tember 30, 2027, to carry out section 22(l) of the  
22               Small Business Act (15 U.S.C. 649(l)) in fiscal year  
23               2024.

1 **Subtitle C—Encouraging Small**  
2 **Businesses to Fully Engage in**  
3 **the Innovation Economy**

4 **SEC. 100301. GROWTH ACCELERATOR COMPETITION.**

5 (a) APPROPRIATIONS.—In addition to amounts other-  
6 wise available, there is appropriated to the Small Business  
7 Administration for fiscal year 2022, out of any money in  
8 the Treasury not otherwise appropriated, to remain avail-  
9 able until September 30, 2031—

10 (1) \$190,000,000 for carrying out section 51 of  
11 the Small Business Act, as added by subsection (b);  
12 and

13 (2) \$10,000,000 for administrative expenses  
14 and oversight costs related to carrying out section  
15 51 of the Small Business Act, as added by sub-  
16 section (b).

17 (b) IN GENERAL.—The Small Business Act is  
18 amended by inserting after section 50, as added by section  
19 100202 of this title, the following:

20 **“SEC. 51. GROWTH ACCELERATOR COMPETITION.**

21 **“(a) DEFINITIONS.—**In this section:

22 **“(1) AWARD.—**The term ‘award’ means a  
23 grant, prize, contract, cooperative agreement, or  
24 other cash or cash equivalent.



1           “(2) DISABILITY.—The term ‘disability’ has the  
2 meaning given the term in section 3 of the Ameri-  
3 cans with Disabilities Act of 1990.

4           “(3) ELIGIBLE ENTITY.—The term ‘eligible en-  
5 tity’ means—

6                   “(A) an eligible applicant, as defined in  
7 section 49; or

8                   “(B) an organization that is a growth ac-  
9 celerator located in the United States.

10           “(4) GROWTH ACCELERATOR.—The term  
11 ‘growth accelerator’ means an organization that—

12                   “(A) supports new small business concerns  
13 that have a focus on technology, research, and  
14 development;

15                   “(B) works with a new small business con-  
16 cern for a predetermined amount of time;

17                   “(C) provides mentorship and instruction  
18 to small business concerns to grow the business  
19 concern; or

20                   “(D) offers startup capital or the oppor-  
21 tunity to raise capital from outside investors to  
22 small business concerns.

23           “(5) NEW SMALL BUSINESS CONCERN.—The  
24 term ‘new small business concern’ means a small

1 business concern that has been in operation for not  
2 more than 5 years.

3 “(b) ESTABLISHMENT.—The Administrator shall  
4 make competitive awards of not less than \$100,000 to eli-  
5 gible entities to accelerate the growth of new small busi-  
6 ness concerns by providing—

7 “(1) assistance to small business concerns to  
8 access capital and find mentors and networking op-  
9 portunities; and

10 “(2) advice to small business concerns, includ-  
11 ing advising on market analysis, company strategy,  
12 revenue growth, commercialization, and securing  
13 funding.

14 “(c) USE OF FUNDS.—An award under this section—

15 “(1) may be used by an eligible entity recipient  
16 for construction costs, acquisition of physical work-  
17 space and facilities, and programmatic purposes to  
18 benefit new small business concerns; and

19 “(2) may not be used by an eligible entity re-  
20 cipient to provide capital to new small business con-  
21 cerns directly or through the subaward of funds.

22 “(d) PENALTIES FOR FAILURE TO ABIDE BY TERMS  
23 OR CONDITIONS OF AWARD.—At the discretion of the Ad-  
24 ministrator and in addition to any other civil or criminal  
25 consequences, the Administrator shall withhold payments

1 to an eligible entity or order the eligible entity to return  
2 an award made under this section for failure to abide by  
3 the terms and conditions of the award.”.

## 4 **Subtitle D—Increasing Equity** 5 **Opportunities**

### 6 **SEC. 100401. INCREASING EQUITY INVESTMENT IN THE** 7 **SBIC PROGRAM.**

8 (a) APPROPRIATIONS.—In addition to amounts other-  
9 wise available, there is appropriated to the Small Business  
10 Administration for fiscal year 2022, out of any money in  
11 the Treasury not otherwise appropriated, \$20,000,000, to  
12 remain available until September 30, 2031, for carrying  
13 out this section.

14 (b) ESTABLISHMENT.—The Small Business Invest-  
15 ment Act of 1958, is amended—

16 (1) in section 103 (15 U.S.C. 662)—

17 (A) in paragraph (9)(B)(iii)—

18 (i) in subclause (II), by striking  
19 “and” at the end;

20 (ii) in subclause (III), by adding  
21 “and” at the end; and

22 (iii) by adding at the end the fol-  
23 lowing:

1                   “(IV) funds obtained from any fi-  
2                   nancial institution identified under  
3                   section 302(b);” and

4                   (B) in paragraph (13)(C), by striking “in  
5                   an aggregate amount that does not exceed 33  
6                   percent of the private capital of the applicant or  
7                   licensee”; and

8                   (2) in section 304 (15 U.S.C. 684), by adding  
9                   at the end the following:

10                  “(e) Notwithstanding section 310(c)(6), a licensee  
11                  under section 321 may, subject to rules to be issued by  
12                  the Administration, invest equity capital in investment  
13                  funds that—

14                         “(1) are majority controlled by members of an  
15                         underrepresented community, as defined in section  
16                         49 of the Small Business Act;

17                         “(2) receive annual assistance provided by such  
18                         licensee; or

19                         “(3) meet additional criteria as determined by  
20                         the Administration.”; and

21                         (3) by adding at the end of the following:

22                  **“SEC. 321. EMERGING MANAGERS PROGRAM.**

23                         “(a) DEFINITIONS.—In this section:

24                                 “(1) COVERED INVESTMENTS.—The term ‘cov-  
25                                 ered investments’ means investments in—

- 1           “(A) infrastructure, including—
- 2                 “(i) roads, bridges, and mass transit;
- 3                 “(ii) water supply and sewer;
- 4                 “(iii) the electrical grid;
- 5                 “(iv) broadband and telecommuni-
- 6                 cations;
- 7                 “(v) clean energy; or
- 8                 “(vi) child care and elder care;
- 9           “(B) manufacturing;
- 10           “(C) low-income communities, as that term
- 11           is defined in section 45D(e) of the Internal
- 12           Revenue Code of 1986;
- 13           “(D) HUBZones, as defined in section
- 14           31(b) of the Small Business Act;
- 15           “(E) small business concerns owned and
- 16           controlled by a member of an Indian tribe indi-
- 17           vidually identified (including parenthetically) in
- 18           the most recent list published pursuant to sec-
- 19           tion 104 of the Federally Recognized Indian
- 20           Tribe List Act of 1994;
- 21           “(F) small business concerns owned and
- 22           controlled by an individual with a disability, as
- 23           defined in section 3 of the Americans with Dis-
- 24           abilities Act of 1990;

1           “(G) small business concerns owned and  
2           controlled by a veteran; or

3           “(H) industries identified by the Adminis-  
4           trator.

5           “(2) EMERGING MANAGER COMPANY.—The  
6           term ‘emerging manager company’ means an invest-  
7           ment management firm that is focused on investing  
8           private equity and that meets not less than 2 of the  
9           following criteria:

10           “(A) The partners of the firm have—

11           “(i) an investment track record of less  
12           than 10 years of combined investment ex-  
13           perience; or

14           “(ii) a documented record of success-  
15           ful business experience.

16           “(B) The firm has a focus on underserved  
17           markets.

18           “(C) The firm is not less than 50 percent  
19           owned, managed, or controlled by members of  
20           an underrepresented community (as defined in  
21           section 49 of the Small Business Act).

22           “(b) ESTABLISHMENT.—The Administrator shall es-  
23           tablish an emerging managers program pursuant to which  
24           managers with substantial experience in operating small  
25           business investment companies—

1           “(1) may enter into a written agreement ap-  
2           proved by the Administrator to provide guidance and  
3           assistance to an applicant for a license for a small  
4           business investment company that is to be managed  
5           by an emerging manager company; and

6           “(2) may hold a minority financial interest in  
7           the small business investment company described in  
8           paragraph (1).

9           “(c) LICENSING.—An applicant described in sub-  
10          section (b)(1) shall apply for a license under section  
11          301(c) and shall—

12           “(1) have private capital not to exceed  
13           \$100,000,000;

14           “(2) be managed by not less than two individ-  
15           uals;

16           “(3) be a second generation fund or earlier; and

17           “(4) focus its investment strategy on covered  
18           investments.

19           “(d) WAIVER OF MAXIMUM LEVERAGE.—The ap-  
20          proval of a written agreement under subsection (b) by the  
21          Administrator shall operate as a waiver of the require-  
22          ments of section 303(b)(2)(B) to the extent that such sec-  
23          tion would otherwise apply.

24           “(e) INCREASED LEVERAGE MAXIMUM.—An existing  
25          small business investment company that enters into a

1 written agreement under subsection (b) may receive an in-  
2 crease in the maximum leverage cap of the company under  
3 section 303(b)(2)—

4 “(1) under subparagraph (A) of such section,  
5 with respect to a single license, by not more than  
6 \$17,500,000; and

7 “(2) under subparagraph (B) of such section,  
8 with respect to multiple licenses under common con-  
9 trol, by not more than \$35,000,000.”.

10 **SEC. 100402. MICROCAP SMALL BUSINESS INVESTMENT**  
11 **COMPANY LICENSE.**

12 (a) APPROPRIATIONS.—In addition to amounts other-  
13 wise available, there is appropriated to the Administration  
14 for fiscal year 2022, out of amounts in the Treasury not  
15 otherwise appropriated, \$40,000,000, to remain available  
16 until September 30, 2031, to carry out paragraph (5) of  
17 section 301(c) of the Small Business Investment Act of  
18 1958 (15 U.S.C. 681(c)), as added by subsection (b).

19 (b) MICROCAP SMALL BUSINESS INVESTMENT COM-  
20 PANY LICENSE.—Section 301(c) of the Small Business In-  
21 vestment Act of 1958 (15 U.S.C. 681(c)) is amended by  
22 adding at the end the following:

23 “(5) MICROCAP SMALL BUSINESS INVESTMENT  
24 COMPANY LICENSE.—



1           “(A) IN GENERAL.—The Administrator  
2 may issue licenses under this subsection to ap-  
3 plicants—

4           “(i) that do not satisfy the qualifica-  
5 tion requirements under paragraph  
6 (3)(A)(ii) to the extent that such require-  
7 ments relate to investment experience and  
8 track record, including any such require-  
9 ments further set forth in section 107.305  
10 of title 13, Code of Federal Regulations, or  
11 any successor regulation;

12           “(ii) that would otherwise be issued a  
13 license under this subsection, except that  
14 the management of the applicant does not  
15 satisfy the requirements under paragraph  
16 (3)(A)(ii) to the extent that such require-  
17 ments relate to investment experience and  
18 track record, including any such require-  
19 ments further set forth in section 107.305  
20 of title 13, Code of Federal Regulations, or  
21 any successor regulation;

22           “(iii) for which the managers of such  
23 applicant have—

24           “(I) a documented record of suc-  
25 cessful business experience;

1                   “(II) a record of business man-  
2                   agement success; or

3                   “(III) knowledge in the par-  
4                   ticular industry or business for which  
5                   the applicant is pursuing an invest-  
6                   ment strategy; and

7                   “(iv) that have demonstrated appro-  
8                   priate qualifications for the license, based  
9                   on factors determined by the Adminis-  
10                  trator.

11                  “(B) REQUIRED INVESTMENTS.—A li-  
12                  censee under this paragraph shall invest not  
13                  less than 50 percent of the total financings of  
14                  the licensee in covered investments (as defined  
15                  in section 321), of which not more than 33 per-  
16                  cent of those investments are in small business  
17                  concerns in infrastructure or manufacturing.

18                  “(C) LEVERAGE.—A company licensed  
19                  pursuant to this paragraph shall—

20                         “(i) not be eligible to receive leverage  
21                         in an amount that is more than  
22                         \$50,000,000; and

23                         “(ii) be able to access leverage in an  
24                         amount that is not more than 200 percent  
25                         of the private capital of the company.

1           “(D) INVESTMENT COMMITTEE.—If a com-  
2           pany licensed pursuant to this paragraph has  
3           investment committee members or control per-  
4           sons who are principals approved by the Admin-  
5           istrator or control persons of licensed small  
6           business investment companies not licensed  
7           under this paragraph, such licensee or licensees  
8           shall not be deemed to be under common con-  
9           trol with the company licensed pursuant to this  
10          paragraph solely for the purpose of section  
11          303(b)(2)(B).

12          “(E) FEES.—In addition to the fees au-  
13          thorized under sections 301(e) and 310(b), the  
14          Administration may prescribe fees to be paid by  
15          each company designated to operate under this  
16          paragraph.”.

17 **SEC. 100403. FUNDING FOR SBIC OUTREACH AND EDU-**  
18 **CATION.**

19          (a) APPROPRIATIONS.—In addition to amounts other-  
20          wise available, there is appropriated to the Small Business  
21          Administration for fiscal year 2022, out of any money in  
22          the Treasury not otherwise appropriated, \$2,500,000, to  
23          remain available until September 30, 2031, for carrying  
24          out this section.

1 (b) OUTREACH AND EDUCATION.—The Adminis-  
2 trator shall develop and implement a program to promote  
3 to, conduct outreach to, and educate prospective licensees  
4 on the licensing procedures and other programs of small  
5 business investment companies under title III of the Small  
6 Business Investment Act of 1958.

7 **Subtitle E—Increasing Access to**  
8 **Lending and Investment Capital**

9 **SEC. 100501. FUNDING FOR COMMUNITY ADVANTAGE LOAN**  
10 **PROGRAM.**

11 (a) APPROPRIATIONS.—In addition to amounts other-  
12 wise available, there is appropriated to the Small Business  
13 Administration for fiscal year 2022, out of any money in  
14 the Treasury not otherwise appropriated, to remain avail-  
15 able until September 30, 2031—

16 (1) \$224,800,000 for carrying out paragraph  
17 (38) of section 7(a) of the Small Business Act (15  
18 U.S.C. 636(a)), as added by subsection (b);

19 (2) \$4,000,000 for the Administrator of the  
20 Small Business Administration to develop a training  
21 course and provide free or low-cost training to cov-  
22 ered institutions making loans under the program  
23 established under such paragraph (38); and

1           (3) \$47,100,000 for administrative expenses re-  
2           lated to carrying out such paragraph (38), including  
3           issuing interim final rules.

4           (b) ESTABLISHMENT.—Section 7(a) of the Small  
5 Business Act (15 U.S.C. 636(a)) is amended by adding  
6 at the end the following:

7           “(38) COMMUNITY ADVANTAGE LOAN PRO-  
8           GRAM.—

9           “(A) DEFINITIONS.—In this paragraph—

10           “(i) the term ‘covered institution’  
11           means—

12           “(I) a development company, as  
13           defined in section 103 of the Small  
14           Business Investment Act of 1958,  
15           participating in the loan program es-  
16           tablished under title V of such Act;

17           “(II) a non-Federally regulated  
18           entity certified as a community devel-  
19           opment financial institution under the  
20           Community Development Banking  
21           and Financial Institutions Act of  
22           1994;

23           “(III) an intermediary, as de-  
24           fined in subsection (m)(11), that is a  
25           nonprofit organization and is partici-

1           participating in the microloan program  
2           under subsection (m); and

3           “(IV) an eligible intermediary, as  
4           defined in subsection (l)(1), partici-  
5           pating in the small business inter-  
6           mediary lending pilot program estab-  
7           lished under subsection (l)(2);

8           “(ii) the term ‘new business’ means a  
9           small business concern that has been in  
10          business for not more than 2 years on the  
11          date on which a loan is made to the small  
12          business concern under the program;

13          “(iii) the term ‘program’ means the  
14          Community Advantage Loan Program es-  
15          tablished under subparagraph (B);

16          “(iv) the term ‘small business concern  
17          in an underserved market’ means a small  
18          business concern—

19                  “(I) that is located in—

20                          “(aa) a low- to moderate-in-  
21                          come community;

22                          “(bb) a HUBZone, as that  
23                          term is defined in section 31(b);

24                          “(cc) a rural area; or

1           “(dd) any area for which a  
2           disaster declaration or determina-  
3           tion described in subparagraph  
4           (B), (C), or (E) of subsection  
5           (b)(2) has been made that has  
6           not terminated more than 2  
7           years (or later, as determined by  
8           the Administrator) before the  
9           date on which a loan is made to  
10          such concern under such sub-  
11          section, or in any area for which  
12          a major disaster described in  
13          subsection (b)(2)(A) has been de-  
14          clared, that period shall be 5  
15          years;

16           “(II) that is a new business;

17           “(III) owned and controlled by  
18          veterans;

19           “(IV) owned and controlled by an  
20          individual who has completed a term  
21          of imprisonment;

22           “(V) owned and controlled by an  
23          individual with a disability, as that  
24          term is defined in section 3 of the

1 Americans with Disabilities Act of  
2 1990;

3 “(VI) owned and controlled by a  
4 member of an Indian tribe individ-  
5 ually identified (including parentheti-  
6 cally) in the most recent list published  
7 pursuant to section 104 of the Feder-  
8 ally Recognized Indian Tribe List Act  
9 of 1994; or

10 “(VII) otherwise identified by the  
11 Administrator.

12 “(B) ESTABLISHMENT.—There is estab-  
13 lished a Community Advantage Loan Program  
14 under which the Administration may guarantee  
15 loans made by covered institutions under this  
16 subsection, with an emphasis on loans made to  
17 small business concerns in an underserved mar-  
18 ket.

19 “(C) REQUIREMENT TO MAKE LOANS TO  
20 UNDERSERVED MARKETS.—Not less than 60  
21 percent of loans made by a covered institution  
22 under the program shall consist of loans made  
23 to small business concerns in an underserved  
24 market.

25 “(D) MAXIMUM LOAN AMOUNT.—



1           “(i) IN GENERAL.—Except as pro-  
2           vided in clause (ii), the maximum loan  
3           amount for a loan guaranteed under the  
4           program is \$250,000.

5           “(ii) EXCEPTIONS.—

6           “(I) REQUESTED EXCEPTION.—

7           “(aa) IN GENERAL.—Upon  
8           request by a covered institution,  
9           the Administrator may guarantee  
10          a loan under the program that is  
11          more than \$250,000 and not  
12          more than \$350,000.

13          “(bb) NOTIFICATION.—As  
14          soon as practicable and not later  
15          than 14 business days after re-  
16          ceiving a request under item  
17          (aa), the Administration shall—

18                  “(AA) review the re-  
19                  quest; and

20                  “(BB) provide a deci-  
21                  sion regarding the request to  
22                  the covered institution mak-  
23                  ing the loan.

24          “(II) MAJOR DISASTERS.—The  
25          maximum loan amount for a loan

1                   guaranteed under the program that is  
2                   made to a small business concern lo-  
3                   cated in an area affected by a major  
4                   disaster described in subsection  
5                   (b)(2)(A) is \$350,000.

6                   “(E) INTEREST RATES.—The maximum  
7                   interest rate for a loan guaranteed under the  
8                   program shall not exceed the maximum interest  
9                   rate, as determined by the Administration, ap-  
10                  plicable to other loans guaranteed under this  
11                  subsection.”.

12 **SEC. 100502. FUNDING FOR CREDIT ENHANCEMENT AND**  
13 **SMALL DOLLAR LOAN FUNDING.**

14                  (a) APPROPRIATIONS.—In addition to amounts other-  
15 wise available, there is appropriated to the Small Business  
16 Administration for fiscal year 2022, out of any money in  
17 the Treasury not otherwise appropriated, to remain avail-  
18 able until September 30, 2031—

19                   (1) \$1,480,600,000 to carry out paragraph (39)  
20                   of section 7(a) of the Small Business Act (15 U.S.C.  
21                   636(a)), as added by subsection (b); and

22                   (2) \$484,000,000 for administrative expenses  
23                   related to carrying out such paragraph (39), includ-  
24                   ing issuing interim final rules within 90 days after  
25                   the date of the enactment of this title, of which

1       \$25,000,000 is reserved for grants to conduct out-  
2       reach to entities eligible to receive a loan under such  
3       paragraph (39).

4       (b) SMALL DOLLAR LOAN FUNDING.—Section 7(a)  
5       of the Small Business Act (15 U.S.C. 636(a)), as amended  
6       by section 100501, is further amended—

7             (1) in paragraph (1)(A)(i), in the third sen-  
8       tence, by striking “; and” and all that follows  
9       through the period at the end and inserting a period;

10            (2) in paragraph (4)(A), by striking the comma  
11       after “prescribed by the Administration” and all  
12       that follows through the period at the end and in-  
13       serting a period;

14            (3) in paragraph (26), by inserting “(except for  
15       those collected under paragraph (39))” after “prof-  
16       its”; and

17            (4) by adding at the end the following:

18            “(39) SMALL DOLLAR LOAN FUNDING.—

19               “(A) DEFINITIONS.—In this paragraph:

20                   “(i) SMALL GOVERNMENT CON-  
21       TRACTOR.—The term ‘small government  
22       contractor’ means a small business concern  
23       that is performing a government contract.

24                   “(ii) SMALL MANUFACTURER.—The  
25       term ‘small manufacturer’ means a small

1 business concern that is assigned a North  
2 American Industry Classification System  
3 code beginning with 31, 32, or 33 at the  
4 time at which the small business concern  
5 receives loan under this subsection.

6 “(B) DIRECT LOANS.—The Administrator  
7 is authorized to originate and disburse direct  
8 loans, including through partnerships with third  
9 parties, to small business concerns.

10 “(C) MAXIMUM LOAN SIZE.—Notwith-  
11 standing paragraph (3)(C) of this subsection, a  
12 loan made in accordance with this paragraph  
13 shall be—

14 “(i) except as provided in clause (ii),  
15 not more than \$150,000; or

16 “(ii) not more than \$1,000,000, if the  
17 borrower is a small manufacturer or a  
18 small government contractor.

19 “(D) FEES.—With respect to each loan  
20 made in accordance with this paragraph, the  
21 Administrator, an authorized third party, or an  
22 agent may—

23 “(i) impose, collect, retain, and utilize  
24 fees, which may be charged to the bor-  
25 rower, to cover any costs associated with

1           referring applications or originating, mak-  
2           ing, underwriting, disbursing, closing, serv-  
3           icing, or liquidating the loan, including any  
4           direct lending agent costs, other program  
5           or contract costs, or other agent adminis-  
6           trative expenses;

7           “(ii) impose, collect, retain, and use  
8           fees (including unused fees and draw fees),  
9           which may be charged to the borrower on  
10          loans for revolving lines of credit; and

11          “(iii) pay third parties, including di-  
12          rect lending agents and financial institu-  
13          tions, with which the Administration part-  
14          ners for assistance in referring applicants  
15          or promoting, originating, making, under-  
16          writing, disbursing, closing, servicing, or  
17          liquidating loans in accordance with this  
18          paragraph on behalf of the Administration.

19          “(E) TERMS.—Not later than 90 days  
20          after the date of the enactment of this para-  
21          graph, the Administrator shall issue interim  
22          final rules and revise any relevant rules to es-  
23          tablish the terms and conditions for a direct  
24          loan, including repayment, underwriting cri-  
25          teria, interest rate, maturity, and other terms

1           of a loan made in accordance with this para-  
2           graph.”.

3 **SEC. 100503. EXTENSION OF TEMPORARY FEE REDUCTIONS.**

4           (a) APPROPRIATIONS.—In addition to amounts other-  
5 wise available, there is appropriated to the Small Business  
6 Administration for fiscal year 2022, out of any money in  
7 the Treasury not otherwise appropriated, \$950,000,000,  
8 to remain available until September 30, 2026, for carrying  
9 out this section and any amendments made by this section.

10          (b) 7(A) LOAN PROGRAM.—Section 326 of the Eco-  
11 nomic Aid to Hard-Hit Small Businesses, Nonprofits, and  
12 Venues Act (title III of division N of Public Law 116–  
13 260; 134 Stat. 2036; 15 U.S.C. 636 note) is amended—

14           (1) in subsection (a)(2), by striking “October 1,  
15           2021” and inserting “October 1, 2026”; and

16           (2) in subsection (b)(2), by striking “October 1,  
17           2021” and inserting “October 1, 2026”.

18          (c) OTHER FEES.—Section 327 of the Economic Aid  
19 to Hard-Hit Small Businesses, Nonprofits, and Venues  
20 Act (title III of division N of Public Law 116–260; 134  
21 Stat. 2037; 15 U.S.C. 636 note) is amended—

22           (1) in subsection (a)(1), by striking “September  
23           30, 2021” and inserting “September 30, 2026”; and

24           (2) in subsection (b)(1), by striking “September  
25           30, 2021” and inserting “September 30, 2026”.

1 **SEC. 100504. FUNDING FOR COOPERATIVES.**

2 (a) APPROPRIATIONS.—In addition to amounts other-  
3 wise available, there is appropriated to the Small Business  
4 Administration for fiscal year 2022, out of any money in  
5 the Treasury not otherwise appropriated, \$100,000,000,  
6 to remain available until September 30, 2031, for carrying  
7 out paragraph (40) of section 7(a) of the Small Business  
8 Act (15 U.S.C. 636(a)), as added by subsection (b).

9 (b) COOPERATIVE LENDING PILOT.—Section 7(a) of  
10 the Small Business Act (15 U.S.C. 636(a)), as amended  
11 by section 100502, is further amended by adding at the  
12 end the following:

13 “(40) COOPERATIVE LENDING PILOT.—

14 “(A) DEFINITIONS.—In this paragraph:

15 “(i) COMMUNITY FINANCIAL INSTITU-  
16 TION.—The term ‘community financial in-  
17 stitution’ has the meaning given in para-  
18 graph (36)(A).

19 “(ii) COOPERATIVE.—The term ‘coop-  
20 erative’—

21 “(I) means an entity determined  
22 by the Administrator to be a coopera-  
23 tive; and

24 “(II) includes an entity owned by  
25 employees or consumers of the entity.

1           “(iii) ELIGIBLE EMPLOYEE-OWNED  
2 BUSINESS CONCERN.—The term ‘eligible  
3 employee-owned business concern’ means—

4                   “(I) a cooperative in which the  
5 employees of the cooperative are eligi-  
6 ble for membership;

7                   “(II) a qualified employee trust;  
8 or

9                   “(III) other employee-owned enti-  
10 ties as determined by the Adminis-  
11 trator.

12           “(iv) PILOT PROGRAM.—The term  
13 ‘pilot program’ means the pilot program  
14 established under subparagraph (B).

15           “(B) ESTABLISHMENT.—There is estab-  
16 lished a pilot program under which the Admin-  
17 istrator shall guarantee loans (including loans  
18 made by community financial institutions),  
19 without the requirement of a personal or entity  
20 guarantee, where such loans shall be made to  
21 cooperatives or eligible employee-owned business  
22 concerns.

23           “(C) TERMINATION.—The pilot program  
24 shall terminate on the date that is 5 years after  
25 the date of enactment of this paragraph.”.



1 (c) DELEGATED LENDING AUTHORITY FOR PRE-  
2 FERRED LENDERS.—Section 5(b)(7) of the Small Busi-  
3 ness Act (15 U.S.C. 634(b)(7)) is amended by striking  
4 “paragraph (15) or (35)” and inserting “paragraph (15),  
5 (35), or (40)”.

6 **Subtitle F—Supporting**  
7 **Entrepreneurial Second Chances**

8 **SEC. 100601. REENTRY ENTREPRENEURSHIP COUNSELING**  
9 **AND TRAINING FOR INCARCERATED AND**  
10 **FORMERLY INCARCERATED INDIVIDUALS.**

11 (a) REENTRY ENTREPRENEURSHIP COUNSELING  
12 AND TRAINING FOR INCARCERATED INDIVIDUALS.—

13 (1) APPROPRIATIONS.—In addition to amounts  
14 otherwise available, there is appropriated to the  
15 Small Business Administration, out of money in the  
16 Treasury not otherwise appropriated for fiscal year  
17 2022, \$35,000,000, to remain available until Sep-  
18 tember 30, 2029, to carry out section 52 of the  
19 Small Business Act, as added by paragraph (2).

20 (2) IN GENERAL.—The Small Business Act is  
21 amended by inserting after section 51, as added by  
22 section 100301 of this title, the following:

1 **“SEC. 52. REENTRY ENTREPRENEURSHIP COUNSELING**  
2 **AND TRAINING FOR INCARCERATED INDIVID-**  
3 **UALS.**

4 “(a) DEFINITIONS.—In this section:

5 “(1) COVERED INDIVIDUAL.—The term ‘cov-  
6 ered individual’ means an individual who is com-  
7 pleting a term of imprisonment in a facility des-  
8 ignated as a minimum, low, or medium security.

9 “(2) RESOURCE PARTNERS.—The term ‘re-  
10 source partners’ means a small business development  
11 center (defined in section 3) or a women’s business  
12 center (described under section 29).

13 “(b) ESTABLISHMENT.—The Administrator shall co-  
14 ordinate with resource partners and associations formed  
15 to pursue matters of common concern to resource partners  
16 to provide entrepreneurship counseling and training serv-  
17 ices to covered individuals pursuant to subsection (c).

18 “(c) USE OF FUNDS.—Amounts made available  
19 under this section shall be used to—

20 “(1) develop and deliver a curriculum, including  
21 classroom instruction and in-depth training to de-  
22 velop skills related to business planning and finan-  
23 cial literacy;

24 “(2) train mentors and instructors;

25 “(3) establish public-private partnerships to  
26 support covered individuals; and

1 “(4) identify opportunities to access capital.”.

2 (b) REENTRY ENTREPRENEURSHIP COUNSELING  
3 AND TRAINING FOR FORMERLY INCARCERATED INDIVID-  
4 UALS.—

5 (1) APPROPRIATIONS.—In addition to amounts  
6 otherwise available, there is appropriated to the  
7 Small Business Administration, out of any money in  
8 the Treasury not otherwise appropriated for fiscal  
9 year 2022, \$35,000,000, to remain available until  
10 September 30, 2029, to carry out section 53 of the  
11 Small Business Act, as added by paragraph (2).

12 (2) IN GENERAL.—The Small Business Act is  
13 amended by inserting after section 52, as added by  
14 subsection (a), the following:

15 **“SEC. 53. REENTRY ENTREPRENEURSHIP COUNSELING**  
16 **AND TRAINING FOR FORMERLY INCARCER-**  
17 **ATED INDIVIDUALS.**

18 “(a) COVERED INDIVIDUAL DEFINED.—In this sec-  
19 tion, the term ‘covered individual’ means an individual  
20 who completed a term of imprisonment.

21 “(b) ESTABLISHMENT.—The Administrator shall es-  
22 tablish a program under which the Service Corps of Re-  
23 tired Executives authorized by section 8(b)(1)(B) shall  
24 provide entrepreneurship counseling and training services  
25 to covered individuals on a nationwide basis.

1       “(c) USE OF FUNDS.—Amounts made available  
2 under this section shall be used by the Service Corps of  
3 Retired Executives for providing to covered individuals the  
4 following services:

5           “(1) Regular individualized mentoring sessions  
6 to identify and support development of the business  
7 plans of covered individuals.

8           “(2) Workshops on topics specifically tailored to  
9 meet the needs of covered individuals.

10          “(3) Instructional videos designed specifically  
11 for covered individuals on how to start or expand a  
12 small business concern.”.

13 **SEC. 100602. NEW START ENTREPRENEURIAL DEVELOP-**  
14 **MENT PROGRAM FOR FORMERLY INCARCER-**  
15 **ATED INDIVIDUALS.**

16       (a) APPROPRIATIONS.—In addition to amounts other-  
17 wise available, there is appropriated to the Small Business  
18 Administration, out of any money in the Treasury not oth-  
19 erwise appropriated for fiscal year 2022, \$35,000,000, to  
20 remain available until September 30, 2029, for carrying  
21 out this section.

22       (b) DEFINITIONS.—In this section—

23           (1) COVERED INDIVIDUAL.—The term “covered  
24 individual” means an individual who—

1 (A) completed a term of imprisonment;  
2 and

3 (B) meets the offense eligibility require-  
4 ments set forth in any applicable policy notice  
5 or other guidance issued by the Small Business  
6 Administration for the program established  
7 under section 7(m) of the Small Business Act  
8 (15 U.S.C. 636(m)).

9 (2) INTERMEDIARY; MICROLOAN.—The terms  
10 “intermediary” and “microloan” have the meanings  
11 given those terms, respectively, in section 7(m)(11)  
12 of the Small Business Act (15 U.S.C. 636(m)(11)).

13 (3) PARTICIPATING LENDER.—The term “par-  
14 ticipating lender” means a participating lender de-  
15 scribed under section 7(a) of the Small Business Act  
16 (15 U.S.C. 636(a)).

17 (4) PILOT PROGRAM.—The term “pilot pro-  
18 gram” means the pilot program established under  
19 subsection (b).

20 (5) RESOURCE PARTNER.—The term “resource  
21 partner” means—

22 (A) a small business development center  
23 (defined in section 3 of the Small Business Act  
24 (15 U.S.C. 632));

1 (B) a women’s business center (described  
2 under section 29 of such Act (15 U.S.C. 656));

3 (C) a chapter of the Service Corps of Re-  
4 tired Executives (established under section  
5 8(b)(1)(B) of such Act ((15 U.S.C.  
6 637(b)(1)(B))); and

7 (D) a Veteran Business Outreach Center  
8 (described under section 32 of such Act (15  
9 U.S.C. 657b)).

10 (c) ESTABLISHMENT.—The Administrator shall es-  
11 tablish a pilot program to award grants to organizations,  
12 or partnerships of organizations, to provide assistance to  
13 covered individuals throughout the United States.

14 (d) APPLICATION.—

15 (1) IN GENERAL.—An organization or partner-  
16 ship of organizations desiring a grant under the  
17 pilot program shall submit an application to the Ad-  
18 ministrator in such form, in such manner, and con-  
19 taining such information as the Administrator may  
20 reasonably require.

21 (2) CONTENTS.—An application submitted  
22 under paragraph (1) shall—

23 (A) demonstrate that the applicant has a  
24 partnership with, or is, an intermediary that  
25 shall make microloans to covered individuals;

1 (B) demonstrate an ability to provide a full  
2 range of entrepreneurial development program-  
3 ming on an ongoing basis;

4 (C) include a plan for reaching covered in-  
5 dividuals, including by identifying particular  
6 target populations within the community in  
7 which a covered individual lives;

8 (D) include a plan to refer covered individ-  
9 uals who have completed participation in the  
10 pilot program to existing resource partners and  
11 participating lenders;

12 (E) include a comprehensive plan for the  
13 use of grant funds, including estimates for ad-  
14 ministrative expenses and outreach costs; and

15 (F) any other requirements, as determined  
16 by the Administrator.

17 (e) MATCHING REQUIREMENT.—

18 (1) IN GENERAL.—As a condition of a grant  
19 provided under the pilot program, the Administrator  
20 shall require the recipient of the grant to contribute  
21 an amount equal to 25 percent of the amount of the  
22 grant, obtained solely from non-Federal sources.

23 (2) FORM.—In addition to cash or other direct  
24 funding, the contribution required under paragraph

1 (1) may include indirect costs or in-kind contribu-  
2 tions paid for under non-Federal programs.

### 3 **Subtitle G—Other Matters**

#### 4 **SEC. 100701. ADMINISTRATIVE EXPENSES.**

5 (a) IN GENERAL.—In addition to amounts otherwise  
6 available, there is appropriated to the Administration for  
7 fiscal year 2022, out of any money in the Treasury not  
8 otherwise appropriated, \$125,000,000, to remain available  
9 until September 30, 2030, for administrative expenses re-  
10 lated to carrying out this title (or any amendments made  
11 by this title), except as otherwise provided in this title.

12 (b) RULEMAKING.—Using amounts made available  
13 under subsection (a), not later than 30 days after the date  
14 of the enactment of this Act, the Administrator may issue  
15 rules, including interim final rules, as necessary to carry  
16 out this title and the amendments made by this title.

#### 17 **SEC. 100702. OFFICE OF INSPECTOR GENERAL OF THE** 18 **SMALL BUSINESS ADMINISTRATION.**

19 In addition to amounts otherwise available, there is  
20 appropriated to the Office of Inspector General of the  
21 Small Business Administration for fiscal year 2022, out  
22 of any money in the Treasury not otherwise appropriated,  
23 \$12,500,000, to remain available until September 30,  
24 2030, for audits, investigations, and other oversight of



1 projects and activities carried out with funds made avail-  
2 able by this title to the Small Business Administration.

3 **TITLE XI—COMMITTEE ON**  
4 **TRANSPORTATION AND IN-**  
5 **FRASTRUCTURE**

6 **SEC. 110001. AFFORDABLE HOUSING ACCESS PROGRAM.**

7 (a) IN GENERAL.—In addition to amounts otherwise  
8 available, there is appropriated for fiscal year 2022, out  
9 of any money in the Treasury not otherwise appropriated,  
10 \$9,750,000,000, to remain available until September 30,  
11 2026, to the Secretary of Housing and Urban Develop-  
12 ment and the Administrator of the Federal Transit Ad-  
13 ministration to make competitive grants under sections  
14 5307, 5311, and 5339(c) of title 49, United States Code,  
15 to support—

16 (1) access to affordable housing;

17 (2) enhanced mobility for residents and riders,  
18 including those in disadvantaged communities and  
19 neighborhoods, persistent poverty communities, or  
20 for low-income riders generally; and

21 (3) other community benefits for residents of  
22 disadvantaged communities or neighborhoods, per-  
23 sistent poverty communities, or for low-income riders  
24 generally identified by the Secretary and the Admin-

1       istrator related to enhanced transit service, includ-  
2       ing—

3               (A) access to job and educational opportu-  
4       nities;

5               (B) better connections to medical care; and

6               (C) enhanced access to grocery stores with  
7       fresh foods to help eliminate food deserts.

8       (b) ADMINISTRATION OF FUNDS.—Funds made  
9       available under this section—

10           (1) shall not be subject to any prior restriction  
11       on the total amount of funds available for implemen-  
12       tation or execution of programs authorized under  
13       sections 5307, 5311, 5312, 5314, or 5339(c) of title  
14       49, United States Code;

15           (2) notwithstanding requirements related to  
16       Government share under such sections, shall be  
17       available for up to 100 percent of the net cost of a  
18       project;

19           (3) notwithstanding section 5307(a)(1) of such  
20       title, may be used for operating costs of equipment  
21       and facilities in an urbanized area with a population  
22       equal to or greater than 200,000 individuals; and

23           (4) shall be expended in compliance with the  
24       U.S. Department of Transportation's Disadvantaged  
25       Business Enterprise Program.

1 (c) ELIGIBLE ACTIVITIES.—Eligible activities for  
2 funds made available under subsection (a) shall be—

3 (1) construction of a new fixed guideway capital  
4 project;

5 (2) construction of a bus rapid transit project  
6 or a corridor-based bus rapid transit project that  
7 utilizes zero-emission vehicles, or a collection of such  
8 projects;

9 (3) the establishment or expansion of high-fre-  
10 quency bus service that utilizes zero-emission buses;

11 (4) the acquisition of zero-emission vehicles or  
12 related infrastructure under section 5339(c) of title  
13 49, United States Code, to expand service in urban  
14 areas and the acquisition of vehicles under section  
15 5311 of such title to expand service in non-urban  
16 areas;

17 (5) an expansion of the service area or the fre-  
18 quency of service of recipients or subrecipients under  
19 sections 5307 or 5311 of such title, including the  
20 provision of fare-free or reduced-fare service;

21 (6) renovation or construction of facilities and  
22 incidental expenses related to transit service in dis-  
23 advantaged communities or neighborhoods or service  
24 that benefits low-income riders generally;

1           (7) additional assistance to project sponsors of  
2           new fixed guideway capital projects, core capacity  
3           improvement projects, or corridor-based bus rapid  
4           transit projects not yet open to revenue service, not-  
5           withstanding applicable requirements regarding Gov-  
6           ernment share of contributions toward net project  
7           cost of the project or the share of contributions pro-  
8           vided by the Administrator of the Federal Transit  
9           Administration, if—

10                   (A) the applicant demonstrates that the  
11                   availability of funding under this section pro-  
12                   vides additional support for transit services con-  
13                   sistent with the requirements in subsection (a);  
14                   and

15                   (B) assistance under this paragraph does  
16                   not increase by more than 10 percentage  
17                   points—

18                           (i) the Government share of contribu-  
19                           tions toward net project cost; or

20                           (ii) the Government share of assist-  
21                           ance from a program carried out by the  
22                           Administrator of the Federal Transit Ad-  
23                           ministration;

1           (8) fleet transition, route, or other public trans-  
2           portation planning, including planning related to  
3           economic development; and

4           (9) projects to upgrade the accessibility of bus  
5           or rail public transportation services for persons  
6           with disabilities, including individuals who use  
7           wheelchairs.

8           (d) RESEARCH, TECHNICAL ASSISTANCE, AND  
9 TRAINING.—In addition to amounts otherwise available,  
10 there is appropriated for fiscal year 2022, out of any  
11 money in the Treasury not otherwise appropriated,  
12 \$150,000,000, to remain available until September 30,  
13 2026, for grants under sections 5312 or 5314 of title 49,  
14 United States Code, (excluding grants related to any ac-  
15 tivities or agreements with international entities or foreign  
16 nationals) for—

17           (1) activities under section 5312 of such title  
18           that support efforts to reduce barriers to the deploy-  
19           ment of zero-emission transit vehicles in disadvan-  
20           taged communities or neighborhoods and rural  
21           areas, including barriers related to the cost of such  
22           vehicles; and

23           (2) activities under section 5314 of such title  
24           for training and development activities to support

1 the provision of service to disadvantaged commu-  
2 nities or neighborhoods and rural areas.

3 (e) ADMINISTRATIVE EXPENSES.—In addition to  
4 amounts otherwise available, there is appropriated for fis-  
5 cal year 2022, out of any money in the Treasury not other-  
6 wise appropriated, \$100,000,000, to remain available until  
7 September 30, 2026, for administrative expenses and  
8 oversight costs of carrying out this section and to make  
9 new awards or to increase prior awards to provide tech-  
10 nical assistance and capacity building for eligible recipi-  
11 ents or subrecipients under this section.

12 (f) PERIOD OF AVAILABILITY.—Any funds provided  
13 from the general fund of the Treasury to carry out grants  
14 under section 5339(e) of title 49, United States Code, for  
15 fiscal years 2025 and 2026 shall remain available until  
16 September 30, 2028.

17 **SEC. 110002. COMMUNITY CLIMATE INCENTIVE GRANT PRO-**  
18 **GRAM.**

19 (a) IN GENERAL.—Chapter 1 of title 23, United  
20 States Code, is amended by adding at the end the fol-  
21 lowing:

22 **“§ 177. Community climate incentive grant program**

23 “(a) ESTABLISHMENT.—In addition to amounts oth-  
24 erwise available, there is appropriated for fiscal year 2022,  
25 out of any money in the Treasury not otherwise appro-

1 priated, \$50,000,000, to remain available until September  
2 30, 2026, to the Administrator of the Federal Highway  
3 Administration—

4 “(1) to establish a greenhouse gas performance  
5 measure that requires States to set performance tar-  
6 gets to reduce greenhouse gas emissions;

7 “(2) to establish an incentive structure to re-  
8 ward States that demonstrate the most significant  
9 progress toward achieving reductions in greenhouse  
10 gas emissions;

11 “(3) to establish consequences for States that  
12 do not achieve reductions in greenhouse gas emis-  
13 sions;

14 “(4) to issue guidance and regulations and pro-  
15 vide technical assistance as necessary to implement  
16 this section; and

17 “(5) for operations and administration of the  
18 Federal Highway Administration in carrying out this  
19 section.

20 “(b) INCENTIVE GRANTS TO STATES.—In addition to  
21 amounts otherwise available, there is appropriated for fis-  
22 cal year 2022, out of any money in the Treasury not other-  
23 wise appropriated, \$950,000,000, to remain available until  
24 September 30, 2026, to the Administrator of the Federal

1 Highway Administration for incentive grants for carbon  
2 reduction projects, to be awarded to States that—

3 “(1) qualify for a reward under the incentive  
4 structure established by the Administrator of the  
5 Federal Highway Administration under subsection  
6 (a)(2); or

7 “(2) have incorporated carbon reduction strate-  
8 gies that contribute to achieving net zero greenhouse  
9 gas emissions by 2050 into the transportation plans  
10 required under section 135.

11 “(c) COMMUNITY CLIMATE GRANTS TO OTHER ELI-  
12 GIBLE ENTITIES.—

13 “(1) IN GENERAL.—In addition to amounts  
14 otherwise available, there is appropriated for fiscal  
15 year 2022, out of any money in the Treasury not  
16 otherwise appropriated, \$3,000,000,000, to remain  
17 available until September 30, 2026, to the Adminis-  
18 trator of the Federal Highway Administration to  
19 award grants, on a competitive basis, for carbon re-  
20 duction projects to eligible entities that are not  
21 States.

22 “(2) FEDERAL SHARE.—The Federal share of  
23 the cost of a project carried out with a grant under  
24 this subsection may be up to 100 percent.

25 “(d) USE OF FUNDS.—



1           “(1) IN GENERAL.—A project carried out under  
2 subsection (b) or (c) shall be treated as a project on  
3 a Federal-aid highway.

4           “(2) COMPLIANCE WITH EXISTING REQUIRE-  
5 MENTS.—Funds made available for a grant under  
6 subsection (b), and funds made available for a grant  
7 under subsection (c) that are administered by or  
8 through a State department of transportation, shall  
9 be expended in compliance with the U.S. Depart-  
10 ment of Transportation’s Disadvantaged Business  
11 Enterprise Program.

12          “(e) LIMITATION.—Funds made available under this  
13 section shall not—

14           “(1) be subject to any restriction or limitation  
15 on the total amount of funds available for implemen-  
16 tation or execution of programs authorized for Fed-  
17 eral-aid highways; or

18           “(2) be used for projects that result in addi-  
19 tional through travel lanes for single occupant pas-  
20 senger vehicles.

21          “(f) DEFINITIONS.—In this section:

22           “(1) CARBON REDUCTION PROJECT.—The term  
23 ‘carbon reduction project’ means a project—

24           “(A) that is eligible under this title; and

25           “(B) that—

1           “(i) will result in significant reduc-  
2           tions in greenhouse gas emissions related  
3           to a surface transportation facility or  
4           project;

5           “(ii) provides zero-emission transpor-  
6           tation options;

7           “(iii) reduces dependence on single-oc-  
8           cupant vehicle trips; or

9           “(iv) advances carbon reduction strat-  
10          egies adopted by an eligible entity that  
11          contribute to achieving net-zero greenhouse  
12          gas emissions by 2050.

13          “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
14          tity’ means—

15               “(A) a unit of local government;

16               “(B) a political subdivision of a State;

17               “(C) a territory;

18               “(D) a metropolitan planning organization  
19               (as defined in section 134(b)(2));

20               “(E) a special purpose district or public  
21               authority with a transportation function;

22               “(F) an entity described in section  
23               207(m)(1)(E); or

24               “(G) a State.”.

1 (b) CLERICAL AMENDMENT.—The analysis for chap-  
2 ter 1 of title 23, United States Code, is amended by add-  
3 ing at the end the following:

“177. Community climate incentive grant program.”.

4 **SEC. 110003. NEIGHBORHOOD ACCESS AND EQUITY GRANT**  
5 **PROGRAM.**

6 (a) IN GENERAL.—Chapter 1 of title 23, United  
7 States Code, is further amended by adding at the end the  
8 following:

9 **“§ 178. Neighborhood access and equity grant pro-**  
10 **gram**

11 “(a) IN GENERAL.—In addition to amounts other-  
12 wise available, there is appropriated for fiscal year 2022,  
13 out of any money in the Treasury not otherwise appro-  
14 priated, \$2,370,000,000, to remain available until Sep-  
15 tember 30, 2026, to the Administrator of the Federal  
16 Highway Administration for competitive grants to eligible  
17 entities described in subsection (b)—

18 “(1) to improve walkability, safety, and afford-  
19 able transportation access through construction of  
20 projects that are context-sensitive—

21 “(A) to remove, remediate, or reuse a facil-  
22 ity described in subsection (c)(1);

23 “(B) to replace a facility described in sub-  
24 section (c)(1) with a facility that is at-grade or  
25 lower speed;

1           “(C) to retrofit or cap a facility described  
2           in subsection (c)(1);

3           “(D) to build or improve complete streets,  
4           multiuse trails, regional greenways, or active  
5           transportation networks and spines; or

6           “(E) to provide affordable access to essen-  
7           tial destinations, public spaces, or transpor-  
8           tation links and hubs;

9           “(2) to mitigate or remediate negative impacts  
10          on the human or natural environment resulting from  
11          a facility described in subsection (c)(2) in a dis-  
12          advantaged or underserved community, including  
13          construction of—

14           “(A) noise barriers to reduce impacts re-  
15           sulting from a facility described in subsection  
16           (c)(2);

17           “(B) technologies, infrastructure, and ac-  
18           tivities to reduce surface transportation-related  
19           air pollution, including greenhouse gas emis-  
20           sions;

21           “(C) infrastructure or protective features  
22           to reduce or manage stormwater run-off result-  
23           ing from a facility described in subsection  
24           (c)(2), including through natural infrastructure  
25           and pervious, permeable, or porous pavement;

1           “(D) infrastructure and natural features to  
2           reduce or mitigate urban heat island hot spots  
3           in the transportation right-of-way or on surface  
4           transportation facilities; or

5           “(E) safety improvements for vulnerable  
6           road users; and

7           “(3) for planning and capacity building activi-  
8           ties in disadvantaged or underserved communities  
9           to—

10           “(A) identify, monitor, or assess local and  
11           ambient air quality, emissions of transportation  
12           greenhouse gases, hot spot areas of extreme  
13           heat or elevated air pollution, gaps in tree can-  
14           opy coverage, or flood prone transportation in-  
15           frastructure;

16           “(B) assess transportation equity or pollu-  
17           tion impacts and develop local anti-displacement  
18           policies and community benefit agreements;

19           “(C) conduct predevelopment activities for  
20           projects eligible under this subsection;

21           “(D) expand public participation in trans-  
22           portation planning by individuals and organiza-  
23           tions in disadvantaged or underserved commu-  
24           nities; or

1           “(E) administer or obtain technical assist-  
2           ance related to activities described in this sub-  
3           section.

4           “(b) ELIGIBLE ENTITIES DESCRIBED.—An eligible  
5           entity referred to in subsection (a) is—

6           “(1) a State;

7           “(2) a unit of local government;

8           “(3) a political subdivision of a State;

9           “(4) an entity described in section  
10          207(m)(1)(E);

11          “(5) a territory of the United States;

12          “(6) a special purpose district or public author-  
13          ity with a transportation function;

14          “(7) a metropolitan planning organization (as  
15          defined in section 134(b)(2)); or

16          “(8) with respect to a grant described in sub-  
17          section (a)(3), in addition to an eligible entity de-  
18          scribed in paragraphs (1) through (7), a nonprofit  
19          organization or institution of higher education that  
20          has entered into a partnership with an eligible entity  
21          described in paragraphs (1) through (7).

22          “(c) FACILITY DESCRIBED.—A facility referred to in  
23          subsection (a) is—

24          “(1) a surface transportation facility for which  
25          high speeds, grade separation, or other design fac-

1       tors create an obstacle to connectivity within a com-  
2       munity; or

3               “(2) a surface transportation facility which is a  
4       source of air pollution, noise, stormwater, or other  
5       burden to a disadvantaged or underserved commu-  
6       nity.

7       “(d) INVESTMENT IN ECONOMICALLY DISADVAN-  
8       TAGED COMMUNITIES.—

9               “(1) IN GENERAL.—In addition to amounts  
10      otherwise available, there is appropriated for fiscal  
11      year 2022, out of any money in the Treasury not  
12      otherwise appropriated, \$1,580,000,000, to remain  
13      available until September 30, 2026, to the Adminis-  
14      trator of the Federal Highway Administration to  
15      provide grants for projects in communities described  
16      in paragraph (2) for the same purposes and admin-  
17      istered in the same manner as described in sub-  
18      section (a).

19              “(2) COMMUNITIES DESCRIBED.—A community  
20      referred to in paragraph (1) is a community that—

21                      “(A) is economically disadvantaged, includ-  
22                      ing an underserved community or a community  
23                      located in an area of persistent poverty;

1           “(B) has entered or will enter into a com-  
2           munity benefits agreement with representatives  
3           of the community;

4           “(C) has an anti-displacement policy, a  
5           community land trust, or a community advisory  
6           board in effect; or

7           “(D) has demonstrated a plan for employ-  
8           ing local residents in the area impacted by the  
9           activity or project proposed under this section.

10          “(e) ADMINISTRATION.—

11           “(1) IN GENERAL.—A project carried out under  
12           subsection (a) or (d) shall be treated as a project on  
13           a Federal-aid highway.

14           “(2) COMPLIANCE WITH EXISTING REQUIRE-  
15           MENTS.—Funds made available for a grant under  
16           this section and administered by or through a State  
17           department of transportation shall be expended in  
18           compliance with the U.S. Department of Transpor-  
19           tation’s Disadvantaged Business Enterprise Pro-  
20           gram.

21           “(f) COST SHARE.—The Federal share of the cost of  
22           an activity carried out using a grant awarded under this  
23           section shall be not more than 80 percent, except that the  
24           Federal share of the cost of a project in a disadvantaged  
25           or underserved community may be up to 100 percent.



1       “(g) TECHNICAL ASSISTANCE.—In addition to  
2 amounts otherwise available, there is appropriated for fis-  
3 cal year 2022, out of any money in the Treasury not other-  
4 wise appropriated, \$50,000,000, to remain available until  
5 September 30, 2026, to the Administrator of the Federal  
6 Highway Administration for—

7           “(1) guidance, technical assistance, templates,  
8 training, or tools to facilitate efficient and effective  
9 contracting, design, and project delivery by units of  
10 local government;

11           “(2) subgrants to units of local government to  
12 build capacity of such units of local government to  
13 assume responsibilities to deliver surface transpor-  
14 tation projects; and

15           “(3) operations and administration of the Fed-  
16 eral Highway Administration.

17       “(h) LIMITATIONS.—Amounts made available under  
18 this section shall not—

19           “(1) be subject to any restriction or limitation  
20 on the total amount of funds available for implemen-  
21 tation or execution of programs authorized for Fed-  
22 eral-aid highways; and

23           “(2) be used for a project for additional  
24 through travel lanes for single-occupant passenger  
25 vehicles.”.

1 (b) CLERICAL AMENDMENT.—The analysis for chap-  
2 ter 1 of title 23, United States Code, is further amended  
3 by adding at the end the following:

“178. Neighborhood access and equity grant program.”.

4 **SEC. 110004. TERRITORIAL HIGHWAY PROGRAM FUNDING.**

5 (a) IN GENERAL.—In addition to amounts otherwise  
6 made available, there is appropriated for fiscal year 2022,  
7 out of any money in the Treasury not otherwise appro-  
8 priated, \$320,000,000, to remain available until Sep-  
9 tember 30, 2026, to the Administrator of the Federal  
10 Highway Administration for distribution under section  
11 165(c) of title 23, United States Code.

12 (b) LIMITATION.—Funds made available under this  
13 section shall not be subject to any restriction or limitation  
14 on the total amount of funds available for implementation  
15 or execution of programs authorized for Federal-aid high-  
16 ways.

17 **SEC. 110005. TRAFFIC SAFETY CLEARINGHOUSE.**

18 (a) IN GENERAL.—In addition to amounts otherwise  
19 made available, there is appropriated for fiscal year 2022,  
20 out of any money in the Treasury not otherwise appro-  
21 priated, \$47,500,000 to remain available until September  
22 30, 2026, for the Administrator of the National Highway  
23 Traffic Safety Administration to make 1 or more grants,  
24 cooperative agreements, or contracts with 1 or more quali-  
25 fied institutions to—

1           (1) operate a national clearinghouse for fair  
2           and equitable traffic safety enforcement programs;

3           (2) conduct research relating to, and develop,  
4           systems for States to collect traffic safety enforce-  
5           ment data, and provide technical assistance to  
6           States collecting such data, including the sharing of  
7           data to a national database;

8           (3) develop recommendations and best practices  
9           to help States collect and use traffic safety enforce-  
10          ment data to promote equity and reduce traffic-re-  
11          lated fatalities and injuries; and

12          (4) develop information and educational pro-  
13          grams relating to implementing equitable traffic  
14          safety enforcement best practices to assist States  
15          and local communities.

16          (b) ADMINISTRATION.—In addition to amounts oth-  
17          erwise made available, there is appropriated for fiscal year  
18          2022, out of any money in the Treasury not otherwise ap-  
19          propriated, \$2,500,000 to remain available until Sep-  
20          tember 30, 2026, for the Administrator of the National  
21          Highway Traffic Safety Administration for the salaries,  
22          expenses, and costs of administering this section.

23          (c) DEFINITION OF STATE.—In this section the term  
24          “State” has the meaning given the term in section 401  
25          of title 23, United States Code.

1 **SEC. 110006. PASSENGER RAIL IMPROVEMENT, MOD-**  
2 **ERNIZATION, AND EMISSIONS REDUCTION**  
3 **GRANTS.**

4 (a) **APPROPRIATION.**—In addition to amounts other-  
5 wise available, there is appropriated to the Secretary of  
6 Transportation for fiscal year 2022, out of any money in  
7 the Treasury not otherwise appropriated,  
8 \$10,000,000,000, to remain available until September 30,  
9 2026, for financial assistance under sections 26101 and  
10 26106 of title 49, United States Code, to eligible entities  
11 for eligible projects.

12 (b) **DEFINITIONS.**—In this section:

13 (1) **CORRIDOR.**—The term “corridor” means an  
14 existing, modified, or proposed intercity passenger  
15 rail service (as defined in section 26106(b)(5) of  
16 title 49, United States Code).

17 (2) **ELIGIBLE ENTITY.**—The term “eligible enti-  
18 ty” means—

19 (A) an entity that is eligible to receive fi-  
20 nancial assistance under section 26101 of title  
21 49, United States Code; and

22 (B) an applicant that is eligible to receive  
23 a grant under section 26106 of title 49, United  
24 States Code.

25 (3) **ELIGIBLE PROJECT.**—The term “eligible  
26 project” means—

1 (A) a planning project for high-speed rail  
2 corridor development that consists of planning  
3 activities eligible to receive financial assistance  
4 under section 26101(b)(1) of title 49, United  
5 States Code; and

6 (B) a capital project for high-speed rail  
7 corridor development that—

8 (i) is eligible to receive a grant for a  
9 capital project (as defined in section  
10 26106(b)(3) of title 49, United States  
11 Code); and

12 (ii) directly serves rail stations within  
13 urban areas (as published by the Bureau  
14 of the Census) that are located in close  
15 proximity to a census tract (as published  
16 by the Bureau of the Census) within the  
17 urban area that has a greater density pop-  
18 ulation than the urban area as a whole.

19 (4) HIGH-SPEED RAIL.—The term “high-speed  
20 rail” means non-highway ground transportation that  
21 is owned or operated by an eligible entity and rea-  
22 sonably expected to reach speeds of—

23 (A) 160 miles per hour or faster on a  
24 shared use right-of-way; or

1 (B) 186 miles per hour or faster on a dedi-  
2 cated right-of-way.

3 (c) ALLOCATION.—Not less than \$1,000,000,000 of  
4 the amounts appropriated by subsection (a) shall be used  
5 for eligible projects described in subsection (b)(3)(A).

6 (d) FEDERAL SHARE.—For any financial assistance  
7 and grants provided pursuant to this section, the Federal  
8 share may not exceed 90 percent of the total cost of the  
9 eligible project.

10 (e) OVERSIGHT.—Not more than \$100,000,000 of  
11 the amounts appropriated by subsection (a) may be used  
12 by the Secretary of Transportation for the costs of award  
13 and project management of financial assistance provided  
14 under this section.

15 **SEC. 110007. ALTERNATIVE FUEL AND LOW-EMISSION AVIA-**  
16 **TION TECHNOLOGY PROGRAM.**

17 (a) APPROPRIATION AND ESTABLISHMENT.—For  
18 purposes of establishing a competitive grant program to  
19 provide grants to eligible entities to carry out projects lo-  
20 cated in the United States that produce, transport, blend,  
21 or store sustainable aviation fuel, or develop, demonstrate,  
22 or apply low-emission aviation technologies, in addition to  
23 amounts otherwise available, there are appropriated to the  
24 Secretary for fiscal year 2022, out of any money in the

1 Treasury not otherwise appropriated, to remain available  
2 until September 30, 2026—

3 (1) \$247,000,000 for projects relating to the  
4 production, transportation, blending, or storage of  
5 sustainable aviation fuel;

6 (2) \$47,000,000 for projects relating to low-  
7 emission aviation technologies; and

8 (3) \$6,000,000 to fund the award of grants  
9 under this section, and oversight of the program, by  
10 the Secretary.

11 (b) CONSIDERATIONS.—In carrying out subsection  
12 (a), the Secretary shall consider, with respect to a pro-  
13 posed project—

14 (1) the capacity for the eligible entity to in-  
15 crease the domestic production and deployment of  
16 sustainable aviation fuel or the use of low-emission  
17 aviation technologies among the United States com-  
18 mercial aviation and aerospace industry;

19 (2) the projected greenhouse gas emissions  
20 from such project, including emissions resulting  
21 from the development of the project, and the poten-  
22 tial the project has to reduce or displace, on a  
23 lifecycle basis, United States greenhouse gas emis-  
24 sions associated with air travel;

1           (3) the capacity to create new jobs and develop  
2 supply chain partnerships in the United States;

3           (4) for projects related to the production of sus-  
4 tainable aviation fuel, the projected lifecycle green-  
5 house gas emissions benefits from the proposed  
6 project, which shall include feedstock and fuel pro-  
7 duction and potential direct and indirect greenhouse  
8 gas emissions (including resulting from changes in  
9 land use); and

10          (5) the benefits of ensuring a diversity of feed-  
11 stocks for sustainable aviation fuel, including the use  
12 of waste carbon oxides and direct air capture.

13          (c) COST SHARE.—The Federal share of the cost of  
14 a project carried out using grant funds under subsection  
15 (a) shall be a maximum of 90 percent of the proposed total  
16 cost of the project, and the Secretary shall consider the  
17 extent to which a proposed project meets the consider-  
18 ations described in subsection (b) in determining the Fed-  
19 eral share under this subsection.

20          (d) FUEL EMISSIONS REDUCTION TEST.—For pur-  
21 poses of clause (ii) of subsection (e)(7)(E), the Secretary  
22 shall, not later than 2 years after the date of enactment  
23 of this section, adopt at least 1 methodology for testing  
24 lifecycle greenhouse gas emissions that meets the require-  
25 ments of such clause.



1 (e) DEFINITIONS.—In this section:

2 (1) ELIGIBLE ENTITY.—The term “eligible enti-  
3 ty” means—

4 (A) a State or local government, including  
5 the District of Columbia, other than an airport  
6 sponsor;

7 (B) an air carrier;

8 (C) an airport sponsor;

9 (D) an accredited institution of higher edu-  
10 cation;

11 (E) a research institution;

12 (F) a person or entity engaged in the pro-  
13 duction, transportation, blending, or storage of  
14 sustainable aviation fuel in the United States or  
15 feedstocks in the United States that could be  
16 used to produce sustainable aviation fuel;

17 (G) a person or entity engaged in the de-  
18 velopment, demonstration, or application of low-  
19 emission aviation technologies; or

20 (H) nonprofit entities or nonprofit con-  
21 sortia with experience in sustainable aviation  
22 fuels, low-emission aviation technologies, or  
23 other clean transportation research programs.

1           (2) FEEDSTOCK.—The term “feedstock” means  
2 sources of hydrogen and carbon not originating from  
3 unrefined or refined petrochemicals.

4           (3) INDUCED LAND-USE CHANGE VALUES.—  
5 The term “induced land-use change values” means  
6 the greenhouse gas emissions resulting from the con-  
7 version of land to the production of feedstocks and  
8 from the conversion of other land due to the dis-  
9 placement of crops or animals for which the original  
10 land was previously used.

11           (4) LIFECYCLE GREENHOUSE GAS EMIS-  
12 SIONS.—The term “lifecycle greenhouse gas emis-  
13 sions” means the combined greenhouse gas emis-  
14 sions from feedstock production, collection of feed-  
15 stock, transportation of feedstock to fuel production  
16 facilities, conversion of feedstock to fuel, transpor-  
17 tation and distribution of fuel, and fuel combustion  
18 in an aircraft engine, as well as from induced land-  
19 use change values.

20           (5) LOW-EMISSION AVIATION TECHNOLOGIES.—  
21 The term “low-emission aviation technologies”  
22 means technologies, produced in the United States,  
23 that significantly—

24                   (A) improve aircraft fuel efficiency;

1 (B) increase utilization of sustainable avia-  
2 tion fuel; or

3 (C) reduce greenhouse gas emissions pro-  
4 duced during operation of civil aircraft.

5 (6) SECRETARY.—The term “Secretary” means  
6 the Secretary of Transportation.

7 (7) SUSTAINABLE AVIATION FUEL.—The term  
8 “sustainable aviation fuel” means liquid fuel, pro-  
9 duced in the United States, that—

10 (A) consists of synthesized hydrocarbons;

11 (B) meets the requirements of—

12 (i) ASTM International Standard  
13 D7566; or

14 (ii) the co-processing provisions of  
15 ASTM International Standard D1655,  
16 Annex A1 (or such successor standard);

17 (C) is derived from biomass (in a similar  
18 manner as such term is defined in section  
19 45K(e)(3) of the Internal Revenue Code of  
20 1986), waste streams, renewable energy  
21 sources, or gaseous carbon oxides;

22 (D) is not derived from palm fatty acid  
23 distillates; and

24 (E) achieves at least a 50 percent lifecycle  
25 greenhouse gas emissions reduction in compari-

1 son with petroleum-based jet fuel, as deter-  
2 mined by a test that shows—

3 (i) the fuel production pathway  
4 achieves at least a 50 percent reduction of  
5 the aggregate attributional core lifecycle  
6 emissions and the induced land use change  
7 values under a lifecycle methodology for  
8 sustainable aviation fuels similar to that  
9 adopted by the International Civil Aviation  
10 Organization with the agreement of the  
11 United States; or

12 (ii) the fuel production pathway  
13 achieves at least a 50 percent reduction of  
14 the aggregate attributional core lifecycle  
15 greenhouse gas emissions values and the  
16 induced land-use change values under an-  
17 other methodology that the Secretary de-  
18 termines is—

19 (I) reflective of the latest sci-  
20 entific understanding of lifecycle  
21 greenhouse gas emissions; and

22 (II) as stringent as the require-  
23 ment under clause (i).

1 **SEC. 110008. ASSISTANCE TO UPDATE AND ENFORCE HAZ-**  
2 **ARD RESISTANT CODES AND STANDARDS.**

3 (a) IN GENERAL.—In addition to amounts otherwise  
4 available, there is appropriated for fiscal year 2022, out  
5 of any money in the Treasury not otherwise appropriated,  
6 \$145,500,000, to remain available until expended, to the  
7 Administrator of the Federal Emergency Management  
8 Agency for the Building Resilient Infrastructure and Com-  
9 munities Program for activities and grants that provide  
10 technical assistance and capacity building, for which the  
11 Federal cost share shall be 100 percent, to State, local,  
12 Indian Tribal, territorial, or the District of Columbia gov-  
13 ernments for establishing, implementing, and carrying out  
14 enforcement activities of the latest published editions of  
15 relevant performance-based and consensus-based codes,  
16 specifications, and standards, including amendments made  
17 by State, local, Indian Tribal, territorial, or the District  
18 of Columbia governments during the adoption process,  
19 that incorporate—

20 (1) the latest hazard-resistant designs; and

21 (2) the latest requirements for the maintenance  
22 and inspection of existing buildings to address haz-  
23 ard risk.

24 (b) ADMINISTRATION.—In addition to amounts oth-  
25 erwise available, there is appropriated for fiscal year 2022,  
26 out of any money in the Treasury not otherwise available,

1 \$4,500,000 to the Administrator of the Federal Emer-  
2 gency Management Agency, to remain available until ex-  
3 pended, for administrative expenses of carrying out this  
4 section.

5 **SEC. 110009. ECONOMIC DEVELOPMENT ADMINISTRATION.**

6 (a) **ECONOMIC DEVELOPMENT ASSISTANCE FOR RE-**  
7 **GIONAL ECONOMIC GROWTH CLUSTERS.**—In addition to  
8 amounts otherwise available, there is appropriated for fis-  
9 cal year 2022, out of any money in the Treasury not other-  
10 wise appropriated, \$3,360,000,000, to remain available  
11 until September 30, 2031, to the Secretary of Commerce  
12 (referred to in this section as the “Secretary”) for grants  
13 under section 209 (except for assistance authorized by sec-  
14 tion 209(c)(1)) of the Public Works and Economic Devel-  
15 opment Act of 1965 (42 U.S.C. 3149) to develop regional  
16 economic growth clusters, including grants for technical  
17 assistance, planning, and predevelopment activities, sub-  
18 ject to the condition that sections 204 and 301 of such  
19 Act (42 U.S.C. 3144 and 3161) shall not apply to grants  
20 made with amounts made available under this subsection.

21 (b) **RECOMPETE GRANTS FOR PERSISTENTLY DIS-**  
22 **TRESSED COMMUNITIES.**—

23 (1) **IN GENERAL.**—In addition to amounts oth-  
24 erwise available, there is appropriated for fiscal year  
25 2022, out of any money in the Treasury not other-

1 wise appropriated, \$1,200,000,000, to remain avail-  
2 able until September 30, 2031, to the Secretary of  
3 Commerce for economic adjustment assistance as  
4 authorized by section 209 (except for assistance au-  
5 thorized by section 209(c)(1)) of the Public Works  
6 and Economic Development Act of 1965 (42 U.S.C.  
7 3149) to provide grants to eligible recipients (as de-  
8 fined in section 3 of such Act) to alleviate economic  
9 distress and support long-term comprehensive eco-  
10 nomic development and job creation in persistently  
11 distressed local labor markets and local commu-  
12 nities, except that sections 204 and 301 of such Act  
13 (42 U.S.C. 3144 and 3161) shall be inapplicable to  
14 such grants.

15 (2) RECOMPETE PLAN.—As a condition of re-  
16 ceipt of a grant described under paragraph (1), an  
17 eligible recipient shall submit a comprehensive 10-  
18 year economic development plan for approval by the  
19 Secretary that includes—

20 (A) proposed programs and activities to be  
21 carried out with a grant awarded under this  
22 subsection to address the economic challenges  
23 of the local labor market or local community in  
24 a manner that promotes long-term, sustained

1 economic growth, quality job creation, and local  
2 prime-age employment growth;

3 (B) projected costs, annual expenditures,  
4 and a proposed grant disbursement schedule;  
5 and

6 (C) other local economic information and  
7 periodic benchmarking criteria as the Secretary  
8 determines appropriate.

9 (3) **MAXIMUM AWARD AMOUNT.**—In deter-  
10 mining the maximum amount of a grant that may  
11 be awarded under paragraph (1) for the purposes of  
12 implementing and carrying out the programs and ac-  
13 tivities identified in an approved recompetete plan de-  
14 scribed in paragraph (2), the Secretary shall use the  
15 product obtained by multiplying—

16 (A) the difference in the prime-age employ-  
17 ment rate between the United States and the  
18 local labor market or local community;

19 (B) the prime-age population of the local  
20 labor market or local community; and

21 (C) either—

22 (i) \$70,585 for local labor markets  
23 with a prime-age employment rate not less  
24 than 2.5 percent below the United States;

25 or



1 (ii) \$53,600 for local communities  
2 with a prime-age employment rate not less  
3 than 5 percent below the United States.

4 (4) DEFINITIONS.—In this subsection:

5 (A) LOCAL LABOR MARKET.—The term  
6 “local labor market” means any of the following  
7 areas that contains 1 or more recipients eligible  
8 under paragraph (1):

9 (i) A metropolitan statistical area or  
10 micropolitan statistical area, excluding any  
11 area described in clause (iii).

12 (ii) A commuting zone, excluding any  
13 areas described in clauses (i) and (iii).

14 (iii) Tribal land subject to the juris-  
15 diction of an Indian Tribe.

16 (B) LOCAL COMMUNITY.—The term “local  
17 community” means the area served by a unit of  
18 general local government that is located within,  
19 but does not cover the entire area of, a local  
20 labor market that does not meet the criteria de-  
21 scribed in paragraph (3)(C)(i).

22 (c) ECONOMIC ADJUSTMENT ASSISTANCE FOR EN-  
23 ERGY AND INDUSTRIAL TRANSITION COMMUNITIES.—In  
24 addition to amounts otherwise available, there is appro-  
25 priated for fiscal year 2022, out of any money in the

1 Treasury not otherwise appropriated, \$240,000,000, to re-  
2 main available until September 30, 2027, to the Secretary  
3 of Commerce for economic adjustment assistance as au-  
4 thorized by section 209 (except for assistance authorized  
5 by section 209(c)(1)) of the Public Works and Economic  
6 Development Act of 1965 (42 U.S.C. 3149) to provide as-  
7 sistance, including grants for technical assistance, plan-  
8 ning, and predevelopment activities, to energy and indus-  
9 trial transition communities, including oil, gas, coal, nu-  
10 clear, and biomass transition communities, and manufac-  
11 turing transition communities.

12 (d) ECONOMIC ADJUSTMENT ASSISTANCE FOR  
13 TECHNICAL ASSISTANCE, PROJECT PREDEVELOPMENT,  
14 AND CAPACITY BUILDING.—In addition to amounts other-  
15 wise available, there is appropriated for fiscal year 2022,  
16 out of any money in the Treasury not otherwise appro-  
17 priated, \$240,000,000, to remain available until Sep-  
18 tember 30, 2027, to the Secretary of Commerce for eco-  
19 nomic adjustment assistance as authorized by section 209  
20 (except for assistance authorized by section 209(c)(1)) of  
21 the Public Works and Economic Development Act of 1965  
22 (42 U.S.C. 3149) to provide grants for technical assist-  
23 ance, project predevelopment, and capacity building activi-  
24 ties, including activities relating to the writing of grant  
25 applications (consistent with section 213 of the Public

1 Works and Economic Development Act of 1965 (42  
2 U.S.C. 3153)) and stipends to local community organiza-  
3 tions for planning participation, community outreach and  
4 engagement activities, subject to the conditions that—

5 (1) sections 204 and 301 of such Act shall not  
6 apply to grants made with amounts made available  
7 under this subsection; and

8 (2) not less than 50 percent of the amounts  
9 made available under this subsection shall be for ac-  
10 tivities that are carried out in underserved commu-  
11 nities.

12 (e) ADMINISTRATION.—In addition to amounts other-  
13 wise available, there is appropriated for fiscal year 2022,  
14 out of any money in the Treasury not otherwise appro-  
15 priated, \$210,000,000, to remain available until Sep-  
16 tember 30, 2031, for the administrative expenses of car-  
17 rying out this section.

18 **SEC. 110010. ASSISTANCE FOR FEDERAL BUILDINGS.**

19 In addition to amounts otherwise available, there is  
20 appropriated for fiscal year 2022, out of any money in  
21 the Treasury not otherwise appropriated, \$500,000,000,  
22 to remain available until September 30, 2031, to be depos-  
23 ited in the Federal Buildings Fund established under sec-  
24 tion 592 of title 40, United States Code, for measures nec-  
25 essary to convert facilities of the Administrator of General

1 Services to high-performance green buildings (as defined  
2 in section 401 of the Energy Independence and Security  
3 Act of 2007 (42 U.S.C. 17061)).

4 **SEC. 110011. CLIMATE RESILIENT COAST GUARD INFRA-**  
5 **STRUCTURE.**

6 In addition to amounts otherwise available, there is  
7 appropriated to the Coast Guard for fiscal year 2022, out  
8 of any money in the Treasury not otherwise appropriated,  
9 \$650,000,000, to remain available until September 30,  
10 2031, for the acquisition, design, and construction of new,  
11 or replacement of existing, climate resilient facilities, in-  
12 cluding personnel readiness facilities such as family sup-  
13 port services facilities, that are threatened by or have been  
14 impacted by climate change, as authorized under sections  
15 504(e) and 1101(b)(1) of title 14, United States Code.

16 **SEC. 110012. GREAT LAKES ICEBREAKER ACQUISITION.**

17 (a) IN GENERAL.—In addition to amounts otherwise  
18 available, there is appropriated to the Coast Guard for fis-  
19 cal year 2022, out of any money in the Treasury not other-  
20 wise appropriated, \$350,000,000, to remain available until  
21 September 30, 2031, for acquisition, design, and construc-  
22 tion of a Great Lakes heavy icebreaker, as authorized  
23 under section 8107 of the William M. (Mac) Thornberry  
24 National Defense Authorization Act for Fiscal Year 2021  
25 (Public Law 116–283).

1 (b) LIMITATION.—The funds made available under  
2 this section are subject to the condition that the Coast  
3 Guard shall not—

4 (1) enter into an agreement involving funds  
5 made available under subsection (a) if such agree-  
6 ment—

7 (A) is for a term extending beyond Sep-  
8 tember 30, 2031; or

9 (B) involves any payment that could be  
10 made or funds disbursed using amounts made  
11 available under subsection (a) after September  
12 30, 2031; or

13 (2) use any other funds available to the Coast  
14 Guard to satisfy obligations initially made under  
15 subsection (a).

16 **SEC. 110013. PORT INFRASTRUCTURE AND SUPPLY CHAIN**  
17 **RESILIENCE.**

18 (a) IN GENERAL.—In addition to amounts otherwise  
19 available, there is appropriated for fiscal year 2022, out  
20 of any money in the Treasury not otherwise appropriated,  
21 \$600,000,000, to remain available until September 30,  
22 2026, to the Maritime Administration for the purposes of  
23 making grants for projects to support supply chain resil-  
24 ience, reduction in port congestion, and the development

1 of offshore wind through the program under section  
2 50302(c) of title 46, United States Code.

3 (b) LIMITATIONS.—The funds made available under  
4 this section are subject to the condition that the Secretary  
5 of Transportation shall not—

6 (1) enter into an agreement involving funds  
7 made available under subsection (a) if such agree-  
8 ment—

9 (A) is for a term extending beyond Sep-  
10 tember 30, 2031; or

11 (B) involves any payment that could be  
12 made or funds disbursed using amounts made  
13 available under subsection (a) after September  
14 30, 2031; or

15 (2) use any other funds available to the Sec-  
16 retary to satisfy obligations initially made under  
17 subsection (a).

18 **SEC. 110014. ALTERNATIVE WATER SOURCE PROJECT**  
19 **GRANTS.**

20 (a) APPROPRIATION.—In addition to amounts other-  
21 wise available, there is appropriated to the Environmental  
22 Protection Agency for fiscal year 2022, out of any money  
23 in the Treasury not otherwise appropriated,  
24 \$125,000,000, to remain available until expended, for car-  
25 rying out section 220 of the Federal Water Pollution Con-

1 trol Act (33 U.S.C. 1300), in accordance with subsection  
2 (b), which funds may be used to make grants under such  
3 section on the condition that—

4 (1) a project carried out using such funds shall,  
5 to the maximum extent practicable, maximize the  
6 avoidance, minimization, or mitigation of climate  
7 change impacts on, and of, any constructed part of  
8 the project (including through the implementation of  
9 technologies to recover and reuse energy produced in  
10 the treatment of wastewater); and

11 (2) all of the iron and steel used in the project  
12 are produced in the United States in accordance  
13 with section 608 of such Act (33 U.S.C. 1388).

14 (b) LIMITATIONS.—For purposes of subsection (a)—

15 (1) the limitation in section 220(d)(1) of the  
16 Federal Water Pollution Control Act (as in effect on  
17 September 1, 2021), as it applies to the receipt of  
18 planning or design funds, shall not apply with re-  
19 spect to eligibility for a grant under this section; and

20 (2) the requirements of sections 220(d)(2) and  
21 (e) of such Act (as in effect on September 1, 2021)  
22 shall not apply to the making of a grant under this  
23 section.

24 (c) ADMINISTRATIVE COSTS.—Of the amounts made  
25 available under subsection (a), the Administrator of the

1 Environmental Protection Agency shall reserve 4 percent  
2 for the administrative costs of carrying out this section.

3 **SEC. 110015. SEWER OVERFLOW AND STORMWATER REUSE**  
4 **MUNICIPAL GRANTS.**

5 (a) GENERAL ASSISTANCE.—In addition to amounts  
6 otherwise available, there is appropriated to the Environ-  
7 mental Protection Agency for fiscal year 2022, out of any  
8 money in the Treasury not otherwise appropriated,  
9 \$500,000,000, to remain available until expended, for car-  
10 rying out section 221 of the Federal Water Pollution Con-  
11 trol Act (33 U.S.C. 1301), which funds may be used to  
12 make grants under such section on the condition that any  
13 activity carried out using such funds shall, to the max-  
14 imum extent practicable, maximize the avoidance, mini-  
15 mization, or mitigation of climate change impacts on, and  
16 of, any constructed part of the activity (including through  
17 the implementation of technologies to recover and reuse  
18 energy produced in the treatment of wastewater).

19 (b) FINANCIALLY DISTRESSED COMMUNITIES.—

20 (1) APPROPRIATION.—In addition to amounts  
21 otherwise available, there is appropriated to the En-  
22 vironmental Protection Agency for fiscal year 2022,  
23 out of any money in the Treasury not otherwise ap-  
24 propriated, \$1,350,000,000, to remain available  
25 until expended, for carrying out section 221 of the



1 Federal Water Pollution Control Act (33 U.S.C.  
2 1301), which funds may be used to make grants  
3 under such section to a financially distressed com-  
4 munity (as defined in such section), or an Indian  
5 tribe or other entity described in section 518(e)(3)  
6 of such Act, on the condition that any activity car-  
7 ried out using such funds shall, to the maximum ex-  
8 tent practicable, maximize the avoidance, minimiza-  
9 tion, or mitigation of climate change impacts on,  
10 and of, any constructed part of the activity (includ-  
11 ing through the implementation of technologies to  
12 recover and reuse energy produced in the treatment  
13 of wastewater).

14 (2) LIMITATION.—In carrying out paragraph  
15 (1), the Administrator of the Environmental Protec-  
16 tion Agency may not require a financially distressed  
17 community, Indian tribe, or entity receiving a grant  
18 pursuant to this subsection to provide, as a condi-  
19 tion of eligibility to receive such grant, a share of  
20 the cost of the activity for which the grant was  
21 made.

22 (c) ADMINISTRATIVE COSTS.—Of the amounts made  
23 available under each of subsections (a) and (b), the Ad-  
24 ministrator of the Environmental Protection Agency shall

1 reserve 4 percent for the administrative costs of carrying  
2 out this section.

3 **SEC. 110016. INDIVIDUAL HOUSEHOLD DECENTRALIZED**  
4 **WASTEWATER TREATMENT SYSTEM GRANTS.**

5 (a) APPROPRIATION.—In addition to amounts other-  
6 wise available, there is appropriated to the Environmental  
7 Protection Agency for fiscal year 2022, out of any money  
8 in the Treasury not otherwise appropriated, to remain  
9 available until expended—

10 (1) \$75,000,000 to make grants to States, mu-  
11 nicipalities, and nonprofit entities under the Federal  
12 Water Pollution Control Act for the construction, re-  
13 pair, or replacement of individual household decen-  
14 tralized wastewater treatment systems of eligible in-  
15 dividuals (as such term is defined in section 603(j)  
16 of the Federal Water Pollution Control Act (33  
17 U.S.C. 1383(j))); and

18 (2) \$75,000,000 to make grants to States, mu-  
19 nicipalities, and nonprofit entities under such Act  
20 for the construction, repair, or replacement of indi-  
21 vidual household decentralized wastewater treatment  
22 systems of eligible individuals (as so defined) resid-  
23 ing in households that are not connected to a system  
24 or technology designed to treat domestic sewage, in-

1 including eligible individuals using household cess-  
2 pools.

3 (b) ADMINISTRATIVE COSTS.—Of the amounts made  
4 available under subsection (a), the Administrator of the  
5 Environmental Protection Agency shall reserve 7 percent  
6 for the administrative costs of carrying out this section.

7 **SEC. 110017. DISASTER RELIEF.**

8 The Administrator of the Federal Emergency Man-  
9 agement Agency may provide financial assistance through  
10 September 30, 2026, pursuant to section 203(h), 404(a),  
11 and 406(b) of the Robert T. Stafford Disaster Relief and  
12 Emergency Assistance Act (42 U.S.C. 5133(h); 42 U.S.C.  
13 5170c(a); 42 U.S.C. 5172(b)) for—

14 (1) costs associated with low-carbon materials;  
15 and

16 (2) incentives that encourage low-carbon and  
17 net-zero energy projects, which may include an in-  
18 crease in the Federal cost share.

19 **SEC. 110018. ENVIRONMENTAL REVIEW IMPLEMENTATION**  
20 **FUNDS.**

21 (a) IN GENERAL.—Chapter 1 of title 23, United  
22 States Code, is further amended by adding at the end the  
23 following:

1 **“§ 179. Environmental review implementation funds**

2 “(a) ESTABLISHMENT.—In addition to amounts oth-  
3 erwise available, for fiscal year 2022, there is appropriated  
4 to the Administrator, out of any money in the Treasury  
5 not otherwise appropriated, \$50,000,000, to remain avail-  
6 able until September 30, 2026, for the purpose of facili-  
7 tating the development and review of documents for the  
8 environmental review process for proposed projects, in-  
9 cluding through—

10 “(1) the provision of guidance, technical assist-  
11 ance, templates, training, or tools to facilitate an ef-  
12 ficient and effective environmental review process for  
13 surface transportation projects, including any ad-  
14 ministrative expenses of the Federal Highway Ad-  
15 ministration to conduct such activities; and

16 “(2) providing funds made available under this  
17 subsection to eligible entities—

18 “(A) to build capacity of such eligible enti-  
19 ties and facilitate the environmental review  
20 process for proposed projects, including—

21 “(i) defining the scope or study areas;

22 “(ii) identifying impacts, mitigation  
23 measures, and reasonable alternatives;

24 “(iii) preparing planning and environ-  
25 mental studies and other documents prior  
26 to and during the environmental review

1 process, for potential use in the environ-  
2 mental review process in accordance with  
3 applicable statutes and regulations;

4 “(iv) conducting public engagement  
5 activities; and

6 “(v) carrying out other activities, in-  
7 cluding permitting activities, as the Admin-  
8 istrator determines to be appropriate, to  
9 support the timely completion of an envi-  
10 ronmental review process required for a  
11 proposed project; and

12 “(B) for administrative expenses of the eli-  
13 gible entity to conduct any of the activities de-  
14 scribed in subparagraph (A).

15 “(b) COST SHARE.—

16 “(1) IN GENERAL.—The Federal share of the  
17 cost of an activity carried out under this section by  
18 an eligible entity shall be not more than 80 percent.

19 “(2) SOURCE OF FUNDS.—The non-Federal  
20 share of the cost of an activity carried out under  
21 this section by an eligible entity may be satisfied  
22 using funds made available to the eligible entity  
23 under any other Federal, State, or local grant pro-  
24 gram, including funds made available to the eligible

1 entity under this title or administered by the U.S.  
2 Department of Transportation.

3 “(c) DEFINITIONS.—In this section:

4 “(1) ADMINISTRATOR.—The term ‘Adminis-  
5 trator’ means the Administrator of the Federal  
6 Highway Administration.

7 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
8 tity’ means—

9 “(A) a State;

10 “(B) a unit of local government;

11 “(C) a political subdivision of a State;

12 “(D) a territory of the United States;

13 “(E) an entity described in section  
14 207(m)(1)(E);

15 “(F) a recipient of funds under section  
16 203; or

17 “(G) a metropolitan planning organization  
18 (as defined in section 134(b)(2)).

19 “(3) ENVIRONMENTAL REVIEW PROCESS.—The  
20 term ‘environmental review process’ has the meaning  
21 given the term in section 139(a)(3).

22 “(4) PROPOSED PROJECT.—The term ‘proposed  
23 project’ means a surface transportation project for  
24 which an environmental review process is required.”.

1 (b) CLERICAL AMENDMENT.—The analysis for chap-  
2 ter 1 of title 23, United States Code, is further amended  
3 by adding at the end the following:

“179. Environmental review implementation funds.”.

4 **SEC. 110019. LOW-CARBON TRANSPORTATION MATERIALS**  
5 **GRANTS.**

6 (a) IN GENERAL.—Chapter 1 of title 23, United  
7 States Code, is further amended by adding at the end the  
8 following:

9 **“§ 180. Low-carbon transportation materials grants**

10 “(a) FEDERAL HIGHWAY ADMINISTRATION APPRO-  
11 PRIATION.—In addition to amounts otherwise available,  
12 there is appropriated for fiscal year 2022, out of any  
13 money in the Treasury not otherwise appropriated,  
14 \$900,000,000, to remain available until September 30,  
15 2026, to the Administrator to reimburse eligible recipients  
16 for the incremental costs of using low-embodied carbon  
17 construction materials and products in projects and for  
18 the administrative costs of carrying out this section.

19 “(b) REIMBURSEMENT OF INCREMENTAL COSTS; IN-  
20 CENTIVES.—

21 “(1) REIMBURSEMENT OF INCREMENTAL  
22 COSTS.—

23 “(A) IN GENERAL.—The Administrator  
24 shall, subject to the availability of funds, reim-  
25 burse eligible recipients that use low-embodied

1 carbon construction materials and products on  
2 a project funded under this title.

3 “(B) AMOUNT.—The amount of reimburse-  
4 ment under subparagraph (A) shall be the in-  
5 crementally higher cost of using such materials  
6 relative to the cost of using traditional mate-  
7 rials, as determined by the eligible recipient and  
8 verified by the Administrator.

9 “(2) INCENTIVE.—If a reimbursement is pro-  
10 vided under paragraph (1), the total Federal share  
11 payable for the project for which the reimbursement  
12 is provided shall be up to 100 percent.

13 “(3) LIMITATIONS.—

14 “(A) IN GENERAL.—The Administrator  
15 shall only provide a reimbursement under para-  
16 graph (1) for a project on a—

17 “(i) Federal-aid highway;

18 “(ii) tribal transportation facility;

19 “(iii) Federal lands transportation fa-  
20 cility; or

21 “(iv) Federal lands access transpor-  
22 tation facility.

23 “(B) OTHER RESTRICTIONS.—Amounts  
24 made available under this section shall not be  
25 subject to any restriction or limitation on the



1 total amount of funds available for implementa-  
2 tion or execution of programs authorized for  
3 Federal-aid highways.

4 “(C) SINGLE OCCUPANT PASSENGER VEHI-  
5 CLES.—Funds made available under this sec-  
6 tion shall not be used for projects that result in  
7 additional through travel lanes for single occu-  
8 pant passenger vehicles.

9 “(4) MATERIALS IDENTIFICATION.—The Ad-  
10 ministrator shall review the low-embodied carbon  
11 construction materials and products identified by the  
12 Administrator of the Environmental Protection  
13 Agency and shall identify low-embodied carbon con-  
14 struction materials and products—

15 “(A) appropriate for use in projects eligible  
16 under this title; and

17 “(B) eligible for reimbursement under this  
18 section.

19 “(c) DEFINITIONS.—In this section:

20 “(1) ADMINISTRATOR.—The term ‘Adminis-  
21 trator’ means the Administrator of the Federal  
22 Highway Administration.

23 “(2) ELIGIBLE RECIPIENT.—The term ‘eligible  
24 recipient’ means—

25 “(A) a State;

1 “(B) a unit of local government;

2 “(C) a political subdivision of a State;

3 “(D) a territory of the United States;

4 “(E) an entity described in section  
5 207(m)(1)(E));

6 “(F) a recipient of funds under section  
7 203;

8 “(G) a metropolitan planning organization  
9 (as defined in section 134(b)(2)); or

10 “(H) a special purpose district or public  
11 authority with a transportation function.

12 “(3) EMBODIED CARBON.—The term ‘embodied  
13 carbon’ means the quantity of greenhouse gas emis-  
14 sions associated with all relevant stages of produc-  
15 tion of a material or product, measured in kilograms  
16 of carbon dioxide-equivalent per unit of such mate-  
17 rial or product.

18 “(4) LOW-EMBODIED CARBON CONSTRUCTION  
19 MATERIALS AND PRODUCTS.—The term ‘low-em-  
20 bodied carbon construction materials and products’  
21 means materials and products identified by the Ad-  
22 ministrator of the Environmental Protection Agency  
23 as having substantially lower levels of embodied car-  
24 bon compared to estimated industry averages of  
25 similar products or materials.”.

1 (b) CLERICAL AMENDMENT.—The analysis for chap-  
2 ter 1 of title 23, United States Code, is further amended  
3 by adding at the end the following:

“180. Low-carbon transportation materials grants.”.

4 **SEC. 110020. SOUTHWEST BORDER REGIONAL COMMISSION.**

5 In addition to amounts otherwise available, there is  
6 appropriated to the Southwest Border Regional Commis-  
7 sion for fiscal year 2022, out of any money in the Treas-  
8 ury not otherwise appropriated, \$33,000,000, to remain  
9 available until September 30, 2031, to carry out activities  
10 authorized by subtitle V of title 40, United States Code.

11 **TITLE XII—COMMITTEE ON**  
12 **VETERANS AFFAIRS**

13 **SEC. 120001. DEPARTMENT OF VETERANS AFFAIRS INFRA-**  
14 **STRUCTURE IMPROVEMENTS.**

15 In addition to amounts otherwise available, there is  
16 appropriated for fiscal year 2022, out of any money in  
17 the Treasury not otherwise appropriated, \$2,317,000,000,  
18 to remain available until September 30, 2031, for facilities  
19 under the jurisdiction of, or for the use of, the Department  
20 of Veterans Affairs to carry out sections 2400, 2403,  
21 2404, 2406, 2407, 2412, 8101, 8102 (except for section  
22 8102(d)), 8103 (except for super construction projects as  
23 defined in section 8103(e)(3)), 8104 through 8110, 8122,  
24 and 8161 through 8169 of title 38, United States Code,  
25 taking into consideration the integration of climate resil-

1 iency into infrastructure as well as the needs of under-  
2 served areas and underserved veteran populations.

3 **SEC. 120002. MODIFICATIONS TO ENHANCED-USE LEASE**  
4 **AUTHORITY OF DEPARTMENT OF VETERANS**  
5 **AFFAIRS.**

6 (a) MODIFICATIONS TO AUTHORITY.—Paragraph (2)  
7 of section 8162(a) of title 38, United States Code, is  
8 amended to read as follows:

9 “(2)(A) The Secretary may enter into an enhanced-  
10 use lease on or after the date of the enactment of this  
11 paragraph only if the Secretary determines—

12 “(i) that the lease will not be inconsistent with,  
13 and will not adversely affect—

14 “(I) the mission of the Department; or

15 “(II) the operation of facilities, programs,  
16 and services of the Department in the local  
17 area; and

18 “(ii) that—

19 “(I) the lease will enhance the use of the  
20 leased property by directly or indirectly benefit-  
21 ting veterans; or

22 “(II) the leased property will provide sup-  
23 portive housing.

24 “(B) The Secretary shall give priority to enhanced-  
25 use leases that, on the leased property—

1 “(i) provide supportive housing for veterans;

2 “(ii) provide direct services or benefits targeted  
3 to veterans; or

4 “(iii) provide services or benefits that indirectly  
5 support veterans.”.

6 (b) APPROPRIATION.—In addition to amounts other-  
7 wise available, there is appropriated for fiscal year 2022,  
8 out of any money in the Treasury not otherwise appro-  
9 priated, \$455,000,000 for the Department of Veterans Af-  
10 fairs, to remain available until expended, to enter into en-  
11 hanced-use leases pursuant to section 8162 of title 38,  
12 United States Code, as amended by this section.

13 (c) MODIFICATION OF SUNSET.—Section 8169 of  
14 such title is amended by striking “December 31, 2023”  
15 and inserting “September 30, 2026”.

16 **SEC. 120003. MAJOR MEDICAL FACILITY LEASES OF THE**  
17 **DEPARTMENT OF VETERANS AFFAIRS.**

18 (a) AUTHORITY TO ENTER INTO MAJOR MEDICAL  
19 FACILITY LEASES.—Paragraph (2) of subsection (a) of  
20 section 8104 of title 38, United States Code, is amended—

21 (1) by striking “No funds” and inserting “(A)  
22 No funds”;

23 (2) by striking “or any major medical facility  
24 lease”;

25 (3) by striking “or lease”; and

1           (4) by adding at the end the following new sub-  
2 paragraph:

3           “(B) Funds may be appropriated for a fiscal year,  
4 and the Secretary may obligate and expend funds, includ-  
5 ing for advance planning and design, for any major med-  
6 ical facility lease.”.

7           (b) MODIFICATION OF DEFINITION OF MAJOR MED-  
8 ICAL FACILITY LEASE.—Subparagraph (B) of paragraph  
9 (3) of such subsection is amended to read as follows:

10           “(B) The term ‘major medical facility lease’—

11                   “(i) means a lease for space for use as a  
12 new medical facility approved through the Gen-  
13 eral Services Administration under section  
14 3307(a)(2) of title 40 at an average annual rent  
15 equal to or greater than the dollar threshold de-  
16 scribed in such section, which shall be subject  
17 to annual adjustment in accordance with sec-  
18 tion 3307(h) of such title; and

19                   “(ii) does not include a lease for space for  
20 use as a shared Federal medical facility for  
21 which the Department’s estimated share of the  
22 lease costs does not exceed such dollar thresh-  
23 old.”.

1           (c) INTERIM LEASING ACTIONS.—Such section is fur-  
2 ther amended by adding at the end the following new sub-  
3 section:

4           “(i)(1) The Secretary may carry out interim leasing  
5 actions for major medical facility leases (as defined in sub-  
6 section (a)(3)(B)).

7           “(2) In this subsection, the term ‘interim leasing ac-  
8 tions’ has the meaning given that term by the Adminis-  
9 trator of the General Services Administration.”.

10          (d) APPLICABILITY.—The amendments made by this  
11 section shall apply with respect to a major medical facility  
12 lease of the Department of Veterans Affairs that has not  
13 been specifically authorized by law on or before the date  
14 of the enactment of this Act and is included as part of  
15 the annual budget submission of the Department of Vet-  
16 erans Affairs for fiscal year 2022, 2023, or 2024.

17          (e) PURCHASE OPTIONS.—The Secretary of Veterans  
18 Affairs may obligate and expend funds to exercise a pur-  
19 chase option included in any major medical facility lease  
20 described in subsection (d).

21          (f) APPROPRIATION.—In addition to amounts other-  
22 wise available, there is appropriated for fiscal year 2022,  
23 out of any money in the Treasury not otherwise appro-  
24 priated, \$1,805,000,000, to remain available until ex-  
25 pended, for major medical facility leases pursuant to sub-

1 chapter I of chapter 81 of title 38, United States Code,  
2 as amended by this section, as requested in the annual  
3 budget submission of the Department of Veterans Affairs  
4 for fiscal year 2022, 2023, or 2024.

5 (g) TERMINATION AND RESTORATION.—

6 (1) IN GENERAL.—Effective upon the date of  
7 execution of the final lease award for leases de-  
8 scribed in subsection (d), subsections (a) through (e)  
9 of this section and the amendments made by those  
10 subsections are repealed and any provision of law  
11 amended by those subsections is restored as if those  
12 subsections had not been enacted into law.

13 (2) NOTIFICATION.—The Secretary of Veterans  
14 Affairs shall submit to Congress and the Law Revi-  
15 sion Counsel of the House of Representatives written  
16 notification of the date specified in paragraph (1)  
17 not later than 30 days before such date.

18 **SEC. 120004. INCREASE IN NUMBER OF HEALTH PROFES-**  
19 **SIONS RESIDENCY POSITIONS AT DEPART-**  
20 **MENT OF VETERANS AFFAIRS MEDICAL FA-**  
21 **CILITIES.**

22 (a) INCREASE.—In carrying out section 7302(a)(1)  
23 of title 38, United States Code, during the seven-year pe-  
24 riod beginning on the day that is one year after the date  
25 of the enactment of this Act, the Secretary of Veterans



1 Affairs shall increase the number of health professions  
2 residency positions at medical facilities of the Department  
3 of Veterans Affairs by not more than 500 positions (which  
4 shall be allocated among occupations included in the most  
5 current determination published in the Federal Register  
6 pursuant to section 7412(a) of such title, or allocated pur-  
7 suant to a prioritization by the Secretary of occupations  
8 in primary care, mental health care, and any other health  
9 professions occupation the Secretary determines appro-  
10 priate) through the establishment of such new positions  
11 at—

12           (1) medical facilities where the Secretary estab-  
13           lished such positions pursuant to section 301(b)(2)  
14           of the Veterans Access, Choice, and Accountability  
15           Act of 2014 (Public Law 113–146; 38 U.S.C. 7302  
16           note); or

17           (2) any medical facility—

18                   (A) the director of which expresses an in-  
19                   terest in establishing or expanding a health pro-  
20                   fessions residency program at the medical facil-  
21                   ity; or

22                   (B) that is located in a community that  
23                   has a high concentration of veterans or is expe-  
24                   riencing a shortage of health care professionals.

1 (b) APPROPRIATIONS.—In addition to amounts other-  
2 wise available, there is appropriated to the Department  
3 of Veterans Affairs for fiscal year 2022, out of any money  
4 in the Treasury not otherwise appropriated,  
5 \$268,000,000, to remain available until September 30,  
6 2029, for the purpose of carrying out this section.

7 **SEC. 120005. VETERAN RECORDS SCANNING.**

8 In addition to amounts otherwise available, there is  
9 appropriated to the Veterans Benefits Administration for  
10 fiscal year 2022, out of any money in the Treasury not  
11 otherwise appropriated, \$150,000,000, to remain available  
12 until September 30, 2023, for costs of record scanning  
13 and claims processing, to carry out sections 7701 and  
14 7703 of title 38, United States Code.

15 **SEC. 120006. FUNDING FOR DEPARTMENT OF VETERANS AF-**  
16 **FAIRS OFFICE OF INSPECTOR GENERAL.**

17 In addition to amounts otherwise available, there is  
18 appropriated to the Office of Inspector General of the De-  
19 partment of Veterans Affairs for fiscal year 2022, out of  
20 any money in the Treasury not otherwise appropriated,  
21 \$5,000,000, to remain available until September 30, 2031,  
22 for audits, investigations, and other oversight of projects  
23 and activities carried out with funds made available to the  
24 Department of Veterans Affairs.

1           **TITLE XIII—COMMITTEE ON**  
 2                   **WAYS AND MEANS**  
 3                   **Subtitle A—Universal**  
 4                   **Comprehensive Paid Leave**

5   **SEC. 130001. COMPREHENSIVE PAID LEAVE.**

6           The Social Security Act is amended by adding at the  
 7 end the following:

8           **“TITLE XXII—COMPREHENSIVE**  
 9                   **PAID LEAVE BENEFITS**

10   **“SEC. 2201. TABLE OF CONTENTS.**

11           “The table of contents for this title is as follows:

“Sec. 2201. Table of contents.

“Sec. 2202. Entitlement to comprehensive paid leave benefits.

“Sec. 2203. Benefit amount.

“Sec. 2204. Benefit determination and payment.

“Sec. 2205. Appeals.

“Sec. 2206. Accurate payment.

“Sec. 2207. Funding for benefit payments, grants, and program administration.

“Sec. 2208. Funding for State administration option for legacy States.

“Sec. 2209. Reimbursement option for employer-sponsored comprehensive paid leave benefits.

“Sec. 2210. Definitions.

12   **“SEC. 2202. ENTITLEMENT TO COMPREHENSIVE PAID**  
 13                   **LEAVE BENEFITS.**

14           “(a) IN GENERAL.—Every individual who—

15                   “(1) has filed an application for a comprehensive paid leave benefit in accordance with section  
 16                   2204(a);  
 17                   2204(a);

18                   “(2) has, or anticipates having, at least 4  
 19                   caregiving hours in a week ending at any time dur-

1       ing the period that begins 90 days before the date  
2       on which such application is filed or not later than  
3       90 days after such date;

4               “(3) has wages or self-employment income at  
5       any time during the period—

6                       “(A) beginning with the most recent cal-  
7       endar quarter that ends at least 4 months prior  
8       to the beginning of the individual’s benefit pe-  
9       riod specified in subsection (b); and

10                      “(B) ending with the month before the  
11       month in which such benefit period begins; and

12               “(4) has at least the specified amount of wages  
13       and self-employment income during the most recent  
14       8-calendar quarter period that ends at least 4  
15       months prior to the beginning of the individual’s  
16       benefit period specified in subsection (b),

17 shall be entitled to such a benefit for each month during  
18 such benefit period, except as otherwise provided in this  
19 section. For purposes of paragraph (4), the specified  
20 amount for individuals whose benefit period begins in cal-  
21 endar year 2024 shall be \$2,000, and the specified amount  
22 for individuals whose benefit period begins in any calendar  
23 year after 2024 shall equal the specified amount applicable  
24 for the calendar year preceding such calendar year, or, if  
25 larger, the product of \$2,000 and the quotient obtained

1 by dividing the national average wage index (as defined  
2 in section 2210) for the second calendar year preceding  
3 such calendar year by the national average wage index (as  
4 so defined) for 2022.

5 “(b) BENEFIT PERIOD.—

6 “(1) IN GENERAL.—Except as provided in para-  
7 graph (2), the benefit period specified in this sub-  
8 section is the period beginning with the month in  
9 which ends the 1st week in which the individual has  
10 at least 4 caregiving hours and otherwise would  
11 meet the criteria specified in paragraphs (1), (2),  
12 (3), and (4) of subsection (a) and ending at the end  
13 of the month in which ends the 52nd week ending  
14 during such period.

15 “(2) RETROACTIVE BENEFITS.—In the case of  
16 an application for benefits under this section with  
17 respect to an individual who has at least 4  
18 caregiving hours in a week at any time during the  
19 period that begins 90 days before the date on which  
20 such application is filed, the benefit period specified  
21 in this subsection is the period beginning with the  
22 later of—

23 “(A) the month in which ends the 1st week  
24 in which the individual has at least 4 caregiving  
25 hours; or

1           “(B) the 1st month that begins during  
2           such 90-day period,  
3           and ending at the end of the month in which ends  
4           the 52nd week ending during such period.

5           “(3) LIMITATION.—Notwithstanding para-  
6           graphs (1) and (2), no benefit period under this title  
7           may begin with any month beginning before January  
8           2024.

9           “(c) CAREGIVING HOURS.—

10           “(1) CAREGIVING HOUR DEFINED.—For pur-  
11           poses of this title, the term ‘caregiving hour’ means  
12           a 1-hour period during which the individual engaged  
13           in qualified caregiving (determined on the basis of  
14           information filed with the Commissioner pursuant to  
15           subsection (c) of section 2204).

16           “(2) QUALIFIED CAREGIVING.—

17           “(A) IN GENERAL.—For purposes of this  
18           subsection, the term ‘qualified caregiving’  
19           means any activity engaged in by an individual  
20           in lieu of work (during the hours that constitute  
21           the individual’s regular workweek (within the  
22           meaning of section 2203(d))), other than for  
23           monetary compensation, for a qualifying reason  
24           (as defined in section 2210).

1           “(B) NO MONETARY COMPENSATION PER-  
2           MITTED.—For purposes of subparagraph (A),  
3           an activity shall be considered to be engaged in  
4           by an individual for monetary compensation if,  
5           for the time during which the individual was so  
6           engaged, the individual received—

7                   “(i) wages from an employer;

8                   “(ii) self-employment income; or

9                   “(iii) any form of cash payment made  
10           by an employer for purposes of providing  
11           the individual with paid vacation, paid sick  
12           leave, or any other form of paid time off  
13           (but not including any such form of cash  
14           payment to the extent that the sum of  
15           such cash payment and any comprehensive  
16           paid leave benefits under section 2202 does  
17           not exceed 100 percent of the individual’s  
18           regular rate of pay (as determined under  
19           section 7(e) of the Fair Labor Standards  
20           Act of 1938)).

21           “(C) TREATMENT OF INDIVIDUALS COV-  
22           ERED BY EMPLOYER-SPONSORED COMPREHEN-  
23           SIVE PAID LEAVE PROGRAM.—For purposes of  
24           subparagraph (A), an activity engaged in by an  
25           individual shall not be considered to be engaged

1 in in lieu of work if, for the time during which  
2 the individual was so engaged, the individual is  
3 taking leave from covered employment under an  
4 employer-sponsored program (as defined in sec-  
5 tion 2209(g)).

6 “(D) TREATMENT OF INDIVIDUALS COV-  
7 ERED BY LEGACY STATE COMPREHENSIVE PAID  
8 LEAVE PROGRAM.—For purposes of subpara-  
9 graph (A), an activity engaged in by an indi-  
10 vidual shall not be considered to be engaged in  
11 in lieu of work if, for the time during which the  
12 individual was so engaged, the individual is tak-  
13 ing leave from covered employment under the  
14 law of a legacy State (as defined in section  
15 2208(c)). In the case of an individual who is no  
16 longer employed, such individual shall be treat-  
17 ed, for purposes of the preceding sentence, as  
18 taking leave from covered employment under  
19 the law of a legacy State (as so defined) with  
20 respect to the portion of the time during which  
21 the individual was so engaged corresponding to  
22 the share of the individual’s regular workweek  
23 (within the meaning of 2203(d)) that was in  
24 covered employment under the law of a legacy  
25 State (as so defined).



1       “(d) NO CAREGIVING HOURS IN INDIVIDUAL’S WEEK  
2 OF DEATH.—No caregiving hours of an individual may be  
3 credited under section 2203(c) to the week during which  
4 the individual dies.

5       “(e) DISQUALIFICATION.—An individual who has  
6 been found to have used false statements or representation  
7 to secure benefits under this section shall be ineligible for  
8 benefits under this section for a 5-year period following  
9 the date of such finding.

10 **“SEC. 2203. BENEFIT AMOUNT.**

11       “(a) IN GENERAL.—The amount of the benefit to  
12 which an individual is entitled under section 2202 for a  
13 month shall be an amount equal to the sum of the weekly  
14 benefit amounts for each week ending during such month.  
15 The weekly benefit amount of an individual for a week  
16 shall be equal to the product of the individual’s weekly  
17 benefit rate (as determined under subsection (b)) multi-  
18 plied by a fraction—

19               “(1) the numerator of which is the number of  
20 caregiving hours of the individual credited to such  
21 week (as determined in subsection (c)); and

22               “(2) the denominator of which is the number of  
23 hours in a regular workweek of the individual (as de-  
24 termined in subsection (d)).

25       “(b) WEEKLY BENEFIT RATE.—

1           “(1) IN GENERAL.—For purposes of this sec-  
2           tion, an individual’s weekly benefit rate shall be an  
3           amount equal to the sum of—

4                   “(A) 90.138 percent of the individual’s av-  
5                   erage weekly earnings to the extent that such  
6                   earnings do not exceed the amount established  
7                   for purposes of this subparagraph by paragraph  
8                   (2);

9                   “(B) 73.171 percent of the individual’s av-  
10                   erage weekly earnings to the extent that such  
11                   earnings exceed the amount established for pur-  
12                   poses of subparagraph (A) but do not exceed  
13                   the amount established for purposes of this sub-  
14                   paragraph by paragraph (2); and

15                   “(C) 53.023 percent of the individual’s av-  
16                   erage weekly earnings to the extent that such  
17                   earnings exceed the amount established for pur-  
18                   poses of subparagraph (B) but do not exceed  
19                   the amount established for purposes of this sub-  
20                   paragraph by paragraph (2).

21           “(2) AMOUNTS ESTABLISHED.—

22                   “(A) INITIAL AMOUNTS.—For individuals  
23                   whose benefit period under this title begins in  
24                   calendar year 2024, the amount established for  
25                   purposes of subparagraphs (A), (B), and (C) of

1 paragraph (1) shall be  $\frac{1}{52}$  of \$15,080,  
2 \$34,248, and \$62,000, respectively.

3 “(B) WAGE INDEXING.—For individuals  
4 whose benefit period under this title begins in  
5 any calendar year after 2024, each of the  
6 amounts so established shall equal the cor-  
7 responding amount established for the calendar  
8 year preceding such calendar year, or, if larger,  
9 the product of the corresponding amount estab-  
10 lished with respect to the calendar year 2024  
11 and the quotient obtained by dividing—

12 “(i) the national average wage index  
13 (as defined in section 2210) for the second  
14 calendar year preceding such calendar  
15 year, by

16 “(ii) the national average wage index  
17 (as so defined) for calendar year 2022.

18 “(C) ROUNDING.—Each amount estab-  
19 lished under subparagraph (B) for any calendar  
20 year shall be rounded to the nearest \$1, except  
21 that any amount so established which is a mul-  
22 tiple of \$0.50 but not of \$1 shall be rounded to  
23 the next higher \$1.

24 “(3) AVERAGE WEEKLY EARNINGS.—For pur-  
25 poses of this subsection, an individual’s average

1 weekly earnings, as calculated by the Commissioner,  
2 shall be equal to the quotient obtained by dividing—

3 “(A) the total of the wages and self-em-  
4 ployment income received by the individual dur-  
5 ing the 8-calendar quarter period described in  
6 section 2202(a)(4); by

7 “(B) 104.

8 “(4) EVIDENCE OF EARNINGS.—For purposes  
9 of determining the wages and self-employment in-  
10 come of an individual with respect to an application  
11 for benefits under section 2202, the Commissioner  
12 shall make such determination on the basis of data  
13 provided to the Commissioner from the National Di-  
14 rectory of New Hires pursuant to section 453(j)(12)  
15 and self-employment income information provided to  
16 the Commissioner pursuant to section 6103(l)(23) of  
17 the Internal Revenue Code of 1986, except that the  
18 Commissioner shall also consider any more recent or  
19 additional evidence of wages or self-employment in-  
20 come the individual chooses to additionally submit.

21 “(c) CREDITING OF CAREGIVING HOURS TO A  
22 WEEK.—The number of caregiving hours of an individual  
23 credited to a week as determined under this subsection  
24 shall equal the number of caregiving hours of the indi-  
25 vidual occurring during such week, except that—

1           “(1) such number may not exceed the number  
2 of hours in a regular workweek of the individual (as  
3 determined in subsection (d));

4           “(2) no caregiving hours may be credited to a  
5 week in which fewer than 4 caregiving hours of the  
6 individual occur;

7           “(3) no caregiving hours of the individual may  
8 be credited to the individual’s waiting period, con-  
9 sisting of the first week during an individual’s ben-  
10 efit period in which at least 4 caregiving hours occur  
11 (regardless of whether the individual received any  
12 form of cash payment for the purpose of providing  
13 the individual with paid vacation, paid sick leave, or  
14 any other form of paid time off from the individual’s  
15 employer during such week in accordance with sec-  
16 tion 2202(c)(2)(B)(iii)); and

17           “(4) the total number of caregiving hours cred-  
18 ited to weeks during the individual’s benefit period  
19 may not exceed the product of 4 multiplied by the  
20 number of hours in a regular workweek of the indi-  
21 vidual (as so determined).

22           “(d) NUMBER OF HOURS IN A REGULAR WORK-  
23 WEEK.—For purposes of this section, the number of hours  
24 in a regular workweek of an individual shall be the number  
25 of hours that the individual regularly works in a week for

1 all employers or as a self-employed individual (or regularly  
2 worked in the case of an individual who is no longer work-  
3 ing or whose total weekly hours of work have been re-  
4 duced) during the month before the individual's benefit  
5 period begins (or prior to such month, if applicable in the  
6 case of an individual who is no longer working or whose  
7 total weekly hours of work have been reduced).

8       “(e) SUBMISSION OF REQUIRED INFORMATION.—  
9 Any person may submit applicable paid leave information  
10 with respect to an individual, including, as applicable, the  
11 individual's representative, the individual's employer, or  
12 any relevant authority identified under section 2204(b)(2).  
13 For purposes of this subsection, the term ‘applicable paid  
14 leave information’ means, with respect to an individual,  
15 any information submitted to the Commissioner with re-  
16 spect to the comprehensive paid leave benefits of the indi-  
17 vidual, including any initial application, periodic benefit  
18 claim report, appeal, and any other information submitted  
19 in support of such application, report, or appeal.

20 **“SEC. 2204. BENEFIT DETERMINATION AND PAYMENT.**

21       “(a) IN GENERAL.—An individual seeking benefits  
22 under section 2202 shall file an application with the Com-  
23 missioner containing at least the information described in  
24 subsection (b). Any information contained in an applica-  
25 tion for benefits under section 2202, or in a periodic ben-

1 efit claim report filed with respect to such benefits, shall  
2 be presumed to be true and accurate, unless the Commis-  
3 sioner demonstrates by a preponderance of the evidence  
4 that information contained in the application or periodic  
5 benefit claim report is false, except that the Commissioner  
6 shall mandate procedures to validate the identity of such  
7 individual.

8       “(b) REQUIRED CONTENTS OF INITIAL APPLICA-  
9 TION.—An application for a comprehensive paid leave ben-  
10 efit filed by an individual shall include—

11           “(1) an attestation that the individual has, or  
12 anticipates having, at least 4 caregiving hours in a  
13 week ending at any time during the period that be-  
14 gins 90 days before the date on which such applica-  
15 tion is filed or not later than 90 days after such  
16 date;

17           “(2) at the option of the Commissioner, a cer-  
18 tification, issued by a relevant authority identified  
19 under regulations issued by the Commissioner, that  
20 contains such information as the Commissioner shall  
21 specify in regulations as necessary to affirm the cir-  
22 cumstances giving rise to the need for such  
23 caregiving hours, which shall be no more than is re-  
24 quired for reasonable documentation (as defined in  
25 section 2210);

1           “(3) an attestation from the individual that no-  
2           tice of the individual’s need to be absent from work  
3           during such caregiving hours has been provided, not  
4           later than 7 days after such need arises, to the indi-  
5           vidual’s employer (except in cases of hardship or  
6           other extenuating circumstances or if the individual  
7           does not have (or no longer has) an employer);

8           “(4) pay stubs or such other evidence as the in-  
9           dividual may provide demonstrating the individual’s  
10          wages or self-employment income during the period  
11          described in section 2202(a)(3), except that the  
12          Commissioner may waive this requirement in any  
13          case in which such evidence is otherwise available to  
14          the Commissioner; and

15          “(5) an attestation from the individual stating  
16          the number of hours in a regular workweek of the  
17          individual (within the meaning of section 2203(d)).

18 In the case of an individual who applies for a comprehen-  
19 sive paid leave benefit in the anticipation of caregiving  
20 hours occurring after the date of application, the certifi-  
21 cation described in paragraph (2), the attestations de-  
22 scribed in paragraphs (3) and (5), and the evidence de-  
23 scribed in paragraph (4) may be provided after the 1st  
24 week in which at least 4 such caregiving hours occur.

25          “(c) PERIODIC BENEFIT CLAIM REPORT.—



1           “(1) IN GENERAL.—Except as provided in para-  
2           graph (2), not later than 60 days (or such longer pe-  
3           riod as may be provided in any case in which the  
4           Commissioner determines that good cause exists for  
5           an extension) after the end of each month during  
6           the benefit period of an individual entitled to bene-  
7           fits under section 2202, the individual shall file a  
8           periodic benefit claim report with the Commissioner.  
9           Such periodic benefit claim report shall specify the  
10          caregiving hours of the individual that occurred dur-  
11          ing each week that ended in such month. No peri-  
12          odic benefit claim report shall be required with re-  
13          spect to any week in which fewer than 4 caregiving  
14          hours occurred.

15           “(2) RETROACTIVE APPLICATIONS.—In the case  
16          of an application filed by an individual for a com-  
17          prehensive paid leave benefit with a benefit period  
18          that begins, in accordance with section 2202(b)(2),  
19          with a month that ends before the date on which  
20          such application is filed, the individual may include  
21          with such application the information described in  
22          the second sentence of paragraph (1) with respect to  
23          each week in the benefit period that ends before  
24          such date.

25           “(d) DETERMINATIONS.—

1           “(1) INITIAL APPLICATION.—The Commissioner  
2           shall determine, with respect to an individual apply-  
3           ing for benefits under section 2202, the initial enti-  
4           tlement and the benefit period in accordance with  
5           such section, and the weekly benefit rate, average  
6           weekly earnings, and the number of hours in a reg-  
7           ular workweek in accordance with section 2203.

8           “(2) MONTHLY BENEFIT DETERMINATIONS.—  
9           On the basis of the information filed with the Com-  
10          missioner pursuant to subsection (c), the Commis-  
11          sioner shall determine, with respect to an individual  
12          for each week ending in a month, the number of  
13          caregiving hours to be credited to such week in ac-  
14          cordance with section 2203(c).

15          “(3) CHANGING CIRCUMSTANCES.—If more  
16          than one type of circumstance gives rise to the need  
17          for caregiving hours during the individual’s benefit  
18          period, such caregiving hours shall be credited to  
19          weeks within the benefit period in accordance with  
20          section 2203(c) regardless of circumstance.

21          “(e) CERTIFICATION OF PAYMENT.—Not later than  
22          15 days after the making of a determination under sub-  
23          section (d)(2) with respect to the number of caregiving  
24          hours of an individual to be credited to weeks ending in  
25          a month, the Commissioner shall certify payment of the

1 comprehensive paid leave benefit for such month to be  
2 made to such individual, and the Secretary of the Treas-  
3 ury shall make such payment in accordance with the cer-  
4 tification of the Commissioner of Social Security.

5 “(f) REGULATIONS AND PROCEDURES.—The Com-  
6 missioner shall have full power and authority to make  
7 rules and regulation, including interim final regulations,  
8 and to establish procedures, not inconsistent with this  
9 title, which are necessary and appropriate to carry out this  
10 title.

11 **“SEC. 2205. APPEALS.**

12 “(a) IN GENERAL.—An individual shall have the  
13 right—

14 “(1) to appeal to the Commissioner any deter-  
15 mination made with respect to—

16 “(A) comprehensive paid leave benefits  
17 under section 2202; and

18 “(B) comprehensive paid leave benefits  
19 under an employer-sponsored program de-  
20 scribed in section 2209 whose appeal to the em-  
21 ployer (or administering entity) pursuant to  
22 subsection (b)(1)(B)(iii)(I) of such section re-  
23 sults in a determination unfavorable to the indi-  
24 vidual; and

1           “(2) to have the appeal heard in a timely man-  
2 ner by a decisionmaker who was not the initial deci-  
3 sionmaker and who reviews any additional evidence  
4 submitted.

5           “(b) TREATMENT OF DETERMINATIONS ON AP-  
6 PEAL.—Any determination by the Commissioner on an ap-  
7 peal under this section shall be a final determination.

8 **“SEC. 2206. ACCURATE PAYMENT.**

9           “(a) UNDERPAYMENTS AND OVERPAYMENTS.—

10           “(1) IN GENERAL.—Whenever the Commis-  
11 sioner determines that more or less than the correct  
12 amount of payment has been made to any individual  
13 under this title, the Commissioner shall promptly no-  
14 tify the individual of such determination and inform  
15 the individual of the right to appeal such determina-  
16 tion in accordance with the provisions of section  
17 2205. Proper adjustment or recovery shall be made  
18 as follows:

19           “(A) UNDERPAYMENTS.—With respect to  
20 payment to an individual of less than the cor-  
21 rect amount, the Commissioner shall promptly  
22 pay the balance of the amount due to such un-  
23 derpaid individual.

24           “(B) OVERPAYMENTS.—

1           “(i) IN GENERAL.—With respect to  
2           payment to an individual of more than the  
3           correct amount, the Commissioner shall de-  
4           crease any payment for a month under sec-  
5           tion 2202 to which such overpaid indi-  
6           vidual is entitled (except that no such pay-  
7           ment may be decreased in any manner that  
8           results in weekly benefit amounts for each  
9           week ending during such month that are  
10          less than the lower of the weekly benefit  
11          amounts for each such week as determined  
12          for such individual under section 2203(a)  
13          or the amount specified in clause (ii) with  
14          respect to such weekly benefit amounts of  
15          the individual), or shall require such over-  
16          paid individual to refund the amount in ex-  
17          cess of the correct amount, or shall apply  
18          any combination of the foregoing.

19          “(ii) LIMITATION ON RECOVERY.—

20                 “(I) AMOUNT SPECIFIED.—The  
21                 amount specified in this clause with  
22                 respect to a weekly benefit amount of  
23                 an individual for a week is an amount  
24                 equal to the weekly benefit amount  
25                 that would be determined for the indi-

1           vidual for such week under section  
2           2203(a) if the individual’s weekly ben-  
3           efit rate (as determined under section  
4           2203(b)) were equal to the applicable  
5           dollar amount as determined under  
6           subclause (II).

7                   “(II)    APPLICABLE    DOLLAR  
8           AMOUNT.—For purposes of subclause  
9           (I), the applicable dollar amount is—

10                           “(aa) with respect to a  
11                           weekly benefit amount deter-  
12                           mined for a week ending in a  
13                           month in calendar year 2024,  
14                           \$315; and

15                           “(bb) with respect to a  
16                           weekly benefit amount deter-  
17                           mined for a week ending in a  
18                           month in any calendar year after  
19                           2024, the corresponding amount  
20                           established with respect to a  
21                           weekly benefit amount deter-  
22                           mined for a week ending in a  
23                           month in the calendar year pre-  
24                           ceding such calendar year or, if  
25                           larger, the product of the cor-

1           responding amount specified in  
2           item (aa) with respect to a week-  
3           ly benefit amount determined for  
4           a week ending in a month in cal-  
5           endar year 2024 multiplied by  
6           the quotient obtained by divid-  
7           ing—

8                       “(AA) the national av-  
9                       erage wage index (as defined  
10                      in section 2210) for the sec-  
11                      ond calendar year preceding  
12                      such calendar year, by

13                     “(BB) the national av-  
14                     erage wage index (as so de-  
15                     fined) for 2022.

16           “(2) WAIVER OF CERTAIN OVERPAYMENTS.—In  
17           any case in which more than the correct amount of  
18           payment for comprehensive paid leave benefits under  
19           section 2202 has been made, there shall be no ad-  
20           justment of payments to, or recovery from, any indi-  
21           vidual who was without fault in connection with the  
22           overpayment if such adjustment or recovery would  
23           defeat the purpose of this title or would impede effi-  
24           cient or effective administration of this title, or if  
25           such individual relied on the receipt or expected pay-

1       ment of comprehensive paid leave benefits under sec-  
2       tion 2202 to make a financial decision. In consid-  
3       ering whether an individual is without fault, the  
4       Commissioner shall take into account the individ-  
5       ual's age and any physical impairment or mental im-  
6       pairment (including intellectual disability), limited  
7       English proficiency, low levels of literacy skills, edu-  
8       cational limitations, and any other circumstances  
9       that may render the individual not at fault.

10       “(b) CIVIL MONETARY PENALTY.—

11               “(1) IN GENERAL.—Any person who knowingly  
12       makes a false statement, misrepresents a fact, or  
13       omits material information in connection with an ap-  
14       plication for benefits under section 2202 or a peri-  
15       odic benefit claim report under section 2204 shall be  
16       subject to a civil monetary penalty of not more than  
17       the amount determined under paragraph (2) for a  
18       calendar year for each such statement, misrepresen-  
19       tation, or omission.

20               “(2) AMOUNT DETERMINED.—The amount de-  
21       termined under this paragraph for a calendar year  
22       shall be the amount that would be in effect for such  
23       calendar year if such penalty—

24                       “(A) had been first established in the  
25       amount of \$5,000 in calendar year 1994; and



1           “(B) had been initially adjusted for infla-  
2           tion in calendar year 2016.

3           “(c) EXCLUSION FROM PARTICIPATION.—

4           “(1) IN GENERAL.—No person or entity who—

5           “(A) knowingly and willfully makes or  
6           causes to be made any false statement or rep-  
7           resentation of a material fact in any application  
8           for any benefit under this title,

9           “(B) at any time knowingly and willfully  
10          makes or causes to be made any false statement  
11          or representation of a material fact for use in  
12          determining rights to any such benefit,

13          “(C) having knowledge of the occurrence of  
14          any event affecting (i) his initial or continued  
15          right to any such benefit, or (ii) the initial or  
16          continued right to any such benefit of any other  
17          individual in whose behalf he has applied for or  
18          is receiving such benefit, conceals or fails to dis-  
19          close such event with an intent fraudulently to  
20          secure such benefit either in a greater amount  
21          or quantity than is due or when no such benefit  
22          is authorized,

23          “(D) having made application to receive  
24          any such benefit for the use and benefit of an-  
25          other and having received it, knowingly and

1 willfully converts such benefit or any part there-  
2 of to a use other than for the use and benefit  
3 of such other person, or

4 “(E) conspires to take any action described  
5 in any of subparagraphs (A) through (C),  
6 may represent, or submit evidence on behalf of, an  
7 individual applying for, or receiving, benefits under  
8 this title.

9 “(2) EFFECTIVE DATE.—An exclusion under  
10 this paragraph shall be effective with respect to serv-  
11 ices furnished to any individual on or after the effec-  
12 tive date of the exclusion. Nothing in this paragraph  
13 may be construed to preclude consideration of any  
14 medical evidence derived from services provided by a  
15 health care provider before the effective date of the  
16 exclusion of the health care provider under this sub-  
17 section.

18 “(d) REDETERMINATION OF ENTITLEMENT.—

19 “(1) IN GENERAL.—

20 “(A) TERMINATION OR REVERSAL OF BEN-  
21 EFITS.—The Commissioner shall immediately  
22 redetermine the entitlement of an individual to  
23 comprehensive paid leave benefits under section  
24 2202 if there is reason to believe that fraud or

1 similar fault was involved in the application of  
2 the individual for such benefits.

3 “(B) DISREGARD OF CERTAIN EVI-  
4 DENCE.—When redetermining the entitlement,  
5 or making an initial determination of entitle-  
6 ment, of an individual under this title, the Com-  
7 missioner shall disregard any evidence if there  
8 is reason to believe that fraud or similar fault  
9 was involved in the providing of such evidence.

10 “(2) SIMILAR FAULT DESCRIBED.—For pur-  
11 poses of paragraph (1), similar fault is involved with  
12 respect to a determination if—

13 “(A) an incorrect or incomplete statement  
14 that is material to the determination is know-  
15 ingly made; or

16 “(B) information that is material to the  
17 determination is knowingly concealed.

18 “(3) TERMINATION OF BENEFITS.—If, after re-  
19 determining pursuant to this subsection the entitle-  
20 ment of an individual to comprehensive paid leave  
21 benefits, the Commissioner determines that there is  
22 insufficient evidence to support such entitlement, the  
23 Commissioner may terminate such entitlement and  
24 may treat benefits paid on the basis of such insuffi-  
25 cient evidence as overpayments.

1 **“SEC. 2207. FUNDING FOR BENEFIT PAYMENTS, GRANTS,**  
2 **AND PROGRAM ADMINISTRATION.**

3 “(a) FUNDING FOR BENEFIT PAYMENTS AND  
4 GRANTS.—In addition to amounts otherwise available,  
5 there are appropriated, out of any funds in the Treasury  
6 not otherwise appropriated, such sums as may be nec-  
7 essary to pay benefits under section 2202 and for grants  
8 under sections 2208 and 2209.

9 “(b) FUNDING FOR PROGRAM ADMINISTRATION.—

10 “(1) IN GENERAL.—In addition to amounts  
11 otherwise available, there is appropriated, out of any  
12 funds in the Treasury not otherwise appropriated,  
13 \$1,500,000,000 for fiscal year 2022 and  
14 \$1,590,700,000 for each subsequent fiscal year (sub-  
15 ject to paragraph (2)) for timely and accurate ad-  
16 ministration of all sections of this title, including  
17 costs related to necessary customer service, staffing,  
18 technology, training, data sharing, identity valida-  
19 tion, technical assistance to legacy States under sec-  
20 tion 2208 and employers or employer-designated  
21 third party administrators under section 2209, pub-  
22 lic education and outreach to potential beneficiaries,  
23 and research for the purpose of ensuring full and eq-  
24 uitable access to the programs under this title.

25 “(2) INDEXING TO WAGE GROWTH.—For each  
26 fiscal year after 2024, there shall be substituted for

1 the dollar amount specified in paragraph (1) for  
2 such fiscal year an amount equal to the larger of the  
3 dollar amount in effect under this subsection for the  
4 fiscal year preceding such fiscal year or the product  
5 of \$1,590,700,000 multiplied by the ratio of—

6 “(A) the national average wage index (as  
7 defined in section 2210) for the most recent  
8 calendar year that ends before the beginning of  
9 such preceding fiscal year, to

10 “(B) the national average wage index (as  
11 so defined) for 2021.

12 “(3) NO USE OF TITLE II FUNDS.—No funds  
13 made available for the administration of title II may  
14 be used to carry out the paid leave program estab-  
15 lished under this title.

16 “(c) AVAILABILITY OF EMERGENCY FUNDING.—In  
17 addition to amounts otherwise available, there is appro-  
18 priated for fiscal year 2022, out of any funds in the Treas-  
19 ury not otherwise appropriated, \$500,000,000, to remain  
20 available until expended, for administrative expenses de-  
21 scribed in subsection (b)(1) during fiscal year 2024 or any  
22 subsequent fiscal year, except that such amount shall not  
23 be available in any fiscal year unless the Commissioner  
24 determines that the number of applications filed during  
25 such fiscal year for comprehensive paid leave benefits

1 under section 2202(a) will exceed the number that were  
2 anticipated to be filed during such fiscal year (as deter-  
3 mined by the Commissioner) by 20 percent or more.

4 **“SEC. 2208. FUNDING FOR STATE ADMINISTRATION OPTION**  
5 **FOR LEGACY STATES.**

6 “(a) IN GENERAL.—In each calendar year beginning  
7 with calendar year 2025, the Commissioner shall make a  
8 grant to each State that, for the calendar year preceding  
9 such calendar year, was a legacy State and that met the  
10 data sharing requirements of subsection (e), in an amount  
11 equal to the lesser of—

12 “(1) an amount, as estimated by the Commis-  
13 sioner, equal to the total amount of comprehensive  
14 paid leave benefits that would have been paid under  
15 section 2202 (including the costs to the Commis-  
16 sioner to administer such benefits, not to exceed (for  
17 purposes of estimating such total amount under this  
18 paragraph) 7 percent of the total amount of such  
19 benefits paid) to individuals who received paid family  
20 and medical leave benefits under a State law de-  
21 scribed in paragraph (1) or (3) of subsection (b)  
22 during the calendar year preceding such calendar  
23 year if the State had not been a legacy State for  
24 such preceding calendar year; or

1           “(2) an amount equal to the total cost of paid  
2 family and medical leave benefits under a State law  
3 described in paragraph (1) or (3) of subsection (b)  
4 for the calendar year preceding such calendar year,  
5 including—

6           “(A) any paid family and medical leave  
7 benefits provided by an employer (whether di-  
8 rectly, under a contract with an insurer, or pro-  
9 vided through a multiemployer plan) as de-  
10 scribed in subsection (d); and

11           “(B) the full cost to the State of admin-  
12 istering such law (except that such cost may  
13 not exceed 7 percent of the total amount of  
14 paid family and medical leave benefits paid  
15 under such State law).

16 In any case in which, during any calendar year, the Com-  
17 missioner has reason to believe that a State will be a leg-  
18 acy State and meet the data sharing requirements of sub-  
19 section (e) for such calendar year, the Commissioner may  
20 make estimated payments during such calendar year of  
21 the grant which would be paid to such State in the suc-  
22 ceeding calendar year, to be adjusted as appropriate in  
23 the succeeding calendar year.

1       “(b) LEGACY STATE.—For purposes of this section,  
2 the term ‘legacy State’ for a calendar year means a State  
3 with respect to which the Commissioner determines that—

4               “(1) the State has enacted, not later than the  
5 date of enactment of this title, a State law that pro-  
6 vides paid family and medical leave benefits;

7               “(2) for any calendar year that begins before  
8 the date that is 3 years after the date of enactment  
9 of this title, the State certifies to the Commissioner  
10 that the State intends to remain a legacy State and  
11 meet the data sharing requirements of subsection (e)  
12 at least through the first calendar year that begins  
13 on or after such date; and

14               “(3) for any calendar year that begins on or  
15 after such date, a State law of the State provides for  
16 a State program to remain in effect throughout such  
17 calendar year that provides comprehensive paid fam-  
18 ily and medical leave benefits (which may be paid di-  
19 rectly by the State or, if permitted under such State  
20 law, by an employer pursuant to such State law)—

21                       “(A) for at least 4 full workweeks of leave  
22 during each 12-month period to at least all of  
23 those individuals in the State who would be eli-  
24 gible for comprehensive paid leave benefits  
25 under section 2202 (without regard to section



1           2202(c)(2)(D)), except that the State shall pro-  
2           vide such benefits for leave from employment by  
3           the State or any political subdivision thereof,  
4           and may elect to provide such benefits for leave  
5           from any other governmental employment;

6                   “(B) at a wage replacement rate that is at  
7           least equivalent to the wage replacement rate  
8           under the comprehensive paid leave benefit pro-  
9           gram under section 2202 (without regard to  
10          section 2202(c)(2)(D)).

11          “(c) COVERED EMPLOYMENT UNDER THE LAW OF  
12   A LEGACY STATE.—For purposes of this title, the term  
13   ‘covered employment under the law of a legacy State’  
14   means employment (or self-employment) with respect to  
15   which an individual would be eligible to receive paid family  
16   and medical benefits under the State law of a State, as  
17   described in paragraph (1) or (3) of subsection (b), during  
18   any period during which such State is a legacy State.

19          “(d) EMPLOYER-PROVIDED BENEFITS IN A LEGACY  
20   STATE.—

21                   “(1) TREATMENT FOR PURPOSES OF THIS  
22   TITLE.—Notwithstanding any provision of section  
23   2209, in the case of a State that permits paid family  
24   and medical leave benefits to be provided by an em-  
25   ployer (whether directly, under a contract with an

1 insurer, or provided through a multiemployer plan)  
2 pursuant to a State law described in paragraph (1)  
3 or (3) of subsection (b)—

4 “(A) such benefits shall be considered, for  
5 all purposes under this title, paid family and  
6 medical leave benefits under the law of a legacy  
7 State; and

8 “(B) leave for which such benefits are paid  
9 shall be considered, for all such purposes, leave  
10 from covered employment under the law of a  
11 legacy State.

12 “(2) DISTRIBUTION OF GRANT FUNDS.—In any  
13 case in which paid family and medical leave benefits  
14 are provided by one or more employers (whether di-  
15 rectly, under a contract with an insurer, or provided  
16 through a multiemployer plan) in a legacy State pur-  
17 suant to a State law described in paragraph (1) or  
18 (3) of subsection (b), the State, upon the receipt of  
19 any grant amount under subsection (a), may dis-  
20 tribute an appropriate share of such grant to each  
21 such employer.

22 “(e) DATA SHARING.—As a condition of receiving a  
23 grant under subsection (a) in a calendar year, a State  
24 shall enter into an agreement with the Commissioner  
25 under which the State shall provide the Commissioner—

1           “(1) with information, to be provided periodi-  
2 cally as determined by the Commissioner, concerning  
3 individuals who received a paid leave benefit under  
4 a State law described in paragraph (1) or (3) of sub-  
5 section (b), including each individual’s name, infor-  
6 mation to establish the individual’s identity, dates  
7 for which such paid leave benefits were paid, the  
8 amount of such paid leave benefit, and, to the extent  
9 available, such other information concerning such in-  
10 dividuals as necessary for the purpose of carrying  
11 out this section and section 2202(c)(2)(D);

12           “(2) not later than July 1 of such calendar  
13 year, the amount described in subsection (a)(2) for  
14 the calendar year preceding such calendar year; and

15           “(3) such other information as needed to deter-  
16 mine compliance with grant requirements.

17           “(f) GREATER BENEFITS PERMITTED.—Nothing in  
18 this section shall be construed to prohibit a legacy State  
19 or an employer providing benefits pursuant to a legacy  
20 State law from providing paid family and medical leave  
21 benefits that exceed the requirements described in this sec-  
22 tion.

1 **“SEC. 2209. REIMBURSEMENT OPTION FOR EMPLOYER-**  
2 **SPONSORED COMPREHENSIVE PAID LEAVE**  
3 **BENEFITS.**

4 “(a) IN GENERAL.—For each calendar year begin-  
5 ning with calendar year 2024, the Commissioner shall  
6 make a grant to each employer that is an eligible employer  
7 for such calendar year in an amount equal to—

8 “(1) in the case of an eligible employer spon-  
9 soring a comprehensive paid leave benefit program  
10 with respect to which benefits are awarded and paid  
11 under a contract with an insurer (or through a mul-  
12 tiemployer plan), an amount (not to exceed the em-  
13 ployer’s expenditures for such program) equal to the  
14 lesser of—

15 “(A) 90 percent of the product of—

16 “(i) the projected national average  
17 cost per individual of providing comprehen-  
18 sive paid leave benefits under section 2202  
19 as determined by the Commissioner for  
20 such calendar year under subsection (c)(3)  
21 (or, in the case of a calendar year during  
22 which the eligible employer sponsored such  
23 comprehensive paid leave benefit program  
24 for only a fraction of the year, an equal  
25 fraction of such projected national average  
26 cost); multiplied by

1           “(ii) the number of eligible employees  
2           (within the meaning of subsection  
3           (b)(1)(A) and pro-rated for part-time eligi-  
4           ble employees) whose employment is cov-  
5           ered employment under the employer-spon-  
6           sored program (as defined in subsection  
7           (g)) for such calendar year (or, in the case  
8           of a calendar year during which the eligible  
9           employer sponsored such comprehensive  
10          paid leave benefit program for only a frac-  
11          tion of the year, for such fraction of the  
12          year); and

13          “(B) 90 percent of the total premiums  
14          paid to the insurer (or contributions paid to the  
15          multiemployer plan) by the eligible employer  
16          under such contract (or such plan) for such cal-  
17          endar year (or such fraction thereof) for the  
18          coverage under such contract (or such plan) of  
19          eligible employees of the employer; and

20          “(2) in the case of an eligible employer spon-  
21          soring a self-insured comprehensive paid leave ben-  
22          efit program with respect to which benefits are  
23          awarded and paid directly by the employer (or by a  
24          third party administrator on behalf of the employer),  
25          an amount equal to 90 percent of—

1           “(A) the amount of benefits paid under the  
2           program for such calendar year to eligible em-  
3           ployees of the employer for up to 4 weeks of  
4           leave per eligible employee; or

5           “(B) if lesser, the product of the national  
6           average weekly benefit amount paid under sec-  
7           tion 2203(a) during such calendar year multi-  
8           plied by the number of weeks of leave (up to 4  
9           per eligible employee) paid by the employer for  
10          all eligible employees under the program for the  
11          calendar year.

12          “(b) ELIGIBILITY.—

13                 “(1) IN GENERAL.—For purposes of subsection  
14                 (a), an eligible employer for a calendar year is an  
15                 employer (other than the Federal Government or the  
16                 government of any State (or political subdivision  
17                 thereof) that is a legacy State for such calendar year  
18                 under section 2208) that satisfies all of the following  
19                 requirements:

20                         “(A) NON-LEGACY STATE EMPLOYEES.—

21                         The employer has one or more employees dur-  
22                         ing such calendar year whose employment with  
23                         such employer is not covered employment under  
24                         the law of a legacy State (as defined in section

1           2208(c)) (in this section referred to as ‘eligible  
2 employees’).

3           “(B) GRANT CONDITIONS.—As a condition  
4 of the grant, the employer agrees—

5                   “(i) that, on return from leave under  
6 the program described in subparagraph  
7 (C)(ii), the eligible employee taking such  
8 leave will—

9                           “(I) be restored by the employer  
10 to the position of employment held by  
11 the eligible employee when the leave  
12 commenced; or

13                           “(II) be restored to an equivalent  
14 position with equivalent employment  
15 benefits, pay, and other terms and  
16 conditions of employment;

17                           “(ii) to maintain coverage for the eli-  
18 gible employee under any ‘group health  
19 plan’ (as defined in section 2210) for the  
20 duration of such leave at the level and  
21 under the conditions coverage would have  
22 been provided if the eligible employee had  
23 continued in employment continuously for  
24 the duration of such leave;

1           “(iii) in any case in which an eligible  
2 employee receives an adverse determination  
3 from the employer (or administering enti-  
4 ty) with respect to comprehensive paid  
5 leave benefits under the program described  
6 in subparagraph (C)(ii)—

7           “(I) to provide opportunity for  
8 the eligible employee to appeal such  
9 adverse determination to the employer  
10 (or administering entity); and

11           “(II) in any case in which the eli-  
12 gible employee elects to appeal the re-  
13 sults of such initial appeal to the  
14 Commissioner pursuant to section  
15 2205(a)(1)(B) and the final decision  
16 of the Commissioner is in the eligible  
17 employee’s favor, to provide for the  
18 payment of such comprehensive paid  
19 leave benefits in addition to the costs  
20 to the Commissioner of such sec-  
21 ondary appeal;

22           “(iv) to provide annual notice to all el-  
23 igible employees stating that their employ-  
24 ment is covered employment under an em-  
25 ployer-sponsored program (as defined in



1 subsection (g)) and informing them of the  
2 right to appeal any adverse determination  
3 with respect to comprehensive paid leave  
4 benefits under the program described in  
5 subparagraph (C)(ii); and

6 “(v) not to impose any fee on any eli-  
7 gible employee related to ensuring cov-  
8 erage, or to the receipt of comprehensive  
9 paid leave benefits, under the program de-  
10 scribed in subparagraph (C)(ii).

11 “(C) APPLICATION; SUBMISSION OF RE-  
12 QUIRED INFORMATION.—Not later than the cer-  
13 tification deadline specified in paragraph (2)(A)  
14 for such calendar year, the employer—

15 “(i) notifies the Commissioner that  
16 the employer intends to seek a grant under  
17 this section for such calendar year;

18 “(ii) certifies to the Commissioner  
19 that the employer will have in effect during  
20 such calendar year a comprehensive paid  
21 leave benefit program that meets the re-  
22 quirements of subsection (c) and, not later  
23 than the submission deadline specified in  
24 paragraph (2)(B) for such calendar year,  
25 provides all documentation relating to such

1 program as the Commissioner may request;

2 and

3 “(iii) pays an application fee to the  
4 Commissioner in accordance with this sub-  
5 paragraph, such amounts to remain avail-  
6 able to the Commissioner without further  
7 appropriation, in addition to amounts oth-  
8 erwise available, to administer this section  
9 and appeals described in section  
10 2205(a)(1)(B).

11 In the case of an initial application, the applica-  
12 tion fee under this subparagraph shall be \$500  
13 for an employer with 50 or fewer employees,  
14 \$1,000 for an employer with more than 50 but  
15 fewer than 500 employees, and \$2,000 for an  
16 employer with 500 or more employees. In the  
17 case of a renewed application, the application  
18 fee under this subparagraph shall be \$200.

19 “(D) APPROVAL BY THE COMMISSIONER.—  
20 The comprehensive paid leave benefit program  
21 referred to in subparagraph (C)(ii) is subse-  
22 quently approved by the Commissioner as meet-  
23 ing all applicable requirements.

1           “(E) INFORMATION SUBMISSION REQUIRE-  
2           MENT.—At the time of application for such  
3           grant for each calendar year, the employer—

4                   “(i) submits to the Commissioner—

5                           “(I) an attestation that the com-  
6                           prehensive paid leave benefit program  
7                           referred to in subparagraph (C)(ii)  
8                           will remain in effect during the whole  
9                           of such calendar year (or, in the case  
10                          of a program not in effect at the be-  
11                          ginning of such calendar year, an at-  
12                          testation that such program will re-  
13                          main in effect until the end of such  
14                          calendar year); and

15                           “(II) with respect to each eligible  
16                           employee of the employer whose em-  
17                           ployment is covered employment  
18                           under the employer-sponsored pro-  
19                           gram (as defined in subsection (g))  
20                           for such calendar year, the eligible  
21                           employee’s name, information to es-  
22                           tablish the eligible employee’s identity,  
23                           and in the case of a part-time eligible  
24                           employee (for purposes of determining  
25                           the number of eligible employees (pro-

1 rated for part-time eligible employees)  
2 covered under the program for such  
3 calendar year under subsection  
4 (a)(1)(B)), the number of hours the  
5 eligible employee regularly works in a  
6 week; and

7 “(ii) agrees to submit information to  
8 the Commissioner as described in sub-  
9 section (e).

10 “(F) MAINTENANCE OF RECORDS.—The  
11 employer agrees to retain all records relating to  
12 the employer’s comprehensive paid leave benefit  
13 program for not less than 3 years.

14 “(G) ADDITIONAL GRANT REQUIRE-  
15 MENTS.—As a condition of the grant, the em-  
16 ployer (or administering entity) does not—

17 “(i) interfere with, restrain, or deny  
18 the exercise of, or the attempt to exercise,  
19 any right provided under the program de-  
20 scribed in subparagraph (C)(ii); or

21 “(ii) discharge, or in any other man-  
22 ner discriminate against, any eligible em-  
23 ployee for opposing any practice prohibited  
24 by such program.

1           “(H) ADDITIONAL ELIGIBILITY REQUIRE-  
2           MENTS FOR SELF-INSURED EMPLOYERS.—In  
3           the case of a comprehensive paid leave benefit  
4           program of an employer with respect to which  
5           benefits are awarded and paid directly by the  
6           employer (or by a third party administrator on  
7           behalf of the employer)—

8                   “(i) such employer employs at least  
9                   50 eligible employees; and

10                   “(ii) such benefits are guaranteed by  
11                   a surety bond held by the employer.

12           “(2) TIMING OF APPLICATION.—

13                   “(A) CERTIFICATION.—The certification  
14                   deadline specified in this subparagraph for a  
15                   calendar year is the date that is 90 days before  
16                   the beginning of the calendar year, or, if later,  
17                   the date that is 90 days before a plan described  
18                   in paragraph (1)(C)(ii) first goes into effect.

19                   “(B) SUBMISSION OF DOCUMENTATION.—  
20                   The submission deadline specified in this sub-  
21                   paragraph for a calendar year is the date that  
22                   is 45 days before the beginning of the calendar  
23                   year, or, if later, the date that is 45 days before  
24                   a plan described in paragraph (1)(C)(ii) first  
25                   goes into effect.

1 “(c) EMPLOYER PROGRAM REQUIREMENTS.—

2 “(1) IN GENERAL.—A comprehensive paid leave  
3 benefit program shall not be considered to meet the  
4 requirements of this subsection unless such program  
5 consists of a written employer policy in accordance  
6 with paragraph (2) that provides for the payment,  
7 through one or more employee benefit plans, of fam-  
8 ily and medical leave benefits (in addition to any  
9 paid vacation, paid sick leave, or paid consolidated  
10 leave otherwise provided), which may be guaranteed  
11 through an insurer or provided through a multiem-  
12 ployer plan and which may be administered by an  
13 insurer, multiemployer plan, or by another third-  
14 party entity, that includes each element described in  
15 subparagraphs (A) through (H) of paragraph (2),  
16 and under which the employer provides for each of  
17 the following:

18 “(A) Each of the additional grant condi-  
19 tions described in subsection (b)(1)(B).

20 “(B) Each of the requirements described  
21 in subsection (b)(1)(G).

22 “(C) Submission of information to the  
23 Commissioner as described in subsection (e).

24 “(2) COMPREHENSIVE PAID LEAVE PLAN RE-  
25 QUIREMENTS FOR GRANTEES.—As a condition of a

1 grant under this section, the written employer policy  
2 referred to in paragraph (1) shall provide com-  
3 prehensive paid leave benefits—

4 “(A) to all eligible employees of the em-  
5 ployer, regardless of length of service, job type,  
6 membership in a labor organization, seniority  
7 status, or any other employee classification;

8 “(B) at a wage replacement rate that is at  
9 least as great as the wage replacement rate that  
10 an eligible employee would receive under the  
11 comprehensive paid leave benefit program under  
12 section 2202 (without regard to section  
13 2202(c)(2)(C));

14 “(C) for a total number of weeks of paid  
15 leave that is at least as great as the total num-  
16 ber of weeks of paid leave that an eligible em-  
17 ployee would receive under such program (with-  
18 out regard to such section);

19 “(D) for all qualifying reasons (as de-  
20 scribed in subparagraphs (A), (B), and (C) of  
21 section 2210(6)), regardless of any pre-existing  
22 medical conditions;

23 “(E) for leave which may be taken inter-  
24 mittently or on a reduced leave schedule;

1           “(F) that does not impose any fee on any  
2           eligible employee related to ensuring coverage  
3           for, or to the receipt of, such benefits;

4           “(G) which must be paid not less fre-  
5           quently than monthly; and

6           “(H) for which any information contained  
7           in an application for such benefits shall be pre-  
8           sumed to be true and accurate, unless the em-  
9           ployer (or administering entity) demonstrates  
10          by a preponderance of the evidence that infor-  
11          mation contained in the application is false.

12          “(3) NATIONAL AVERAGE COST.—Not later  
13          than October 1 of the calendar year before each cal-  
14          endar year beginning with 2024, the Commissioner  
15          shall determine and publish the projected national  
16          average cost per individual of providing comprehen-  
17          sive paid leave benefits under section 2202 for such  
18          calendar year, such cost to be determined by divid-  
19          ing the total cost of benefits under such section for  
20          such calendar year (including the costs to the Com-  
21          missioner to administer such benefits, not to exceed  
22          (for purposes of calculating the national average cost  
23          under this paragraph) 7 percent of the total amount  
24          of such benefits paid) by the number of individ-  
25          uals—



1           “(A) who have wages or self-employment  
2           income at any time during such calendar year;  
3           and

4           “(B) whose employment in a regular work-  
5           week (within the meaning of section 2203(d))  
6           includes employment that is not covered em-  
7           ployment under an employer-sponsored program  
8           (as defined in subsection (g) of this section) or  
9           covered employment under the law of a legacy  
10          State (as defined in section 2208(c)).

11          “(d) TIMING OF PAYMENT; PENALTY FOR LATE FIL-  
12          ING.—

13           “(1) INSURED EMPLOYERS AND EMPLOYERS  
14          CONTRIBUTING TO MULTIEMPLOYER PLANS.—A  
15          grant paid under this section for a calendar year to  
16          an eligible employer described in subsection (a)(1)  
17          shall be paid by the Commissioner not later than 30  
18          days after the beginning of such calendar year.

19           “(2) SELF-INSURED EMPLOYERS.—A grant  
20          paid under this section for a calendar year to an eli-  
21          gible employer described in subsection (a)(2) shall be  
22          paid by the Commissioner not later than March 31  
23          of the calendar year succeeding such calendar year.

24           “(3) PENALTY FOR LATE FILING.—In any case  
25          in which an eligible employer seeking a grant under

1 this subsection for a calendar year fails to submit all  
2 required documentation by the submission deadline  
3 for such calendar year as required under subsection  
4 (b)(2)(B)—

5 “(A) the grant for such calendar year for  
6 such employer shall not be paid until 45 days  
7 after the date of payment otherwise specified in  
8 paragraph (1) or (2), as applicable; and

9 “(B) the amount of such grant shall be re-  
10 duced by 2 percent for each 7 days by which  
11 such submission deadline is exceeded.

12 “(e) INFORMATION SUBMISSION.—As a condition of  
13 receiving a grant under subsection (a) for a calendar year,  
14 an employer shall provide the Commissioner with informa-  
15 tion, at such times and in such manner as required by  
16 the Commissioner, concerning eligible employees who re-  
17 ceived a paid leave benefit under the comprehensive paid  
18 leave benefit program of the employer, including each eli-  
19 gible employee’s name, information to establish the eligible  
20 employee’s identity, dates for which such paid leave bene-  
21 fits were paid, the amount of such paid leave benefit, and,  
22 to the extent available, such other information concerning  
23 such eligible employees as needed for the purpose of car-  
24 rying out this section and section 2202(c)(2)(C), and for  
25 otherwise carrying out the provisions of this title.

1 “(f) ENFORCEMENT AND GRANT RECOVERY.—

2 “(1) IN GENERAL.—The Commissioner shall  
3 conduct periodic reviews of employers receiving  
4 grants under this section (and of entities admin-  
5 istering such programs). The Commissioner may  
6 withdraw approval of the comprehensive paid leave  
7 benefit program of an employer in any case in which  
8 the Commissioner finds that the employer (or ad-  
9 ministering entity) has violated any requirement of  
10 this section, may require the employer to repay the  
11 full amount of such grant, and may disqualify an  
12 employer from receiving subsequent grants (or an  
13 administering entity from administering programs)  
14 under this section in the case of repeated violations.

15 “(2) PENALTIES RELATING TO APPEALS.—In  
16 any case in which the Commissioner determines that  
17 a pattern exists with respect to an employer (or ad-  
18 ministering entity) in which the employer (or admin-  
19 istering entity) has incorrectly denied claims for paid  
20 leave benefits under the employer-sponsored pro-  
21 gram and such claims have subsequently been ap-  
22 proved by the Commissioner pursuant to an appeal  
23 described in section 2205(a)(1)(B), the Commis-  
24 sioner may impose penalties on the employer (or ad-  
25 ministering entity), which may include requiring the

1 employer to repay the full amount of such grant and  
2 a reduction in, or disqualification from, receiving  
3 subsequent grants (or an entity from administering  
4 programs) under this section.

5 “(3) PENALTIES ON ADMINISTERING ENTI-  
6 TIES.—In the case of a third-party entity admin-  
7 istering a comprehensive paid leave benefit program  
8 of an employer, such entity shall notify such em-  
9 ployer in any case in which a penalty is imposed  
10 under this subsection on the administering entity  
11 not later than 30 days after the date on which such  
12 penalty has been imposed. In any case in which the  
13 Commissioner determines that a pattern of mis-  
14 conduct exists with respect to an entity admin-  
15 istering benefits under this section for multiple em-  
16 ployers, the Commissioner may disqualify such enti-  
17 ty from administering employer-sponsored programs  
18 receiving subsequent grants under this section.

19 “(4) EMPLOYER AND ADMINISTRATOR AP-  
20 PEALS.—An employer (or administering entity) with  
21 respect to which a penalty is imposed under this  
22 subsection may appeal such decision to the Commis-  
23 sioner only if such appeal is filed with the Commis-  
24 sioner not later than 60 days after the date of such  
25 decision.

1       “(g) COVERED EMPLOYMENT UNDER AN EMPLOYER-  
2 SPONSORED PROGRAM.—For purposes of this title, the  
3 term ‘covered employment under an employer-sponsored  
4 program’—

5               “(1) means employment with an eligible em-  
6 ployer sponsoring a comprehensive paid leave benefit  
7 program that meets the requirements of subsection  
8 (c) during a calendar year for which the eligible em-  
9 ployer receives a grant under subsection (a); and

10              “(2) does not include covered employment  
11 under the law of a legacy State (as defined in sec-  
12 tion 2208(c)).

13       “(h) GREATER BENEFITS PERMITTED.—Nothing in  
14 this section shall be construed to prohibit an eligible em-  
15 ployer from providing paid family and medical leave bene-  
16 fits that exceed the requirements described in this section.

17 **“SEC. 2210. DEFINITIONS.**

18       “For purposes of this title:

19              “(1) COMMISSIONER.—The term ‘Commis-  
20 sioner’ means the Commissioner of Social Security.

21              “(2) ELIGIBILITY.—With respect to any ref-  
22 erence in this title to an individual’s eligibility or in-  
23 eligibility for comprehensive paid leave benefits  
24 under section 2202(a) for a month, an individual  
25 shall be considered to be eligible for such benefits

1 for such month if, upon filing an application for  
2 such benefits for such month, the individual would  
3 be entitled to such benefits for such month.

4 “(3) GROUP HEALTH PLAN.—The term ‘group  
5 health plan’ has the meaning given such term in sec-  
6 tion 5000(b)(1) of the Internal Revenue Code of  
7 1986.

8 “(4) MULTIEMPLOYER PLAN.—The term ‘multi-  
9 employer plan’ has the meaning given such term in  
10 section 3(37) of the Employee Retirement Income  
11 Security Act of 1974 (29 U.S.C. 1002(37)).

12 “(5) NATIONAL AVERAGE WAGE INDEX.—The  
13 term ‘national average wage index’ has the meaning  
14 given such term in section 209(k)(1).

15 “(6) QUALIFYING REASON.—The term ‘quali-  
16 fying reason’ means, with respect to any determina-  
17 tion of whether an individual is engaged in qualified  
18 caregiving under section 2202(c)(2)(A), any of the  
19 following:

20 “(A) A reason described in subparagraph  
21 (A) or (B) of section 102(a)(1) of the Family  
22 and Medical Leave Act of 1993 (29 U.S.C.  
23 2612(a)(1)) (applied for purposes of this para-  
24 graph as if the individual involved were the em-  
25 ployee referred to in such section).

1           “(B)(i) In order to care for a qualified  
2 family member of the individual, if such quali-  
3 fied family member has a serious health condi-  
4 tion.

5           “(ii) For purposes of clause (i)—

6           “(I) the term ‘qualified family mem-  
7 ber’ means, with respect to an individual—

8           “(aa) a spouse (including a do-  
9 mestic partner in a civil union or  
10 other registered domestic partnership  
11 recognized by a State) and a spouse’s  
12 parent;

13           “(bb) a child and a child’s  
14 spouse;

15           “(cc) a parent and a parent’s  
16 spouse;

17           “(dd) a sibling and a sibling’s  
18 spouse;

19           “(ee) a grandparent, a grand-  
20 child, or a spouse of a grandparent or  
21 grandchild; and

22           “(ff) any other individual who is  
23 related by blood or affinity and whose  
24 association with the individual in-

1                   volved is equivalent of a family rela-  
2                   tionship; and

3                   “(II) the term ‘serious health condi-  
4                   tion’ has the meaning given such term in  
5                   section 101(11) of the Family and Medical  
6                   Leave Act of 1993 (29 U.S.C. 2611(11)) .

7                   “(C) Because of a serious health condition  
8                   (as defined in subparagraph (B)(ii)(II)) that  
9                   makes the individual unable to satisfy the re-  
10                  quirements needed to continue receiving (or in  
11                  the case of an individual no longer employed, to  
12                  resume receiving) the wages or self-employment  
13                  income described in section 2202(a)(3).

14                  “(7) REASONABLE DOCUMENTATION.—The  
15                  term ‘reasonable documentation’ means the informa-  
16                  tion that is required to be stated under subsection  
17                  (b) of section 103 of the Family and Medical Leave  
18                  Act of 1993 (29 U.S.C. 2613).

19                  “(8) SELF-EMPLOYMENT INCOME.—The term  
20                  ‘self-employment income’ has the meaning given the  
21                  term in section 1402(b) of the Internal Revenue  
22                  Code of 1986 for purposes of the taxes imposed by  
23                  section 1401(b) of such Code. For purposes of sec-  
24                  tion 2202(a) and 2203(b)(3), the Commissioner



1 shall determine rules for the crediting of self-employ-  
2 ment income to calendar quarters, under which—

3 “(A) in the case of a taxable year which is  
4 a calendar year, self-employment income shall  
5 be credited equally to each quarter of such cal-  
6 endar year; and

7 “(B) in the case of any other taxable year,  
8 such income shall be credited equally to the cal-  
9 endar quarter in which such taxable year ends  
10 and to each of the next three or fewer preceding  
11 quarters any part of which is in such taxable  
12 year.

13 “(9) STATE.—The term ‘State’ means any  
14 State of the United States or the District of Colum-  
15 bia or any territory or possession of the United  
16 States.

17 “(10) WAGES.—The term ‘wages’ has the  
18 meaning given such term in section 3121(a) of the  
19 Internal Revenue Code of 1986 for purposes of the  
20 taxes imposed by sections 3101(b) and 3111(b) of  
21 such Code (without regard to section 3121(u)(2)(C)  
22 of such Code), except that such term also includes—

23 “(A) compensation, as defined in section  
24 3231(e) of such Code for purposes of the Rail-  
25 road Retirement Tax Act; and

1           “(B) unemployment compensation, as de-  
2           fined in section 85(b) of such Code.

3           “(11) WEEK.—The term ‘week’ means a 7-day  
4           period beginning on a Sunday.”.

5 **SEC. 130002. ACCESS TO WAGE INFORMATION FROM THE**  
6           **NATIONAL DIRECTORY OF NEW HIRES FOR**  
7           **THE PURPOSE OF ADMINISTERING COM-**  
8           **PREHENSIVE PAID LEAVE.**

9           Section 453(j) of the Social Security Act (42 U.S.C.  
10 653(j)) is amended by adding at the end the following:

11           “(12) INFORMATION COMPARISONS AND DIS-  
12           CLOSURE TO ASSIST IN ADMINISTRATION OF TITLE  
13           XXII.—

14           “(A) FURNISHING OF INFORMATION BY  
15           THE COMMISSIONER OF SOCIAL SECURITY.—

16           The Commissioner of Social Security shall fur-  
17           nish to the Secretary, on such periodic basis as  
18           determined by the Commissioner of Social Secu-  
19           rity in consultation with the Secretary, informa-  
20           tion in the custody of the Commissioner of So-  
21           cial Security for comparison with information in  
22           the National Directory of New Hires, in order  
23           to obtain information in such Directory with re-  
24           spect to individuals for purposes of admin-  
25           istering title XXII.

1           “(B) REQUIREMENT TO SEEK MINIMUM  
2 INFORMATION.—The Commissioner of Social  
3 Security shall seek information pursuant to this  
4 section only to the extent necessary to admin-  
5 ister title XXII.

6           “(C) DUTIES OF THE SECRETARY.—

7           “(i) INFORMATION DISCLOSURE.—The  
8 Secretary, in cooperation with the Commis-  
9 sioner of Social Security, shall compare in-  
10 formation in the National Directory of  
11 New Hires with information provided by  
12 the Commissioner of Social Security with  
13 respect to individuals described in subpara-  
14 graph (A), and shall disclose information  
15 in such Directory regarding such individ-  
16 uals to the Commissioner of Social Secu-  
17 rity, in accordance with this paragraph, for  
18 the purposes specified in this paragraph.

19           “(ii) CONDITION ON DISCLOSURE.—  
20 The Secretary shall make disclosures in ac-  
21 cordance with clause (i) only to the extent  
22 that the Secretary determines that such  
23 disclosures do not interfere with the effec-  
24 tive operation of the program under this  
25 part.

1           “(D) USE OF INFORMATION BY THE COM-  
2           MISSIONER OF SOCIAL SECURITY.—The Com-  
3           missioner of Social Security may use informa-  
4           tion provided under this paragraph only for  
5           purposes of administering title XXII, and shall  
6           maintain such information in the records of the  
7           Commissioner of Social Security for such time  
8           as the Commissioner of Social Security deems  
9           necessary for the administration of such title.

10           “(E) DISCLOSURE OF INFORMATION BY  
11           THE COMMISSIONER OF SOCIAL SECURITY.—

12           “(i) PURPOSE OF DISCLOSURE.—The  
13           Commissioner of Social Security may make  
14           a disclosure under this subparagraph only  
15           for purposes of verifying the employment  
16           and income of individuals described in sub-  
17           paragraph (A).

18           “(ii) CONDITIONS ON DISCLOSURE.—  
19           Disclosures under this subparagraph shall  
20           be—

21           “(I) made in accordance with  
22           data security and control policies es-  
23           tablished by the Commissioner of So-  
24           cial Security and approved by the Sec-  
25           retary;

1                   “(II) subject to audit in a man-  
2                   ner satisfactory to the Secretary; and

3                   “(III) subject to the sanctions  
4                   under subsection (l)(2).

5                   “(iii) RESTRICTIONS ON REDISCLO-  
6                   SURE.—A person or entity to which infor-  
7                   mation is disclosed under this subpara-  
8                   graph may use or disclose such informa-  
9                   tion only as needed for verifying the em-  
10                  ployment and income of individuals de-  
11                  scribed in subparagraph (A), subject to the  
12                  conditions in clause (ii) and such addi-  
13                  tional conditions as agreed to by the Sec-  
14                  retary and the Commissioner of Social Se-  
15                  curity.

16                  “(F) REIMBURSEMENT OF HHS COSTS.—  
17                  The Commissioner of Social Security shall reim-  
18                  burse the Secretary, in accordance with sub-  
19                  section (k)(3), for the costs incurred by the  
20                  Secretary in furnishing the information re-  
21                  quested under this paragraph.”.

1 **SEC. 130003. ACCESS TO SELF-EMPLOYMENT INCOME IN-**  
2 **FORMATION FOR PAID LEAVE ADMINISTRA-**  
3 **TION.**

4 (a) IN GENERAL.—Section 6103(l) of the Internal  
5 Revenue Code of 1986 is amended by adding at the end  
6 the following new paragraph:

7 “(23) DISCLOSURE OF CERTAIN RETURN IN-  
8 FORMATION TO CARRY OUT PAID FAMILY AND MED-  
9 ICAL LEAVE BENEFIT PROGRAM.—

10 “(A) IN GENERAL.—The Secretary shall,  
11 upon written request, disclose to officers and  
12 employees of the Social Security Administration  
13 return information with respect to a taxpayer  
14 whose self-employment income is relevant in de-  
15 termining entitlement to, or the correct amount  
16 of, a paid family and medical leave benefit  
17 under title XXII of the Social Security Act.  
18 Such information shall be limited to—

19 “(i) the taxpayer identity information  
20 with respect to the taxpayer,

21 “(ii) the self-employment income of  
22 the taxpayer,

23 “(iii) the taxable year to which such  
24 self-employment income relates, and

25 “(iv) if applicable, the fact that any of  
26 the preceding information is unavailable.



1 of entitlement to a comprehensive paid leave benefit under  
2 section 2202(a) of the Social Security Act.”.

3 (b) CLERICAL AMENDMENT.—The table of sections  
4 for part III of subchapter B of chapter 1 of such Code  
5 is amended by inserting after the item relating to section  
6 139I the following new item:

“Sec. 139J. Certain comprehensive paid leave benefits.”.

7 **Subtitle B—Miscellaneous Health**  
8 **Items**

9 **SEC. 132000. REGISTERED PROFESSIONAL NURSES.**

10 (a) MEDICARE.—Section 1819(b)(4)(C)(i) of the So-  
11 cial Security Act (42 U.S.C. 1395i–3(b)(4)(C)(i)) is  
12 amended by striking “registered professional nurse” and  
13 all that follows through the period at the end and inserting  
14 the following: “registered professional nurse, with respect  
15 to such services furnished—

16 (I) before October 1, 2024, at  
17 least 8 consecutive hours a day, 7  
18 days a week; and

19 (II) on or after such date, 24  
20 hours a day, 7 days a week.”.

21 (b) MEDICAID.—Section 1919(b)(4)(C)(i)(II) of the  
22 Social Security Act (42 U.S.C. 1396r(b)(4)(C)(i)(II)) is  
23 amended by striking “registered professional nurse” and  
24 all that follows through the period at the end and inserting



1 the following: “registered professional nurse, with respect  
2 to such services furnished—

3 “(aa) before October 1,  
4 2024, at least 8 consecutive  
5 hours a day, 7 days a week; and

6 “(bb) on or after such date,  
7 24 hours a day, 7 days a week.”.

8 **SEC. 132001. PERMANENT EXTENSION OF THE INDEPEND-**  
9 **ENCE AT HOME MEDICAL PRACTICE DEM-**  
10 **ONSTRATION PROGRAM.**

11 Section 1866E of the Social Security Act (42 U.S.C.  
12 1395cc-5) is amended by adding at the end the following  
13 new subsection:

14 “(j) PERMANENT DEMONSTRATION PROGRAM.—

15 “(1) IN GENERAL.—Notwithstanding subsection  
16 (e)(1) and subject to paragraph (2), beginning on  
17 the date of enactment of this subsection, the Sec-  
18 retary shall conduct the demonstration program on  
19 a permanent basis.

20 “(2) ADJUSTMENTS.—In conducting the dem-  
21 onstration program on a permanent basis pursuant  
22 to paragraph (1), the preceding provisions of this  
23 section shall apply except that, beginning on the  
24 date of enactment of this subsection, the following  
25 shall apply:

1           “(A) Notwithstanding paragraphs (1) and  
2 (5) of subsection (e)—

3           “(i) there shall be no limit on the  
4 number of qualified independence at home  
5 medical practices or applicable bene-  
6 ficiaries that may participate in the dem-  
7 onstration program; and

8           “(ii) participation of qualified inde-  
9 pendence at home medical practices in the  
10 demonstration program shall not be limited  
11 to practices that were selected to partici-  
12 pate prior to the date of enactment of this  
13 subsection.

14           “(B) In applying subsection (c), any appli-  
15 cable beneficiary that participates in the dem-  
16 onstration program, including by reason of the  
17 elimination under subparagraph (A) of the limit  
18 on the number of applicable beneficiaries who  
19 may participate, shall be taken into account in  
20 establishing any—

21           “(i) estimated annual spending target  
22 under subsection (c)(1); and

23           “(ii) incentive payment under sub-  
24 section (c)(2).

1           “(3) FUNDING.—In addition to amounts other-  
2           wise available, there is appropriated to the Centers  
3           for Medicare & Medicaid Services Program Manage-  
4           ment Account for fiscal year 2022, out of any money  
5           in the Treasury not otherwise appropriated,  
6           \$60,000,000, to remain available until September  
7           30, 2031, for purposes of administering and car-  
8           rying out the demonstration program, other than for  
9           payments for items and services furnished under this  
10          title and incentive payments under subsection (c).”.

11           **Subtitle C—Trade Adjustment**  
12   **Assistance**

13           **SEC. 133001. SHORT TITLE.**

14           This subtitle may be cited as the “Trade Adjustment  
15           Assistance Modernization Act of 2021”.

16           **SEC. 133002. APPLICATION OF PROVISIONS RELATING TO**  
17   **TRADE ADJUSTMENT ASSISTANCE.**

18           (a) EFFECTIVE DATE; APPLICABILITY.—Except as  
19           otherwise provided in this subtitle, the provisions of chap-  
20           ters 2 through 6 of title II of the Trade Act of 1974, as  
21           in effect on June 30, 2021, and as amended by this sub-  
22           title, shall—

23                           (1) take effect on the date of the enactment of  
24           this Act; and



1 dislocated worker unit, or workforce intermediaries,  
2 including labor-management organizations that carry  
3 out re-employment and training services”.

4 **SEC. 133102. GROUP ELIGIBILITY REQUIREMENTS.**

5 (a) IN GENERAL.—Section 222(a)(2) of the Trade  
6 Act of 1974 (19 U.S.C. 2272(a)(2)) is amended—

7 (1) in subparagraph (A)—

8 (A) in clause (i), by inserting “, failed to  
9 increase, or will decrease absolutely due to a  
10 scheduled or imminently anticipated, long-term  
11 decrease in or reallocation of the production ca-  
12 pacity of the firm” after “absolutely”; and

13 (B) in clause (iii)—

14 (i) by striking “to the decline” and in-  
15 sserting “to any decline or absence of in-  
16 crease”; and

17 (ii) by striking “or” at the end;

18 (2) in subparagraph (B)(ii), by striking the pe-  
19 riod at the end and inserting “; or”; and

20 (3) by adding at the end the following:

21 “(C)(i) the sales or production, or both, of such  
22 firm have decreased;

23 “(ii)(I) exports of articles produced or services  
24 supplied by such workers’ firm have decreased; or

1           “(II) imports of articles or services necessary  
2           for the production of articles or services supplied by  
3           such firm have decreased; and

4           “(iii) the decrease in exports or imports de-  
5           scribed in clause (ii) contributed to such workers’  
6           separation or threat of separation and to the decline  
7           in the sales or production of such firm.”.

8           (b) REPEAL.—Section 222 of the Trade Act of 1974  
9           (19 U.S.C. 2272) is amended—

10           (1) in subsections (a) and (b), by striking “im-  
11           portantly” each place it appears; and

12           (2) in subsection (c)—

13                   (A) by striking paragraph (1); and

14                   (B) by redesignating paragraphs (2)  
15                   through (4) as paragraphs (1) through (3), re-  
16                   spectively.

17           (c) ELIGIBILITY OF STAFFED WORKERS AND TELE-  
18           WORKERS.—Section 222 of the Trade Act of 1974 (19  
19           U.S.C. 2272), as amended by subsection (b), is further  
20           amended by adding at the end the following:

21           “(f) TREATMENT OF STAFFED WORKERS AND TELE-  
22           WORKERS.—

23                   “(1) IN GENERAL.—For purposes of subsection  
24                   (a), workers in a firm include staffed workers and  
25                   teleworkers.

1           “(2) DEFINITIONS.—In this subsection:

2                   “(A) STAFFED WORKER.—The term  
3           ‘staffed worker’ means a worker who performs  
4           work under the operational control of a firm  
5           that is the subject of a petition filed under sec-  
6           tion 221, even if the worker is directly em-  
7           ployed by another firm.

8                   “(B) TELEWORKER.—The term ‘tele-  
9           worker’ means a worker who works remotely  
10          but who reports to the location listed for a firm  
11          in a petition filed under section 221.”.

12 **SEC. 133103. APPLICATION OF DETERMINATIONS OF ELIGI-**  
13                   **BILITY TO WORKERS EMPLOYED BY SUCCES-**  
14                   **SORS-IN-INTEREST.**

15          Section 223 of the Trade Act of 1974 (19 U.S.C.  
16 2273) is amended by adding at the end the following:

17           “(f) TREATMENT OF WORKERS OF SUCCESSORS-IN-  
18 INTEREST.—If the Secretary certifies a group of workers  
19 of a firm as eligible to apply for adjustment assistance  
20 under this chapter, a worker of a successor-in-interest to  
21 that firm shall be covered by the certification to the same  
22 extent as a worker of that firm.”.

1 **SEC. 133104. PROVISION OF BENEFIT INFORMATION TO**  
2 **WORKERS.**

3 Section 225 of the Trade Act of 1974 (19 U.S.C.  
4 2275) is amended—

5 (1) in subsection (a), by inserting after the sec-  
6 ond sentence the following new sentence: “The Sec-  
7 retary shall make every effort to provide such infor-  
8 mation and assistance to workers in their native lan-  
9 guage.”; and

10 (2) in subsection (b)—

11 (A) by redesignating paragraph (2) as  
12 paragraph (3);

13 (B) by inserting after paragraph (1) the  
14 following:

15 “(2) The Secretary shall provide a second notice to  
16 a worker described in paragraph (1) before the worker has  
17 exhausted all rights to any unemployment insurance to  
18 which the worker is entitled (other than additional com-  
19 pensation described in section 231(a)(3)(B) funded by a  
20 State and not reimbursed from Federal funds).”;

21 (C) in paragraph (3), as redesignated by  
22 paragraph (1), by striking “newspapers of gen-  
23 eral circulation” and inserting “appropriate  
24 print or digital outlets”; and

25 (D) by adding at the end the following:



1       “(4) For purposes of providing sustained outreach re-  
2 garding the benefits available under this chapter to work-  
3 ers covered by a certification made under this subchapter,  
4 the Secretary may take any necessary actions, including  
5 the following:

6           “(A) Collecting the email addresses and tele-  
7 phone numbers of such workers from the employers  
8 of such workers to provide sustained outreach to  
9 such workers.

10          “(B) Partnering with the certified or recognized  
11 union, a community-based worker organization, or  
12 other duly authorized representatives of such work-  
13 ers.

14          “(C) Hiring peer support workers to perform  
15 sustained outreach to other workers covered by that  
16 certification.

17          “(D) Using advertising methods and public in-  
18 formation campaigns, including social media, in ad-  
19 dition to notice published in print or digital outlets  
20 under paragraph (3).”.

21 **SEC. 133105. QUALIFYING REQUIREMENTS FOR WORKERS.**

22       (a) IN GENERAL.—Section 231(a) of the Trade Act  
23 of 1974 (19 U.S.C. 2291(a)) is amended—

24           (1) by striking paragraph (2);

1           (2) by redesignating paragraphs (3), (4), and  
2           (5) as paragraphs (2), (3), and (4), respectively; and  
3           (3) in paragraph (4) (as redesignated), by strik-  
4           ing “paragraphs (1) and (2)” each place it appears  
5           and inserting “paragraph (1)”.

6           (b) CONFORMING AMENDMENTS.—(1) Section 232 of  
7           the Trade Act of 1974 (19 U.S.C. 2292) is amended by  
8           striking “section 231(a)(3)(B)” each place it appears and  
9           inserting “section 231(a)(2)(B)”.

10          (2) Section 233(a) of the Trade Act of 1974 (19  
11          U.S.C. 2293(a)) is amended—

12           (A) in paragraph (1), by striking “section  
13           231(a)(3)(A)” and inserting “section 231(a)(2)(A)”;  
14           and

15           (B) in paragraph (2)—

16           (i) by striking “adversely affected employ-  
17           ment” and all that follows through “(A) with-  
18           in” and inserting “adversely affected employ-  
19           ment within”;

20           (ii) by striking “, and” and inserting a pe-  
21           riod; and

22           (iii) by striking subparagraph (B).

1 **SEC. 133106. MODIFICATION TO TRADE READJUSTMENT AL-**  
2 **LOWANCES.**

3 Section 233 of the Trade Act of 1974 (19 U.S.C.  
4 2293) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (2), by inserting after  
7 “104-week period” the following: “(or, in the  
8 case of an adversely affected worker who re-  
9 quires a program of prerequisite education or  
10 remedial education (as described in section  
11 236(a)(5)(D)) in order to complete training ap-  
12 proved for the worker under section 236, the  
13 130-week period)”;

14 (B) in paragraph (3), by striking “65 addi-  
15 tional weeks in the 78-week period” and insert-  
16 ing “78 additional weeks in the 91-week pe-  
17 riod”; and

18 (C) in the flush text, by striking “78-week  
19 period” and inserting “91-week period”;

20 (2) by striking subsection (d); and

21 (3) by amending subsection (f) to read as fol-  
22 lows:

23 “(f) **PAYMENT OF TRADE READJUSTMENT ALLOW-**  
24 **ANCES TO COMPLETE TRAINING.**—Notwithstanding any  
25 other provision of this section, in order to assist an ad-  
26 versely affected worker to complete training approved for

1 the worker under section 236 that includes a program of  
2 prerequisite education or remedial education (as described  
3 in section 236(a)(5)(D)), and in accordance with regula-  
4 tions prescribed by the Secretary, payments may be made  
5 as trade readjustment allowances for up to 26 additional  
6 weeks in the 26-week period that follows the last week of  
7 entitlement to trade readjustment allowances otherwise  
8 payable under this chapter.”.

9 **SEC. 133107. AUTOMATIC EXTENSION OF TRADE READJUST-**  
10 **MENT ALLOWANCES.**

11 (a) IN GENERAL.—Part I of subchapter B of chapter  
12 2 of title II of the Trade Act of 1974 (19 U.S.C. 2291-  
13 2294) is amended by inserting after section 233 the fol-  
14 lowing new section:

15 **“SEC. 233A. AUTOMATIC EXTENSION OF TRADE READJUST-**  
16 **MENT ALLOWANCES.**

17 “(a) IN GENERAL.—Notwithstanding the limitations  
18 under section 233(a), the Secretary shall extend the period  
19 during which trade readjustment allowances are payable  
20 to an adversely affected worker who completes training ap-  
21 proved under section 236 by the Secretary during a period  
22 of heightened unemployment with respect to the State in  
23 which such worker seeks benefits, for the shorter of—

24 “(1) the 26-week period beginning on the date  
25 of completion of such training; or

1           “(2) the period ending on the date on which the  
2           adversely affected worker secures employment.

3           “(b) **JOB SEARCH REQUIRED.**—A worker shall only  
4 be eligible for an extension under subsection (a) if the  
5 worker is complying with the job search requirements as-  
6 sociated with unemployment insurance in the applicable  
7 State.

8           “(c) **PERIOD OF HEIGHTENED UNEMPLOYMENT DE-**  
9 **FINED.**—In this section, the term ‘period of heightened  
10 unemployment’ with respect to a State means a 90-day  
11 period during which, in the determination of the Sec-  
12 retary, either of the following average rates equals or ex-  
13 ceeds 5.5 percent:

14           “(1) The average rate of total unemployment in  
15 such State (seasonally adjusted) for the period con-  
16 sisting of the most recent 3-month period for which  
17 data for all States are published before the close of  
18 such period.

19           “(2) The average rate of total unemployment in  
20 all States (seasonally adjusted) for the period con-  
21 sisting of the most recent 3-month period for which  
22 data for all States are published before the close of  
23 such period.”.

1 (b) CLERICAL AMENDMENT.—The table of contents  
2 for the Trade Act of 1974 is amended by inserting after  
3 the item relating to section 233 the following:

“Sec. 233A. Automatic extension of trade readjustment allowances.”.

4 **SEC. 133108. EMPLOYMENT AND CASE MANAGEMENT SERV-**  
5 **ICES.**

6 Section 235 of the Trade Act of 1974 (19 U.S.C.  
7 2295) is amended—

8 (1) in paragraph (3)—

9 (A) by inserting after “regional areas” the  
10 following: “(including information about reg-  
11 istered apprenticeship programs, on-the-job  
12 training opportunities, and other work-based  
13 learning opportunities)”; and

14 (B) by inserting after “suitable training”  
15 the following: “, information regarding the  
16 track record of a training provider’s ability to  
17 successfully place participants into suitable em-  
18 ployment”;

19 (2) by redesignating paragraph (8) as para-  
20 graph (10); and

21 (3) by inserting after paragraph (7) the fol-  
22 lowing:

23 “(8) Information related to direct job place-  
24 ment, including facilitating the extent to which em-  
25 ployers within the community commit to employing

1 workers who would benefit from the employment and  
2 case management services under this section.

3 “(9) Sustained outreach to groups of workers  
4 likely to be certified as eligible for adjustment assist-  
5 ance under this chapter and members of certified  
6 worker groups who have not yet applied for or been  
7 enrolled in benefits or services under this chapter,  
8 especially such groups and members from under-  
9 served communities.”.

10 **SEC. 133109. TRAINING.**

11 Section 236 of the Trade Act of 1974 (19 U.S.C.  
12 2296(a)) is amended—

13 (1) in subsection (a)—

14 (A) in paragraph (1)(D), by inserting “,  
15 with a demonstrated ability to place partici-  
16 pants into employment” before the comma at  
17 the end;

18 (B) in paragraph (3), by adding at the end  
19 before the period the following: “, except that  
20 every effort shall be made to ensure that em-  
21 ployment opportunities are available upon the  
22 completion of training”; and

23 (C) in paragraph (5)—

24 (i) in subparagraph (G), by striking “,  
25 and” and inserting a comma;

1 (ii) in subparagraph (H)(ii), by strik-  
2 ing the period at the end and inserting “,  
3 and”; and

4 (iii) by adding at the end before the  
5 flush text the following:

6 “(I) pre-apprenticeship training.”; and

7 (2) by adding at the end the following:

8 “(h) REIMBURSEMENT FOR OUT-OF-POCKET TRAIN-  
9 ING EXPENSES.—If the Secretary approves training for  
10 a worker under paragraph (1) of subsection (a), the Sec-  
11 retary may reimburse the worker for out-of-pocket ex-  
12 penses relating to training program described in para-  
13 graph (5) of that subsection that were incurred by the  
14 worker on and after the date of the worker’s total or par-  
15 tial separation and before the date on which the certifi-  
16 cation of eligibility under section 222 that covers the work-  
17 er is issued.”.

18 **SEC. 133110. JOB SEARCH, RELOCATION, AND CHILD CARE**  
19 **ALLOWANCES.**

20 (a) JOB SEARCH ALLOWANCES.—Section 237 of the  
21 Trade Act of 1974 (19 U.S.C. 2297) is amended—

22 (1) in subsection (a)(1), by striking “may use  
23 funds made available to the State to carry out sec-  
24 tions 235 through 238” and inserting “shall use,  
25 from funds made available to the State to carry out



1 sections 235 through 238A, such amounts as may be  
2 necessary”;

3 (2) in subsection (a)(2), in the matter pre-  
4 ceding subparagraph (A), by striking “may grant”  
5 and inserting “shall grant”; and

6 (3) in subsection (b)—

7 (A) in paragraph (1), by striking “not  
8 more than 90 percent” and inserting “100 per-  
9 cent”;

10 (B) in paragraph (2), by striking “\$1,250”  
11 and inserting “\$2,000 (subject to adjustment  
12 under paragraph (4))”; and

13 (C) by adding at the end the following;

14 “(4) ADJUSTMENT OF MAXIMUM ALLOWANCE  
15 LIMITATION FOR INFLATION.—

16 “(A) IN GENERAL.—The Secretary of  
17 Labor shall adjust the maximum allowance limi-  
18 tation under paragraph (2) on the date that is  
19 30 days after the date of the enactment of this  
20 paragraph, and at the beginning of each fiscal  
21 year thereafter, to reflect the percentage (if  
22 any) of the increase in the average of the Con-  
23 sumer Price Index for the preceding 12-month  
24 period compared to the Consumer Price Index  
25 for fiscal year 2020.

1           “(B) SPECIAL RULES FOR CALCULATION  
2 OF ADJUSTMENT.—In making an adjustment  
3 under subparagraph (A), the Secretary—

4                   “(i) shall round the amount of any in-  
5 crease in the Consumer Price Index to the  
6 nearest dollar; and

7                   “(ii) may ignore any such increase of  
8 less than 1 percent.

9           “(C) CONSUMER PRICE INDEX DEFINED.—

10 For purposes of this paragraph, the term ‘Con-  
11 sumer Price Index’ means the Consumer Price  
12 Index for All Urban Consumers published by  
13 the Bureau of Labor Statistics of the Depart-  
14 ment of Labor.”.

15       (b) RELOCATION ALLOWANCES.—Section 238 of the  
16 Trade Act of 1974 (19 U.S.C. 2298) is amended—

17           (1) in subsection (a)(1), by striking “may use  
18 funds made available to the State to carry out sec-  
19 tions 235 through 238” and inserting “shall use,  
20 from funds made available to the State to carry out  
21 sections 235 through 238A, such amounts as may be  
22 necessary”;

23           (2) in subsection (a)(2), in the matter pre-  
24 ceding subparagraph (A), by striking “may be grant-  
25 ed” and inserting “shall be granted”;

1 (3) in subsection (b)—

2 (A) in paragraph (1), by striking “not  
3 more than 90 percent” and inserting “100 per-  
4 cent”; and

5 (B) in paragraph (2), by striking “\$1,250”  
6 and inserting “\$2,000 (subject to adjustment  
7 under subsection (d))”; and

8 (4) by adding at the end the following:

9 “(d) ADJUSTMENT OF MAXIMUM PAYMENT LIMITA-  
10 TION FOR INFLATION.—

11 “(1) IN GENERAL.—The Secretary of Labor  
12 shall adjust the maximum payment limitation under  
13 subsection (b)(2) on the date that is 30 days after  
14 the date of the enactment of this subsection, and at  
15 the beginning of each fiscal year thereafter, to re-  
16 flect the percentage (if any) of the increase in the  
17 average of the Consumer Price Index for the pre-  
18 ceding 12-month period compared to the Consumer  
19 Price Index for fiscal year 2020.

20 “(2) SPECIAL RULES FOR CALCULATION OF AD-  
21 JUSTMENT.—In making an adjustment under para-  
22 graph (1), the Secretary—

23 “(A) shall round the amount of any in-  
24 crease in the Consumer Price Index to the near-  
25 est dollar; and

1           “(B) may ignore any such increase of less  
2           than 1 percent.

3           “(3) CONSUMER PRICE INDEX DEFINED.—For  
4           purposes of this subsection, the term ‘Consumer  
5           Price Index’ means the Consumer Price Index for  
6           All Urban Consumers published by the Bureau of  
7           Labor Statistics of the Department of Labor.”.

8           (c) CHILD CARE ALLOWANCES.—

9           (1) IN GENERAL.—Part II of subchapter B of  
10          chapter 2 of title II of the Trade Act of 1974 (19  
11          U.S.C. 2295-2298) is amended by adding at the end  
12          the following:

13         **“SEC. 238A. CHILD CARE ALLOWANCES.**

14                 “(a) CHILD CARE ALLOWANCES AUTHORIZED.—

15                 “(1) IN GENERAL.—Each State shall use, from  
16                 funds made available to the State to carry out sec-  
17                 tions 235 through 238A, such amounts as may be  
18                 necessary to allow an adversely affected worker cov-  
19                 ered by a certification issued under subchapter A of  
20                 this chapter to file an application for a child care al-  
21                 lowance with the Secretary, and the Secretary may  
22                 grant the child care allowance, subject to the terms  
23                 and conditions of this section.

24                 “(2) CONDITIONS FOR GRANTING ALLOW-  
25                 ANCE.—A child care allowance shall be granted if

1 the allowance will assist an adversely affected worker  
2 to attend training or seek suitable employment, by  
3 providing for the care of one or more of the minor  
4 dependents of the worker.

5 “(b) AMOUNT OF ALLOWANCE.—Any child care al-  
6 lowance granted to a worker under subsection (a) shall  
7 not exceed \$2,000 per minor dependent per year.

8 “(c) ADJUSTMENT OF MAXIMUM ALLOWANCE LIM-  
9 TATION FOR INFLATION.—

10 “(1) IN GENERAL.—The Secretary of Labor  
11 shall adjust the maximum allowance limitation under  
12 subsection (b) on the date that is 30 days after the  
13 date of the enactment of this subsection, and at the  
14 beginning of each fiscal year thereafter, to reflect  
15 the percentage (if any) of the increase in the average  
16 of the Consumer Price Index for the preceding 12-  
17 month period compared to the Consumer Price  
18 Index for fiscal year 2020.

19 “(2) SPECIAL RULES FOR CALCULATION OF AD-  
20 JUSTMENT.—In making an adjustment under para-  
21 graph (1), the Secretary—

22 “(A) shall round the amount of any in-  
23 crease in the Consumer Price Index to the near-  
24 est dollar; and

1           “(B) may ignore any such increase of less  
2           than 1 percent.

3           “(3) CONSUMER PRICE INDEX DEFINED.—For  
4           purposes of this subsection, the term ‘Consumer  
5           Price Index’ means the Consumer Price Index for  
6           All Urban Consumers published by the Bureau of  
7           Labor Statistics of the Department of Labor.”.

8           (2) CONFORMING AMENDMENTS.—

9           (A) LIMITATIONS ON ADMINISTRATIVE EX-  
10          PENSES AND EMPLOYMENT AND CASE MANAGE-  
11          MENT SERVICES.—Section 235A of the Trade  
12          Act of 1974 (19 U.S.C. 2295a) is amended in  
13          the matter preceding paragraph (1) by striking  
14          “through 238” and inserting “through 238A”.

15          (B) TRAINING.—Section 236(a)(2) of the  
16          Trade Act of 1974 (19 U.S.C. 2296(a)(2)) is  
17          amended—

18                 (i) in subparagraph (A), by striking  
19                 “and 238” and inserting “238, and  
20                 238A”;

21                 (ii) in subparagraph (B), by striking  
22                 “and 238” each place it appears and in-  
23                 serting “238, and 238A”;

1 (iii) in subparagraph (C)(i), by strik-  
2 ing “and 238” and inserting “238, and  
3 238A”;

4 (iv) in subparagraph (C)(v), by strik-  
5 ing “and 238” and inserting “238, and  
6 238A”; and

7 (v) in subparagraph (E), by striking  
8 “and 238” each place it appears and in-  
9 serting “238, and 238A”.

10 (3) CLERICAL AMENDMENT.—The table of con-  
11 tents for the Trade Act of 1974 is amended by add-  
12 ing after the item relating to section 238 the fol-  
13 lowing new item:

“Sec. 238A. Child care allowances.”.

14 **SEC. 133111. AGREEMENTS WITH STATES.**

15 (a) COORDINATION.—Section 239(f) of the Trade Act  
16 of 1974 (19 U.S.C. 2311(f)) is amended—

17 (1) by striking “(f) Any agreement” and insert-  
18 ing the following:

19 “(f)(1) Any agreement”; and

20 (2) by adding at the end the following:

21 “(2) In arranging for training programs to be  
22 carried out under this chapter, each cooperating  
23 State agency shall, among other factors, take into  
24 account and measure the progress of the extent to  
25 which such programs—

1           “(A) achieve a satisfactory rate of comple-  
2           tion and placement in jobs that provide a living  
3           wage and that increase economic security;

4           “(B) assist workers in developing the  
5           skills, networks, and experiences necessary to  
6           advance along a career path;

7           “(C) assist workers from underserved com-  
8           munities to establish a work history, dem-  
9           onstrate success in the workplace, and develop  
10          the skills that lead to entry into and retention  
11          in unsubsidized employment; and

12          “(D) adequately serve individuals who face  
13          the greatest barriers to employment, including  
14          people with low incomes, people of color, immi-  
15          grants, persons with disabilities, and formerly  
16          incarcerated individuals.

17          “(3) Each cooperating State agency shall facili-  
18          tate joint cooperation between training programs,  
19          representatives of workers, employers, and commu-  
20          nities, especially in underserved rural and urban re-  
21          gions, to ensure a fair and engaging workplace that  
22          balances the priorities and well-being of workers  
23          with the needs of businesses.

24          “(4) Each cooperating State agency shall seek,  
25          including through agreements and training programs



1 described in this subsection, to ensure the reemploy-  
2 ment of adversely affected workers upon completion  
3 of training as described in section 236.”.

4 (b) ADMINISTRATION.—Section 239(g) of the Trade  
5 Act of 1974 (19 U.S.C. 2311(g)) is amended—

6 (1) by redesignating—

7 (A) paragraphs (1) through (4) as para-  
8 graphs (3) through (6), respectively; and

9 (B) paragraph (5) as paragraph (8);

10 (2) by inserting before paragraph (3) (as redesi-  
11 gnated) the following:

12 “(1) review each layoff of more than 5 workers  
13 in a firm to determine whether trade played a role  
14 in the layoff and whether workers in such firm are  
15 potentially eligible to receive benefits under this  
16 chapter,

17 “(2) perform sustained outreach to firms to fa-  
18 cilitate and assist with filing petitions under section  
19 221 and collecting necessary supporting informa-  
20 tion,”;

21 (3) in paragraph (3) (as redesignated), by strik-  
22 ing “who applies for unemployment insurance of”  
23 and inserting “identified under paragraph (1) of un-  
24 employment insurance benefits and”;

1 (4) in paragraph (4) (as redesignated), by in-  
2 serting “and assist with” after “facilitate”;

3 (5) in paragraph (6) (as redesignated), by strik-  
4 ing “and” at the end;

5 (6) by inserting after paragraph (6) (as redesi-  
6 gnated) the following:

7 “(7) perform sustained outreach to workers  
8 from underserved communities and to firms that em-  
9 ploy a majority or a substantial percentage of work-  
10 ers from underserved communities and develop a  
11 plan, in consultation with the Secretary, for address-  
12 ing common barriers to receiving services that such  
13 workers have faced,”;

14 (7) in paragraph (8) (as redesignated), by strik-  
15 ing “funds provided to carry out this chapter are in-  
16 sufficient to make such services available, make ar-  
17 rangements to make such services available through  
18 other Federal programs” and inserting “support  
19 services are needed beyond what this chapter can  
20 provide, make arrangements to coordinate such serv-  
21 ices available through other Federal programs” ;  
22 and

23 (8) by adding at the end the following:

24 “(9) develop a strategy to engage with local  
25 workforce development institutions, including local

1 community colleges and other educational institu-  
2 tions, and

3 “(10) develop a comprehensive strategy to pro-  
4 vide agency staffing to support the requirements of  
5 paragraphs (1) through (9).”.

6 (c) STAFFING.—Section 239 of the Trade Act of  
7 1974 (19 U.S.C. 2311) is amended by striking subsection  
8 (k) and inserting the following:

9 “(k) STAFFING.—An agreement entered into under  
10 this section shall provide that the cooperating State or co-  
11 operating State agency shall require that any individual  
12 engaged in functions (other than functions that are not  
13 inherently governmental) to carry out the trade adjust-  
14 ment assistance program under this chapter shall be a  
15 State employee covered by a merit system of personnel ad-  
16 ministration.”.

17 **SEC. 133112. REEMPLOYMENT TRADE ADJUSTMENT ASSIST-**  
18 **ANCE PROGRAM.**

19 Section 246(a) of the Trade Act of 1974 (19 U.S.C.  
20 2318(a)) is amended—

21 (1) in paragraph (3)(B)(ii), by striking  
22 “\$50,000” and inserting “\$70,000 (subject to ad-  
23 justment under paragraph (8))”;

1           (2) in paragraph (5)(B)(i), by striking  
2           “\$10,000” and inserting “\$20,000 (subject to ad-  
3           justment under paragraph (8))”; and

4           (3) by adding at the end the following:

5           “(8) ADJUSTMENT OF SALARY LIMITATION AND  
6           TOTAL AMOUNT OF PAYMENTS FOR INFLATION.—

7           “(A) IN GENERAL.—The Secretary of  
8           Labor shall adjust the salary limitation under  
9           paragraph (3)(B)(ii) and the amount under  
10          paragraph (5)(B)(i) on the date that is 30 days  
11          after the date of the enactment of this para-  
12          graph, and at the beginning of each fiscal year  
13          thereafter, to reflect the percentage (if any) of  
14          the increase in the average of the Consumer  
15          Price Index for the preceding 12-month period  
16          compared to the Consumer Price Index for fis-  
17          cal year 2020.

18          “(B) SPECIAL RULES FOR CALCULATION  
19          OF ADJUSTMENT.—In making an adjustment  
20          under subparagraph (A), the Secretary—

21                 “(i) shall round the amount of any in-  
22                 crease in the Consumer Price Index to the  
23                 nearest dollar; and

24                 “(ii) may ignore any such increase of  
25                 less than 1 percent.

1           “(C) CONSUMER PRICE INDEX DEFINED.—  
2           For purposes of this paragraph, the term ‘Con-  
3           sumer Price Index’ means the Consumer Price  
4           Index for All Urban Consumers published by  
5           the Bureau of Labor Statistics of the Depart-  
6           ment of Labor.”.

7   **SEC. 133113. EXTENSION OF TRADE ADJUSTMENT ASSIST-**  
8           **ANCE TO PUBLIC AGENCY WORKERS.**

9           (a) DEFINITIONS.—Section 247 of the Trade Act of  
10          1974 (19 U.S.C. 2319) is amended—

11                  (1) in paragraph (3)—

12                          (A) in the matter preceding subparagraph  
13                          (A), by striking “The” and inserting “Subject  
14                          to section 222(d)(5), the”; and

15                          (B) in subparagraph (A), by striking “or  
16                          service sector firm” and inserting “, service sec-  
17                          tor firm, or public agency”; and

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

19                          “(20) The term ‘public agency’ means a depart-  
20                          ment or agency of a State or local government or of  
21                          the Federal Government.”.

22           (b) GROUP ELIGIBILITY REQUIREMENTS.—Section  
23          222 of the Trade Act of 1974 (19 U.S.C. 2272), as  
24          amended by subsections (b) and (c) of section 133102, is  
25          further amended—

1           (1) by redesignating subsections (c), (d), (e),  
2           and (f) as subsections (d), (e), (f), and (g), respec-  
3           tively;

4           (2) by inserting after subsection (b) the fol-  
5           lowing:

6           “(c) ADVERSELY AFFECTED WORKERS IN PUBLIC  
7 AGENCIES.—A group of workers in a public agency shall  
8 be certified by the Secretary as eligible to apply for adjust-  
9 ment assistance under this chapter pursuant to a petition  
10 filed under section 221 if the Secretary determines that—

11           “(1) a significant number or proportion of the  
12 workers in the public agency have become totally or  
13 partially separated, or are threatened to become to-  
14 tally or partially separated;

15           “(2) the public agency has acquired from a for-  
16 eign country services like or directly competitive with  
17 services which are supplied by such agency; and

18           “(3) the acquisition of services described in  
19 paragraph (2) contributed to such workers’ separa-  
20 tion or threat of separation.”;

21           (3) in subsection (d) (as redesignated), by add-  
22 ing at the end the following:

23           “(5) REFERENCE TO FIRM.—For purposes of  
24 subsections (a) and (b), the term ‘firm’ does not in-  
25 clude a public agency.”; and

1 (4) in paragraph (2) of subsection (e) (as redese-  
2 ignated), by striking “subsection (a) or (b)” and in-  
3 serting “subsection (a), (b), or (c)”.

4 **SEC. 133114. DEFINITIONS.**

5 (a) **EXTENSION OF ADJUSTMENT ASSISTANCE FOR**  
6 **WORKERS TO TERRITORIES.**—Section 247(7) of the  
7 Trade Act of 1974 (19 U.S.C. 2319(7)) is amended—

8 (1) by inserting “, Guam, the Virgin Islands of  
9 the United States, American Samoa, the Common-  
10 wealth of the Northern Mariana Islands,” after  
11 “District of Columbia”; and

12 (2) by striking “such Commonwealth.” and in-  
13 serting “such territories.”.

14 (b) **UNDERSERVED COMMUNITY.**—Section 247 of the  
15 Trade Act of 1974 (19 U.S.C. 2319), as amended by sec-  
16 tion 133113(a), is further amended by adding at the end  
17 the following:

18 “(21) The term ‘underserved community’  
19 means a community with populations sharing a par-  
20 ticular characteristic that have been systematically  
21 denied a full opportunity to participate in aspects of  
22 economic, social, or civic life, such as Black, Latino,  
23 and Indigenous and Native American persons, Asian  
24 Americans and Pacific Islanders, other persons of  
25 color, members of other minority communities, per-

1 sons with disabilities, persons who live in rural  
2 areas, and other populations otherwise adversely af-  
3 fected by persistent poverty or inequality.”.

4 **SEC. 133115. REQUIREMENTS FOR CERTAIN TERRITORIES.**

5 Section 248 of the Trade Act of 1974 (19 U.S.C.  
6 2320) is amended by adding at the end the following:

7 “(c) **REQUIREMENTS FOR CERTAIN TERRITORIES.**—  
8 The Secretary shall establish such requirements as may  
9 be necessary and appropriate to modify the requirements  
10 of this chapter, including requirements relating to eligi-  
11 bility for trade readjustment allowances, to address the  
12 particular circumstances of Guam, American Samoa, and  
13 the Commonwealth of the Northern Mariana Islands in  
14 implementing and carrying out this chapter.”.

15 **SEC. 133116. SUBPOENA POWER.**

16 Section 249 of the Trade Act of 1974 (19 U.S.C.  
17 2321) is amended—

18 (1) in subsection (a), by adding at the end the  
19 following: “The authority under the preceding sen-  
20 tence includes the authority of States to require, by  
21 subpoena, a firm to provide information on workers  
22 employed by, or totally or partially separated from,  
23 the firm that is necessary to make a determination  
24 under this chapter or to provide outreach to work-





1           “(A)(i) that a significant number or proportion  
2 of the workers in such firm have become totally or  
3 partially separated, or are threatened to become to-  
4 tally or partially separated, or

5           “(ii) that—

6           “(I) sales or production, or both, of the  
7 firm have decreased absolutely or failed to in-  
8 crease,

9           “(II) sales or production, or both, of an ar-  
10 ticle or service that accounted for not less than  
11 25 percent of the total sales or production of  
12 the firm during the 12-month period preceding  
13 the most recent 12-month period for which data  
14 are available have decreased absolutely or failed  
15 to increase,

16           “(III) sales or production, or both, of the  
17 firm during the most recent 12-month period  
18 for which data are available have decreased or  
19 failed to increase compared to—

20           “(aa) the average annual sales or pro-  
21 duction for the firm during the 24-month  
22 period preceding that 12-month period, or

23           “(bb) the average annual sales or pro-  
24 duction for the firm during the 36-month  
25 period preceding that 12-month period, or

1           “(IV) sales or production, or both, of an  
2 article or service that accounted for not less  
3 than 25 percent of the total sales or production  
4 of the firm during the most recent 12-month  
5 period for which data are available have de-  
6 creased or failed to increase compared to—

7           “(aa) the average annual sales or pro-  
8 duction for the article or service during the  
9 24-month period preceding that 12-month  
10 period, or

11           “(bb) the average annual sales or pro-  
12 duction for the article or service during the  
13 36-month period preceding that 12-month  
14 period, and

15           “(B)(i) increases of imports of articles or serv-  
16 ices like or directly competitive with articles which  
17 are produced or services which are supplied by such  
18 firm contributed to such total or partial separation,  
19 or threat thereof, or to such decline or failure to in-  
20 crease in sales or production, or

21           “(ii) decreases in exports of articles produced or  
22 services supplied by such firm, or imports of articles  
23 or services necessary for the production of articles or  
24 services supplied by such firm, contributed to such

1 total or partial separation, or threat thereof, or to  
2 such decline in sales or production.

3 “(2) For purposes of paragraph (1)(B):

4 “(A) Any firm which engages in exploration or  
5 drilling for oil or natural gas shall be considered to  
6 be a firm producing oil or natural gas.

7 “(B) Any firm that engages in exploration or  
8 drilling for oil or natural gas, or otherwise produces  
9 oil or natural gas, shall be considered to be pro-  
10 ducing articles directly competitive with imports of  
11 oil and with imports of natural gas.”; and

12 (3) in subsection (d)—

13 (A) by striking “this section,” and insert-  
14 ing “this section.”; and

15 (B) by striking “but in any event” and all  
16 that follows and inserting the following: “If the  
17 Secretary does not make a determination with  
18 respect to a petition within 55 days after the  
19 date on which an investigation is initiated  
20 under subsection (a) with respect to the peti-  
21 tion, the Secretary shall be deemed to have cer-  
22 tified the firm as eligible to apply for adjust-  
23 ment assistance under this chapter.”.

1 **SEC. 133202. APPROVAL OF ADJUSTMENT PROPOSALS.**

2 Section 252 of the Trade Act of 1974 (19 U.S.C.  
3 2342) is amended—

4 (1) in the second sentence of subsection (a), by  
5 adding at the end before the period the following:  
6 “and an assessment of the potential employment  
7 outcomes of such proposal”;

8 (2) in subsection (b)(1)(B), by striking “gives  
9 adequate consideration to” and inserting “is in”;

10 (3) by redesignating subsection (c) as sub-  
11 section (d); and

12 (4) by inserting after subsection (b) the fol-  
13 lowing:

14 “(c) AMOUNT OF ASSISTANCE.—

15 “(1) IN GENERAL.—A firm may receive adjust-  
16 ment assistance under this chapter with respect to  
17 the firm’s economic adjustment proposal in an  
18 amount not to exceed \$300,000, subject to adjust-  
19 ment under paragraph (2) and the matching re-  
20 quirement under paragraph (3).

21 “(2) ADJUSTMENT OF ASSISTANCE LIMITATION  
22 FOR INFLATION.—

23 “(A) IN GENERAL.—The Secretary of  
24 Commerce shall adjust the technical assistance  
25 limitation under paragraph (1) on the date that  
26 is 30 days after the date of the enactment of

1 this paragraph, and at the beginning of each  
2 fiscal year thereafter, to reflect the percentage  
3 (if any) of the increase in the average of the  
4 Consumer Price Index for the preceding 12-  
5 month period compared to the Consumer Price  
6 Index for fiscal year 2020.

7 “(B) SPECIAL RULES FOR CALCULATION  
8 OF ADJUSTMENT.—In making an adjustment  
9 under subparagraph (A), the Secretary—

10 “(i) shall round the amount of any in-  
11 crease in the Consumer Price Index to the  
12 nearest dollar; and

13 “(ii) may ignore any such increase of  
14 less than 1 percent.

15 “(C) CONSUMER PRICE INDEX DEFINED.—  
16 For purposes of this paragraph, the term ‘Con-  
17 sumer Price Index’ means the Consumer Price  
18 Index for All Urban Consumers published by  
19 the Bureau of Labor Statistics of the Depart-  
20 ment of Labor.

21 “(3) MATCHING REQUIREMENT.—A firm may  
22 receive adjustment assistance under this chapter  
23 only if the firm provides matching funds in an  
24 amount equal to the amount of adjustment assist-  
25 ance received under paragraph (1).”.

1 **SEC. 133203. TECHNICAL ASSISTANCE.**

2 Section 253(a)(3) of the Trade Act of 1974 (19  
3 U.S.C. 2343(a)(3)) is amended by adding at the end be-  
4 fore the period the following: “, including assistance to  
5 provide skills training programs to employees of the firm”.

6 **SEC. 133204. DEFINITIONS.**

7 Section 259 of the Trade Act of 1974 (19 U.S.C.  
8 2351) is amended by adding at the end the following:

9 “(3) **UNDERSERVED COMMUNITY.**—The term  
10 ‘underserved community’ has the meaning given that  
11 term in section 247.”.

12 **SEC. 133205. PLAN FOR SUSTAINED OUTREACH TO POTEN-**  
13 **Tially-ELIGIBLE FIRMS.**

14 (a) **IN GENERAL.**—Chapter 3 of title II of the Trade  
15 Act of 1974 (19 U.S.C. 2341-2355) is amended by adding  
16 at the end the following:

17 **“SEC. 263. PLAN FOR SUSTAINED OUTREACH TO POTEN-**  
18 **Tially-ELIGIBLE FIRMS.**

19 “(a) **IN GENERAL.**—The Secretary shall develop a  
20 plan to provide sustained outreach to firms that may be  
21 eligible for adjustment assistance under this chapter.

22 “(b) **MATTERS TO BE INCLUDED.**—The plan re-  
23 quired by paragraph (1) shall include the following:

24 “(1) Outreach to the United States Inter-  
25 national Trade Commission and to such firms in in-  
26 dustries with increased imports identified in the

1 Commission’s annual report regarding the operation  
2 of the trade agreements program under section  
3 163(c).

4 “(2) Outreach to such firms in the service sec-  
5 tor.

6 “(3) Outreach to such firms that are small  
7 businesses.

8 “(4) Outreach to such firms that are minority-  
9 or women-owned firms.

10 “(5) Outreach to such firms that employ a ma-  
11 jority or a substantial percentage of workers from  
12 underserved communities.

13 “(c) UPDATES.—The Secretary shall update the plan  
14 required under this section on an annual basis.

15 “(d) SUBMISSION TO CONGRESS.—The Secretary  
16 shall submit the plan and each update to the plan required  
17 under this section to Congress.”.

18 (b) CLERICAL AMENDMENT.—The table of contents  
19 for the Trade Act of 1974 is amended by inserting after  
20 the item relating to section 262 the following new item:

“Sec. 263. Plan for sustained outreach to potentially-eligible firms.”.



1 **PART 3—TRADE ADJUSTMENT ASSISTANCE FOR**  
2 **COMMUNITIES AND COMMUNITY COLLEGES**  
3 **SEC. 133301. TRADE ADJUSTMENT ASSISTANCE FOR COM-**  
4 **MUNITIES.**

5 (a) IN GENERAL.—Chapter 4 of title II of the Trade  
6 Act of 1974 (19 U.S.C. 2371-2372) is amended—

7 (1) by inserting after the chapter heading the  
8 following:

9 **“Subchapter B—Trade Adjustment Assistance**  
10 **for Community Colleges and Career**  
11 **Training”;** and

12 (2) by redesignating sections 271 and 272 as  
13 sections 279 and 279A, respectively; and

14 (3) by inserting before subchapter B (as des-  
15 ignated by paragraph (1)) the following:

16 **“Subchapter A—Trade Adjustment Assistance**  
17 **for Communities**

18 **“SEC. 271. DEFINITIONS.**

19 “In this subchapter:

20 “(1) AGRICULTURAL COMMODITY PRODUCER.—  
21 The term ‘agricultural commodity producer’ has the  
22 meaning given that term in section 291.

23 “(2) COMMUNITY.—The term ‘community’  
24 means—

25 “(A) a city or other political subdivision of  
26 a State, including a special purpose unit of a

1 State or local government engaged in economic  
2 or infrastructure development activities, or a  
3 consortium of political subdivisions;

4 “(B) an Economic Development District  
5 designated by the Economic Development Ad-  
6 ministration of the Department of Commerce;  
7 or

8 “(C) an Indian Tribe.

9 “(3) ELIGIBLE COMMUNITY.—The term ‘eligible  
10 community’ means a community that is impacted by  
11 trade under section 273(a)(2) and is determined to  
12 be eligible for assistance under this subchapter.

13 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-  
14 tity’ means—

15 “(A) an eligible community;

16 “(B) an institution of higher education or  
17 a consortium of institutions of higher education;  
18 or

19 “(C) a public or private nonprofit organi-  
20 zation or association acting in cooperation with  
21 officials of a political subdivision of a State.

22 “(5) SECRETARY.—The term ‘Secretary’ means  
23 the Secretary of Commerce.



1 is eligible to apply for assistance under  
2 section 223.

3 “(ii) By the Secretary of Commerce,  
4 that a firm located in the community is eli-  
5 gible to apply for adjustment assistance  
6 under section 251.

7 “(iii) By the Secretary of Agriculture,  
8 that a group of agricultural commodity  
9 producers located in the community is eli-  
10 gible to apply for adjustment assistance  
11 under section 293.

12 “(B) The community—

13 “(i) applies for assistance not later  
14 than 180 days after the date on which the  
15 most recent certification described in sub-  
16 paragraph (A) is made; or

17 “(ii) in the case of a community with  
18 respect to which one or more such certifi-  
19 cations were made on or after January 1,  
20 1994, and before the date of the enactment  
21 of this subchapter, applies for assistance  
22 not later than September 30, 2024.

23 “(C) The community—

24 “(i) has a per capita income of 80  
25 percent or less of the national average;

1           “(ii) has a history of economic dis-  
2           tress and long-term unemployment, as de-  
3           termined by the Secretary; or

4           “(iii) is significantly affected by a loss  
5           of, or threat to, the jobs associated with  
6           any certification described in subparagraph  
7           (A), or the community is undergoing tran-  
8           sition of its economic base as a result of  
9           changing trade patterns, as determined by  
10          the Secretary.

11          “(b) NOTIFICATION OF ELIGIBILITY.—If one or more  
12          certifications described in subsection (a)(2)(A) are made  
13          with respect to a community, the applicable Secretary with  
14          respect to such certification shall concurrently notify the  
15          Governor of the State in which the community is located  
16          of the ability of the community to apply for assistance  
17          under this section.

18          **“SEC. 274. GRANTS TO ELIGIBLE COMMUNITIES.**

19          “(a) IN GENERAL.—The Secretary may—

20                 “(1) upon the application of an eligible commu-  
21                 nity, award a grant under this section to the com-  
22                 munity to assist in developing or updating a stra-  
23                 tegic plan that meets the requirements of section  
24                 275; or

1           “(2) upon the application of an eligible entity,  
2           award an implementation grant under this section to  
3           the entity to assist in implementing projects included  
4           in a strategic plan that meets the requirements of  
5           section 275.

6           “(b) SPECIAL PROVISIONS.—

7           “(1) REVOLVING LOAN FUND GRANTS.—

8           “(A) IN GENERAL.—The Secretary shall  
9           maintain the proper operation and financial in-  
10          tegrity of revolving loan funds established by el-  
11          igible entities with assistance under this section.

12          “(B) EFFICIENT ADMINISTRATION.—The  
13          Secretary may—

14                 “(i) at the request of an eligible enti-  
15                 ty, amend and consolidate grant agree-  
16                 ments governing revolving loan funds to  
17                 provide flexibility with respect to lending  
18                 areas and borrower criteria; and

19                 “(ii) assign or transfer assets of a re-  
20                 volving loan fund to third party for the  
21                 purpose of liquidation, and the third party  
22                 may retain assets of the fund to defray  
23                 costs related to liquidation.

24          “(C) TREATMENT OF ACTIONS.—An action  
25          taken by the Secretary under this subsection

1 with respect to a revolving loan fund shall not  
2 constitute a new obligation if all grant funds  
3 associated with the original grant award have  
4 been disbursed to the recipient.

5 “(2) USE OF FUNDS IN PROJECTS CON-  
6 STRUCTED UNDER PROJECT COST.—

7 “(A) IN GENERAL.—In the case of a grant  
8 for a construction project under this section, if  
9 the Secretary determines, before closeout of the  
10 project, that the cost of the project, based on  
11 the designs and specifications that were the  
12 basis of the grant, has decreased because of de-  
13 creases in costs, the Secretary may approve the  
14 use of the excess funds (or a portion of the ex-  
15 cess funds) to improve the project.

16 “(B) OTHER USES OF EXCESS FUNDS.—  
17 Any amount of excess funds remaining after ap-  
18 plication of subparagraph (A) may be used by  
19 the Secretary for providing assistance under  
20 this section.

21 “(c) COORDINATION.—If an eligible institution (as  
22 such term is defined in section 279) located in an eligible  
23 community is seeking a grant under section 279 at the  
24 same time the community is seeking an implementation  
25 grant under subsection (a)—

1           “(1) the Secretary, upon receipt of such infor-  
2           mation from the Secretary of Labor as required  
3           under section 279(e), shall notify the community  
4           that the institution is seeking a grant under section  
5           279; and

6           “(2) the community shall provide to the Sec-  
7           retary, in coordination with the institution, a de-  
8           scription of how the community will integrate  
9           projects included in the strategic plan with the spe-  
10          cific project for which the institution submits the  
11          grant proposal under section 279.

12          “(d) LIMITATION.—The total amount of grants  
13          awarded with respect to an eligible community under this  
14          section for fiscal years 2022 through 2025 may not exceed  
15          \$25,000,000.

16          “(e) PRIORITY.—The Secretary shall, in awarding  
17          grants under this section, provide higher levels of funding  
18          with respect to eligible communities that have a history  
19          of economic distress and long-term unemployment, as de-  
20          termined by the Secretary.

21          “(f) GEOGRAPHIC DIVERSITY.—

22                  “(1) IN GENERAL.—The Secretary shall, in  
23                  awarding grants under this section, ensure that  
24                  grants are awarded with respect to eligible commu-  
25                  nities from geographically diverse areas.



1           “(2) GEOGRAPHIC REGION REQUIREMENT.—  
2           The Secretary shall, in meeting the requirement  
3           under paragraph (1), award a grant under this sec-  
4           tion for each of the fiscal years 2022 through 2025  
5           to at least one eligible community located in each ge-  
6           ographic region for which regional offices of the  
7           Economic Development Administration of the De-  
8           partment of Commerce are responsible, to the extent  
9           that the Secretary receives an application from at  
10          least one eligible community in each such geographic  
11          region.

12          “(g) TECHNICAL ASSISTANCE.—The Secretary shall  
13          provide technical assistance for communities—

14                 “(1) to identify significant impediments to eco-  
15                 nomic development that result from the impact of  
16                 trade on the community, including in the course of  
17                 developing a strategic plan under section 275; and

18                 “(2) to access assistance under other available  
19                 sources, including State, local, or private sources, to  
20                 implement projects that diversify and strengthen the  
21                 economy in the community.

22          **“SEC. 275. STRATEGIC PLANS.**

23                 “(a) IN GENERAL.—A strategic plan meets the re-  
24          quirements of this section if—

1           “(1) the consultation requirements of sub-  
2           section (b) are met with respect to the development  
3           of the plan;

4           “(2) the plan meets the requirements of sub-  
5           section (c); and

6           “(3) the plan is approved in accordance with  
7           the requirements of subsection (d).

8           “(b) CONSULTATION.—

9           “(1) IN GENERAL.—To the extent practicable,  
10          an eligible community shall consult with the entities  
11          described in paragraph (2) in developing the stra-  
12          tegic plan.

13          “(2) ENTITIES DESCRIBED.—The entities de-  
14          scribed in this paragraph are public and private en-  
15          tities located in or serving the eligible community,  
16          including—

17                 “(A) local, county, or State government  
18                 agencies;

19                 “(B) firms, including small- and medium-  
20                 sized firms;

21                 “(C) local workforce investment boards;

22                 “(D) labor organizations, including State  
23                 labor federations and labor-management initia-  
24                 tives, representing workers in the community;

1           “(E) educational institutions, local edu-  
2           cational agencies, and other training providers;  
3           and

4           “(F) local civil rights organizations and  
5           community-based organizations, including orga-  
6           nizations representing underserved commu-  
7           nities.

8           “(c) CONTENTS.—The strategic plan may contain, as  
9           applicable to the community, the following:

10           “(1) A description and analysis of the capacity  
11           of the eligible community to achieve economic ad-  
12           justment to the impact of trade.

13           “(2) An analysis of the economic development  
14           challenges and opportunities facing the community,  
15           including the strengths and weaknesses of the econ-  
16           omy of the community.

17           “(3) An assessment of—

18           “(A) the commitment of the community to  
19           carry out the strategic plan on a long-term  
20           basis;

21           “(B) the participation and input of mem-  
22           bers of the community who are dislocated from  
23           employment due to the impact of trade; and

24           “(C) the extent to which underserved com-  
25           munities have been impacted by trade.

1           “(4) A description of how underserved commu-  
2 nities will benefit from the strategic plan.

3           “(5) A description of the role of the entities de-  
4 scribed in subsection (b)(2) in developing the stra-  
5 tegic plan.

6           “(6) A description of projects under the stra-  
7 tegic plan to facilitate the community’s economic ad-  
8 justment to the impact of trade, including projects  
9 to—

10                   “(A) develop public facilities, public serv-  
11 ices, jobs, and businesses (including establishing  
12 a revolving loan fund);

13                   “(B) provide for planning and technical as-  
14 sistance;

15                   “(C) provide for training;

16                   “(D) provide for the demolition of vacant  
17 or abandoned commercial, industrial, or resi-  
18 dential property;

19                   “(E) redevelop brownfields;

20                   “(F) establish or support land banks;

21                   “(G) support energy conservation; and

22                   “(H) support historic preservation.

23           “(7) A strategy for continuing the community’s  
24 economic adjustment to the impact of trade after the  
25 completion of such projects.

1           “(8) A description of the educational and train-  
2           ing programs and the potential employment opportu-  
3           nities available to workers in the community, includ-  
4           ing for workers under the age of 25, and the future  
5           employment needs of the community.

6           “(9) An assessment of—

7                   “(A) the cost of implementing the strategic  
8                   plan; and

9                   “(B) the timing of funding required by the  
10                  community to implement the strategic plan.

11           “(10) A description of the methods of financing  
12           to be used to implement the strategic plan, includ-  
13           ing—

14                   “(A) an implementation grant received  
15                   under section 274 or under other authorities;

16                   “(B) a loan, including the establishment of  
17                   a revolving loan fund; or

18                   “(C) other types of financing.

19           “(11) An assessment of how the community will  
20           address unemployment among agricultural com-  
21           modity producers, if applicable.

22           “(d) APPROVAL; CEDS EQUIVALENT.—

23                   “(1) APPROVAL.—The Secretary shall approve  
24                   the strategic plan developed by an eligible commu-  
25                   nity under this section if the Secretary determines

1 that the strategic plan meets the requirements of  
2 this section.

3 “(2) CEDS OR EQUIVALENT.—The Secretary  
4 may deem an eligible community’s Comprehensive  
5 Economic Development Strategy that substantially  
6 meets the requirements of this section to be an ap-  
7 proved strategic plan for purposes of this sub-  
8 chapter.

9 “(e) ALLOCATION.—Of the funds appropriated to  
10 carry out this chapter for each of the fiscal years 2022  
11 through 2025, the Secretary may make available not more  
12 than \$50,000,000 to award grants under section  
13 274(a)(1).

14 **“SEC. 276. GENERAL PROVISIONS.**

15 “(a) REGULATIONS.—

16 “(1) IN GENERAL.—The Secretary shall, sub-  
17 ject to paragraph (3), promulgate such regulations  
18 as may be necessary to carry out this subchapter, in-  
19 cluding with respect to—

20 “(A) administering the awarding of grants  
21 under section 274, including establishing guide-  
22 lines for the submission and evaluation of grant  
23 applications under such section; and

1           “(B) establishing guidelines for the evalua-  
2           tion of strategic plans developed to meet the re-  
3           quirements of section 275.

4           “(2) CONSULTATIONS.—The Secretary shall  
5           consult with the Committee on Ways and Means of  
6           the House of Representatives and the Committee on  
7           Finance of the Senate not later than 90 days prior  
8           to promulgating any final rule or regulation under  
9           this subsection.

10          “(3) RELATIONSHIP TO EXISTING REGULA-  
11          TIONS.—The Secretary, to the maximum extent  
12          practicable, shall—

13               “(A) rely on and apply regulations promul-  
14               gated to carry out other economic development  
15               programs of the Department of Commerce in  
16               carrying out this subchapter; and

17               “(B) provide guidance regarding the man-  
18               ner and extent to which such other economic  
19               development programs relate to this subchapter.

20          “(b) RESOURCES.—The Secretary shall allocate such  
21          resources as may be necessary to provide sufficiently indi-  
22          vidualized assistance to each eligible community that re-  
23          ceives a grant under section 274(a) or seeks technical as-  
24          sistance under section 274(g) to develop and implement

1 a strategic plan that meets the requirements of section  
2 275.”.

3 (b) CLERICAL AMENDMENT.—The table of contents  
4 for the Trade Act of 1974 is amended by striking the  
5 items relating to chapter 4 of title II and inserting the  
6 following:

“CHAPTER 4—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

“SUBCHAPTER A—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

“Sec. 271. Definitions.

“Sec. 272. Establishment of trade adjustment assistance for communities pro-  
gram.

“Sec. 273. Eligibility; notification of eligibility.

“Sec. 274. Grants to eligible communities.

“Sec. 275. Strategic plans.

“Sec. 276. General provisions.

“SUBCHAPTER B—COMMUNITY COLLEGE AND CAREER TRAINING GRANT  
PROGRAM

“Sec. 279. Community College and Career Training Grant Program.

“Sec. 279A. Authorization of appropriations.”.

7 **SEC. 133302. TRADE ADJUSTMENT ASSISTANCE FOR COM-**  
8 **MUNITY COLLEGES AND CAREER TRAINING.**

9 Section 279 of the Trade Act of 1974, as redesign-  
10 nated by section 133301(a)(2), is amended as follows:

11 (1) In subsection (a)—

12 (A) in paragraph (1), by striking “eligible  
13 institutions” and inserting “eligible entities”;

14 and

15 (B) in paragraph (2)—

16 (i) in the matter preceding subpara-  
17 graph (A), by striking “eligible institution”  
18 and inserting “eligible entity”; and



1 (ii) in subparagraph (B)—

2 (I) by striking “\$1,000,000” and  
3 inserting “\$2,500,000”;

4 (II) by striking “(B)” and insert-  
5 ing “(B)(i) in the case of an eligible  
6 institution,”;

7 (III) by striking the period at the  
8 end and inserting “; or”; and

9 (IV) by adding at the end the fol-  
10 lowing:

11 “(ii) in the case of a consortium of eligible  
12 institutions, a grant under this section in excess  
13 of \$15,000,000.”.

14 (2) In subsection (b), by adding at the end the  
15 following:

16 “(3) ELIGIBLE ENTITY.—The term ‘eligible en-  
17 tity’ means an eligible institution or a consortium of  
18 eligible institutions.

19 “(4) UNDERSERVED COMMUNITY.—The term  
20 ‘underserved community’ has the meaning given that  
21 term in section 247.”.

22 (3) In subsection (c)—

23 (A) by striking “eligible institution” each  
24 place it appears and inserting “eligible entity”;  
25 and

1 (B) in paragraph (5)(A)(i)—

2 (i) in subclause (I), by striking “and”  
3 at the end; and

4 (ii) by adding at the end the fol-  
5 lowing:

6 “(III) any opportunities to sup-  
7 port industry or sector partnerships to  
8 develop or expand quality academic  
9 programs and curricula; and”.

10 (4) In subsection (d), by striking “eligible insti-  
11 tution” each place it appears and inserting “eligible  
12 entity”.

13 (5) By redesignating subsection (e) as sub-  
14 section (h) and inserting after subsection (d) the fol-  
15 lowing:

16 “(e) USE OF FUNDS.—

17 “(1) IN GENERAL.—An eligible entity shall use  
18 a grant awarded under this section to establish and  
19 scale career training programs, including career and  
20 technical education programs, and career pathways  
21 and supports for students participating in such pro-  
22 grams.

23 “(2) STUDENT SUPPORT AND EMERGENCY  
24 SERVICES.—Not less than 15 percent of the amount  
25 of a grant awarded to an eligible entity under this

1 section shall be used to carry out student support  
2 services, which may include the following:

3 “(A) Supportive services, including  
4 childcare, transportation, mental health serv-  
5 ices, substance use disorder prevention and  
6 treatment, assistance in obtaining health insur-  
7 ance coverage, housing, and other benefits, as  
8 appropriate.

9 “(B) Connecting students to State or Fed-  
10 eral means-tested benefits programs.

11 “(C) The provision of direct financial as-  
12 sistance to help students facing financial hard-  
13 ships that may impact enrollment in or comple-  
14 tion of a program supported by such funds.

15 “(D) Navigation, coaching, mentorship,  
16 and case management services, including pro-  
17 viding information and outreach to the popu-  
18 lation described in subparagraph (C) to take  
19 part in such a program.

20 “(E) Providing access to necessary sup-  
21 plies, materials, technological devices, or re-  
22 quired equipment, and other supports necessary  
23 to participate in such a program.

24 “(f) PLAN FOR OUTREACH TO UNDERSERVED COM-  
25 MUNITIES.—

1           “(1) IN GENERAL.—In awarding grants under  
2 this section, the Secretary shall—

3           “(A) ensure that eligible institutions effec-  
4 tively serve individuals from underserved com-  
5 munities; and

6           “(B) develop a plan to ensure that grants  
7 provided under this subchapter effectively serve  
8 individuals from underserved communities.

9           “(2) UPDATES.—The Secretary shall update  
10 the plan required by paragraph (1)(B) on an annual  
11 basis.

12           “(3) SUBMISSION TO CONGRESS.—The Sec-  
13 retary shall submit the plan required by paragraph  
14 (1)(B) and each update to the plan required by  
15 paragraph (2) to Congress.

16           “(g) GEOGRAPHIC DIVERSITY.—The Secretary shall,  
17 in awarding grants under this section, ensure that grants  
18 are awarded with respect to eligible entities from geo-  
19 graphically diverse areas.”.

20   **PART 4—TRADE ADJUSTMENT ASSISTANCE FOR**  
21                                   **FARMERS**

22   **SEC. 133401. DEFINITIONS.**

23           Section 291 of the Trade Act of 1974 (19 U.S.C.  
24 2401) is amended—

25           (1) by striking paragraph (3);

1           (2) by redesignating paragraphs (4) through  
2           (7) as paragraphs (3) through (6), respectively; and  
3           (3) by adding at the end the following:

4           “(7) **UNDERSERVED COMMUNITY.**—The term  
5           ‘underserved community’ has the meaning given that  
6           term in section 247.”.

7 **SEC. 133402. GROUP ELIGIBILITY REQUIREMENTS.**

8           Section 292 of the Trade Act of 1974 (19 U.S.C.  
9 2401a) is amended—

10           (1) in subsection (c)—

11           (A) in paragraph (1)—

12           (i) by striking “85 percent of” each  
13           place it appears; and

14           (ii) in subparagraph (D), by adding  
15           “and” at the end;

16           (B) in paragraph (2), by striking “(2)”  
17           and inserting “(2)(A)(i)”;

18           (C) by redesignating paragraph (3) as  
19           clause (ii) of paragraph (2)(A) (as designated  
20           by subparagraph (B));

21           (D) in clause (ii) of paragraph (2)(A) (as  
22           redesignated by subparagraph (C))—

23           (i) by striking “importantly”; and

24           (ii) by striking the period at the end  
25           and inserting “; or” ; and

1 (E) in paragraph (2), by adding at the end  
2 the following:

3 “(B)(i) the volume of exports of the agricultural  
4 commodity produced by the group in the marketing  
5 year with respect to which the group files the peti-  
6 tion decreased compared to the average volume of  
7 such exports during the 3 marketing years preceding  
8 such marketing year; and

9 “(ii) the decrease in such exports contributed to  
10 the decrease in the national average price, quantity  
11 of production, or value of production of, or cash re-  
12 ceipts for, the agricultural commodity, as described  
13 in paragraph (1).”; and

14 (2) in subsection (e)(3), by adding at the end  
15 before the period the following: “or exports”.

16 **SEC. 133403. BENEFIT INFORMATION TO AGRICULTURAL**  
17 **COMMODITY PRODUCERS.**

18 Section 295(a) of the Trade Act of 1974 (19 U.S.C.  
19 2401d(a)) is amended by adding at the end the following:  
20 “The Secretary shall develop a plan to conduct targeted  
21 sustained outreach and offer assistance to agricultural  
22 commodity producers from underserved communities”.

1 **SEC. 133404. QUALIFYING REQUIREMENTS AND BENEFITS**  
2 **FOR AGRICULTURAL COMMODITY PRO-**  
3 **DUCERS.**

4 Section 296 of the Trade Act of 1974 (19 U.S.C.  
5 2401e) is amended—

6 (1) in subsection (a)(1)(A), by striking “90  
7 days” and inserting “120 days”;

8 (2) in subsection (b)—

9 (A) in paragraph (3)(B), by striking  
10 “\$4,000” and inserting “\$12,000”; and

11 (B) in paragraph (4)(C), by striking  
12 “\$8,000” and inserting “\$24,000”;

13 (3) in subsection (c), by striking “\$12,000” and  
14 inserting “\$36,000”; and

15 (4) by adding at the end the following new sub-  
16 section:

17 “(e) ADJUSTMENTS FOR INFLATION.—

18 “(1) IN GENERAL.—The Secretary of Agri-  
19 culture shall adjust each dollar amount limitation  
20 described in this section on the date that is 30 days  
21 after the date of the enactment of this subsection,  
22 and at the beginning of each fiscal year thereafter,  
23 to reflect the percentage (if any) of the increase in  
24 the average of the Consumer Price Index for the  
25 preceding 12-month period compared to the Con-  
26 sumer Price Index for fiscal year 2020.

1           “(2) SPECIAL RULES FOR CALCULATION OF AD-  
2 JUSTMENT.—In making an adjustment under para-  
3 graph (1), the Secretary—

4           “(A) shall round the amount of any in-  
5 crease in the Consumer Price Index to the near-  
6 est dollar; and

7           “(B) may ignore any such increase of less  
8 than 1 percent.

9           “(3) CONSUMER PRICE INDEX DEFINED.—For  
10 purposes of this subsection, the term ‘Consumer  
11 Price Index’ means the Consumer Price Index for  
12 All Urban Consumers published by the Bureau of  
13 Labor Statistics of the Department of Labor.”.

14 **PART 5—APPROPRIATIONS AND OTHER MATTERS**

15 **SEC. 133501. EXTENSION OF AND APPROPRIATIONS FOR**  
16 **TRADE ADJUSTMENT ASSISTANCE PROGRAM.**

17       (a) EXTENSION OF TERMINATION PROVISIONS.—  
18 Section 285 of the Trade Act of 1974 (19 U.S.C. 2271  
19 note) is amended by striking “2021” each place it appears  
20 and inserting “2025”.

21       (b) TRAINING FUNDS.—Section 236(a)(2)(A) of the  
22 Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) , as amend-  
23 ed by section 133110(c)(2)(B), is further amended—

24           (1) by striking “shall not exceed \$450,000,000”  
25 and inserting the following: “shall not exceed—



1 “(i) \$450,000,000”;

2 (2) by striking the period at the end and insert-  
3 ing “; and”; and

4 (3) by adding at the end the following:

5 “(ii) \$1,000,000,000 for each of the fiscal years 2022  
6 through 2025.”.

7 (c) REEMPLOYMENT TRADE ADJUSTMENT ASSIST-  
8 ANCE.—Section 246(b)(1) of the Trade Act of 1974 (19  
9 U.S.C. 2318(b)(1)) is amended by striking “2021” and  
10 inserting “2025”.

11 (d) AUTHORIZATIONS OF APPROPRIATIONS.—

12 (1) TRADE ADJUSTMENT ASSISTANCE FOR  
13 WORKERS.—Section 245 of the Trade Act of 1974  
14 (19 U.S.C. 2317) is amended—

15 (A) in subsection (a), by striking “2021”  
16 and inserting “2025”; and

17 (B) by adding at the end the following:

18 “(d) RESERVATION BY THE SECRETARY.—Of the  
19 funds appropriated to carry out this chapter for any fiscal  
20 year, the Secretary of Labor may reserve not more than  
21 1 percent for administration of the program (in addition  
22 to amounts otherwise available for such purposes), tech-  
23 nical assistance, grants for pilots and demonstrations, and  
24 the evaluation of activities carried out under this chap-  
25 ter.”.

1           (2) TRADE ADJUSTMENT ASSISTANCE FOR  
2 FIRMS.—Section 255(a) of the Trade Act of 1974  
3 (19 U.S.C. 2345(a)) is amended in the first sentence  
4 by adding at the end before the period the following:  
5 “and \$50,000,000 for each of the fiscal years 2022  
6 through 2025”.

7           (3) TRADE ADJUSTMENT ASSISTANCE FOR COM-  
8 MUNITY COLLEGES AND CAREER TRAINING.—Sub-  
9 section (a) of section 279A of the Trade Act of 1974  
10 (as redesignated) is amended by striking  
11 “\$40,000,000” and all that follows through “Decem-  
12 ber 31, 2010,” and inserting “\$300,000,000 for  
13 each of the fiscal years 2022 through 2025”.

14           (4) TRADE ADJUSTMENT ASSISTANCE FOR  
15 FARMERS.—Section 298 of the Trade Act of 1974  
16 (19 U.S.C. 2401g(a)) is amended—

17                   (A) in subsection (a)—

18                           (i) by striking “\$90,000,000” and in-  
19                           serting “\$10,000,000”; and

20                           (ii) by striking “2021” and inserting  
21                           “2025”; and

22                   (B) by adding at the end the following:

23           “(c) RESERVATION BY THE SECRETARY.—Of the  
24 funds appropriated to carry out this chapter for any fiscal  
25 year, the Secretary of Agriculture may not reserve more

1 than 5 percent for technical assistance, pilots and dem-  
2 onstrations, and the evaluation of activities carried out  
3 under this chapter.”.

4 (e) APPROPRIATIONS.—

5 (1) TRADE ADJUSTMENT ASSISTANCE FOR  
6 WORKERS.—In addition to amounts otherwise avail-  
7 able, there is appropriated for each of fiscal years  
8 2022 through 2025, out of any money in the Treas-  
9 ury not otherwise appropriated, \$1,000,000,000, to  
10 remain available until expended, to carry out the  
11 purposes of chapter 2 of title II of the Trade Act  
12 of 1974, as authorized by section 245 of the Trade  
13 Act of 1974 (19 U.S.C. 2317) (as amended by sub-  
14 section (d)).

15 (2) TRADE ADJUSTMENT ASSISTANCE FOR  
16 FIRMS.—In addition to amounts otherwise available,  
17 there is appropriated for each of fiscal years 2022  
18 through 2025, out of any money in the Treasury not  
19 otherwise appropriated, \$50,000,000, to remain  
20 available until expended, to carry out the provisions  
21 of chapter 3 of title II of the Trade Act of 1974,  
22 as authorized by section 255 of the Trade Act of  
23 1974 (19 U.S.C. 2345) (as amended by subsection  
24 (d)).

1           (3) TRADE ADJUSTMENT ASSISTANCE FOR COM-  
2           MUNITIES.—

3           (A) IN GENERAL.—In addition to amounts  
4           otherwise available, there is appropriated for  
5           each of fiscal years 2022 through 2025, out of  
6           any money in the Treasury not otherwise ap-  
7           propriated, \$300,000,000, to remain available  
8           for obligation until September 30, 2026, to  
9           carry out subchapter A of chapter 4 of title II  
10          of the Trade Act of 1974, as added by section  
11          133301 of this Act.

12          (B) SALARIES AND EXPENSES.—Of the  
13          amounts appropriated pursuant subparagraph  
14          (A) for each of fiscal years 2022 through 2025,  
15          not more than \$40,000,000 shall be made avail-  
16          able for the salaries and expenses of personnel  
17          administering subchapter A of chapter 4 of title  
18          II of the Trade Act of 1974.

19          (C) SUPPLEMENT AND NOT SUPPLANT.—  
20          Amounts appropriated pursuant to subpara-  
21          graph (A) for each of the fiscal years 2022  
22          through 2025 shall be used to supplement, and  
23          not supplant, other Federal, State, regional,  
24          and local government funds made available to

1 provide economic development assistance for  
2 communities.

3 (4) TRADE ADJUSTMENT ASSISTANCE FOR COM-  
4 MUNITY COLLEGES AND CAREER TRAINING.—

5 (A) IN GENERAL.—In addition to amounts  
6 otherwise available, there is appropriated for  
7 each of fiscal years 2022 through 2025, out of  
8 any money in the Treasury not otherwise ap-  
9 propriated, \$300,000,000, to remain available  
10 until expended, to carry out subchapter B of  
11 chapter 4 of title II of the Trade Act of 1974,  
12 as designated by section 13301 of this Act, as  
13 authorized by section 279A of such subchapter  
14 B (as redesignated and as amended by sub-  
15 section (d)).

16 (B) RESERVATION BY THE SECRETARY.—  
17 Of the funds appropriated to carry out sub-  
18 chapter B of chapter 4 of title II of the Trade  
19 Act of 1974 for each of fiscal years 2022  
20 through 2025, the Secretary of Labor may re-  
21 serve not more than 5 percent for administra-  
22 tion of the program, including providing tech-  
23 nical assistance, sustained outreach to eligible  
24 institutions effectively serving underserved com-  
25 munities, grants for pilots and demonstrations,

1           and a rigorous third-party evaluation of the  
2           program carried out under such subchapter.

3           (5) TRADE ADJUSTMENT ASSISTANCE FOR  
4 FARMERS.—In addition to amounts otherwise avail-  
5 able, there is appropriated for each of fiscal years  
6 2022 through 2025, out of any money in the Treas-  
7 ury not otherwise appropriated, \$10,000,000, to re-  
8 main available until expended, to carry out the pur-  
9 poses of chapter 6 of title II of the Trade Act of  
10 1974, as authorized by section 298 of the Trade Act  
11 of 1974 (19 U.S.C. 2401) (as amended by sub-  
12 section (d)).

13 **SEC. 133502. APPLICABILITY OF TRADE ADJUSTMENT AS-**  
14 **SISTANCE PROVISIONS.**

15           (a) WORKERS CERTIFIED BEFORE DATE OF ENACT-  
16 MENT.—

17           (1) IN GENERAL.—Except as provided in para-  
18 graphs (2) and (3), a worker certified as eligible for  
19 adjustment assistance under section 222 of the  
20 Trade Act of 1974 before the date of the enactment  
21 of this Act shall be eligible, on and after such date  
22 of enactment, to receive benefits only under the pro-  
23 visions of chapter 2 of title II of the Trade Act of  
24 1974, as in effect on such date of enactment, or as

1 such provisions may be amended after such date of  
2 enactment.

3 (2) COMPUTATION OF MAXIMUM BENEFITS.—

4 Benefits received by a worker described in para-  
5 graph (1) under chapter 2 of title II of the Trade  
6 Act of 1974 before the date of the enactment of this  
7 Act shall be included in any determination of the  
8 maximum benefits for which the worker is eligible  
9 under the provisions of chapter 2 of title II of the  
10 Trade Act of 1974, as in effect on the date of the  
11 enactment of this Act, or as such provisions may be  
12 amended after such date of enactment.

13 (3) AUTHORITY TO MAKE ADJUSTMENTS TO

14 BENEFITS.—For the 90-day period beginning on the  
15 date of the enactment of this Act, the Secretary is  
16 authorized to make any adjustments to benefits to  
17 workers described in paragraph (1) that the Sec-  
18 retary determines to be necessary and appropriate in  
19 applying and administering the provisions of chapter  
20 2 of title II of the Trade Act of 1974, as in effect  
21 on the date of the enactment of this Act, or as such  
22 provisions may be amended after such date of enact-  
23 ment, in a manner that ensures parity of treatment  
24 between the benefits of such workers and the bene-

1 fits of workers certified after such date of enact-  
2 ment.

3 (b) WORKERS NOT CERTIFIED PURSUANT TO CER-  
4 TAIN PETITIONS FILED BEFORE DATE OF ENACT-  
5 MENT.—

6 (1) CERTIFICATIONS OF WORKERS NOT CER-  
7 TIFIED BEFORE DATE OF ENACTMENT.—

8 (A) CRITERIA IF A DETERMINATION HAS  
9 NOT BEEN MADE.—If, as of the date of the en-  
10 actment of this Act, the Secretary of Labor has  
11 not made a determination with respect to  
12 whether to certify a group of workers as eligible  
13 to apply for adjustment assistance under sec-  
14 tion 222 of the Trade Act of 1974 pursuant to  
15 a petition described in subparagraph (C), the  
16 Secretary shall make that determination based  
17 on the requirements of section 222 of the Trade  
18 Act of 1974, as in effect on such date of enact-  
19 ment.

20 (B) RECONSIDERATION OF DENIALS OF  
21 CERTIFICATIONS.—If, before the date of the en-  
22 actment of this Act, the Secretary made a de-  
23 termination not to certify a group of workers as  
24 eligible to apply for adjustment assistance  
25 under section 222 of the Trade Act of 1974



1           pursuant to a petition described in subpara-  
2           graph (C), the Secretary shall—

3                   (i) reconsider that determination; and

4                   (ii) if the group of workers meets the  
5                   requirements of section 222 of the Trade  
6                   Act of 1974, as in effect on such date of  
7                   enactment, certify the group of workers as  
8                   eligible to apply for adjustment assistance.

9           (C) PETITION DESCRIBED.—A petition de-  
10           scribed in this subparagraph is a petition for a  
11           certification of eligibility for a group of workers  
12           filed under section 221 of the Trade Act of  
13           1974 on or after January 1, 2021, and before  
14           the date of the enactment of this Act.

15           (2) ELIGIBILITY FOR BENEFITS.—

16                   (A) IN GENERAL.—Except as provided in  
17                   subparagraph (B), a worker certified as eligible  
18                   to apply for adjustment assistance under sec-  
19                   tion 222 of the Trade Act of 1974 pursuant to  
20                   a petition described in paragraph (1)(C) shall  
21                   be eligible, on and after the date of the enact-  
22                   ment of this Act, to receive benefits only under  
23                   the provisions of chapter 2 of title II of the  
24                   Trade Act of 1974, as in effect on such date of

1 enactment, or as such provisions may be  
2 amended after such date of enactment.

3 (B) COMPUTATION OF MAXIMUM BENE-  
4 FITS.—Benefits received by a worker described  
5 in paragraph (1) under chapter 2 of title II of  
6 the Trade Act of 1974 before the date of the  
7 enactment of this Act shall be included in any  
8 determination of the maximum benefits for  
9 which the worker is eligible under the provisions  
10 of chapter 2 of title II of the Trade Act of  
11 1974, as in effect on the date of the enactment  
12 of this Act, or as such provisions may be  
13 amended after such date of enactment.

14 (c) CONFORMING AMENDMENTS.—

15 (1) TRADE ACT OF 2002.—Section 151 of the  
16 Trade Act of 2002 (19 U.S.C. note prec. 2271) is  
17 amended by striking subsections (a), (b), and (c).

18 (2) TRADE AND GLOBALIZATION ADJUSTMENT  
19 ASSISTANCE ACT OF 2009.—Section 1891 of the  
20 Trade and Globalization Adjustment Assistance Act  
21 of 2009 (19 U.S.C. 2271 note) is repealed.

22 (3) TRADE ADJUSTMENT ASSISTANCE EXTEN-  
23 SION ACT OF 2011.—The Trade Adjustment Assist-  
24 ance Extension Act of 2011 is amended—

1 (A) in section 201 (19 U.S.C. note prec.  
2 2271), by striking subsections (b) and (c); and

3 (B) in section 231(a) (19 U.S.C. 2271  
4 note), by striking paragraphs (1)(B) and (2).

5 (4) TRADE ADJUSTMENT ASSISTANCE REAU-  
6 THORIZATION ACT OF 2015.—The Trade Adjustment  
7 Assistance Reauthorization Act of 2015 is amend-  
8 ed—

9 (A) in section 402 (19 U.S.C. note prec.  
10 2271), by striking subsections (b) and (c); and

11 (B) in section 405(a)(1) (19 U.S.C.  
12 2319(a)(1)), by striking subparagraph (B).

13 (d) TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.—

14 (1) CERTIFICATION OF FIRMS NOT CERTIFIED  
15 BEFORE DATE OF ENACTMENT.—

16 (A) CRITERIA IF A DETERMINATION HAS  
17 NOT BEEN MADE.—If, as of the date of the en-  
18 actment of this Act, the Secretary of Commerce  
19 has not made a determination with respect to  
20 whether to certify a firm as eligible to apply for  
21 adjustment assistance under section 251 of the  
22 Trade Act of 1974 pursuant to a petition de-  
23 scribed in subparagraph (C), the Secretary shall  
24 make that determination based on the require-

1           ments of section 251 of the Trade Act of 1974,  
2           as in effect on such date of enactment.

3           (B) RECONSIDERATION OF DENIAL OF  
4           CERTAIN PETITIONS.—If, before the date of the  
5           enactment of this Act, the Secretary made a de-  
6           termination not to certify a firm as eligible to  
7           apply for adjustment assistance under section  
8           251 of the Trade Act of 1974 pursuant to a pe-  
9           tition described in subparagraph (C), the Sec-  
10          retary shall—

11                   (i) reconsider that determination; and

12                   (ii) if the firm meets the requirements  
13                   of section 251 of the Trade Act of 1974,  
14                   as in effect on such date of enactment, cer-  
15                   tify the firm as eligible to apply for adjust-  
16                   ment assistance.

17           (C) PETITION DESCRIBED.—A petition de-  
18           scribed in this subparagraph is a petition for a  
19           certification of eligibility filed by a firm or its  
20           representative under section 251 of the Trade  
21           Act of 1974 on or after January 1, 2021, and  
22           before the date of the enactment of this Act.

23           (2) CERTIFICATION OF FIRMS THAT DID NOT  
24           SUBMIT PETITIONS BETWEEN JANUARY 1, 2021, AND  
25           DATE OF ENACTMENT.—

1           (A) IN GENERAL.—The Secretary of Com-  
2 merce shall certify a firm described in subpara-  
3 graph (B) as eligible to apply for adjustment  
4 assistance under section 251 of the Trade Act  
5 of 1974, as in effect on the date of the enact-  
6 ment of this Act, if the firm or its representa-  
7 tive files a petition for a certification of eligi-  
8 bility under section 251 of the Trade Act of  
9 1974 not later than 90 days after such date of  
10 enactment.

11           (B) FIRM DESCRIBED.—A firm described  
12 in this subparagraph is a firm that the Sec-  
13 retary determines would have been certified as  
14 eligible to apply for adjustment assistance if—

15                   (i) the firm or its representative had  
16 filed a petition for a certification of eligi-  
17 bility under section 251 of the Trade Act  
18 of 1974 on a date during the period begin-  
19 ning on January 1, 2021, and ending on  
20 the day before the date of the enactment  
21 of this Act; and

22                   (ii) the provisions of chapter 3 of title  
23 II of the Trade Act of 1974, as in effect  
24 on such date of enactment, had been in ef-

1                   fect on that date during the period de-  
2                   scribed in clause (i).

3 **SEC. 133503. SUNSET PROVISIONS.**

4           (a) APPLICATION OF PRIOR LAW.—Subject to sub-  
5 section (b), beginning on July 1, 2025, the provisions of  
6 chapters 2, 3, 5, and 6 of title II of the Trade Act of  
7 1974 (19 U.S.C. 2271-2401g), as in effect on January  
8 1, 2014, shall be in effect and apply, except that in apply-  
9 ing and administering such chapters—

10                   (1) paragraph (1) of section 231(c) of that Act  
11 shall be applied and administered as if subpara-  
12 graphs (A), (B), and (C) of that paragraph were not  
13 in effect;

14                   (2) section 233 of that Act shall be applied and  
15 administered—

16                           (A) in subsection (a)—

17                                   (i) in paragraph (2), by substituting  
18 “104-week period” for “104-week period”  
19 and all that follows through “130-week pe-  
20 riod)”; and

21                                   (ii) in paragraph (3)—

22   (I) in the matter preceding sub-  
23 paragraph (A), by substituting “65”  
24 for “52”; and

1 (II) by substituting “78-week pe-  
2 riod” for “52-week period” each place  
3 it appears; and

4 (B) by applying and administering sub-  
5 section (g) as if it read as follows:

6 “(g) PAYMENT OF TRADE READJUSTMENT ALLOW-  
7 ANCES TO COMPLETE TRAINING.—Notwithstanding any  
8 other provision of this section, in order to assist an ad-  
9 versely affected worker to complete training approved for  
10 the worker under section 236 that leads to the completion  
11 of a degree or industry-recognized credential, payments  
12 may be made as trade readjustment allowances for not  
13 more than 13 weeks within such period of eligibility as  
14 the Secretary may prescribe to account for a break in  
15 training or for justifiable cause that follows the last week  
16 for which the worker is otherwise entitled to a trade read-  
17 justment allowance under this chapter if—

18 “(1) payment of the trade readjustment allow-  
19 ance for not more than 13 weeks is necessary for the  
20 worker to complete the training;

21 “(2) the worker participates in training in each  
22 such week; and

23 “(3) the worker—

1           “(A) has substantially met the perform-  
2           ance benchmarks established as part of the  
3           training approved for the worker;

4           “(B) is expected to continue to make  
5           progress toward the completion of the training;  
6           and

7           “(C) will complete the training during that  
8           period of eligibility.”;

9           (3) section 245(a) of that Act shall be applied  
10          and administered by substituting “June 30, 2025”  
11          for “December 31, 2007”;

12          (4) section 246(b)(1) of that Act shall be ap-  
13          plied and administered by substituting “June 30,  
14          2025” for “the date that is 5 years” and all that fol-  
15          lows through “State”;

16          (5) section 256(b) of that Act shall be applied  
17          and administered by substituting “the 1-year period  
18          beginning on July 1, 2025” for “each of fiscal years  
19          2003 through 2007, and \$4,000,000 for the 3-  
20          month period beginning on October 1, 2007”;

21          (6) section 298(a) of that Act shall be applied  
22          and administered by substituting “the 1-year period  
23          beginning on July 1, 2025” for “each of the fiscal  
24          years” and all that follows through “October 1,  
25          2007”; and



1 (7) section 285 of that Act shall be applied and  
2 administered—

3 (A) in subsection (a), by substituting  
4 “June 30, 2026” for “December 31, 2007”  
5 each place it appears; and

6 (B) by applying and administering sub-  
7 section (b) as if it read as follows:

8 “(b) OTHER ASSISTANCE.—

9 “(1) ASSISTANCE FOR FIRMS.—

10 “(A) IN GENERAL.—Except as provided in  
11 subparagraph (B), assistance may not be pro-  
12 vided under chapter 3 after June 30, 2026.

13 “(B) EXCEPTION.—Notwithstanding sub-  
14 paragraph (A), any assistance approved under  
15 chapter 3 pursuant to a petition filed under sec-  
16 tion 251 on or before June 30, 2026, may be  
17 provided—

18 “(i) to the extent funds are available  
19 pursuant to such chapter for such purpose;  
20 and

21 “(ii) to the extent the recipient of the  
22 assistance is otherwise eligible to receive  
23 such assistance.

24 “(2) FARMERS.—

1           “(A) IN GENERAL.—Except as provided in  
2           subparagraph (B), assistance may not be pro-  
3           vided under chapter 6 after June 30, 2026.

4           “(B) EXCEPTION.—Notwithstanding sub-  
5           paragraph (A), any assistance approved under  
6           chapter 6 on or before June 30, 2026, may be  
7           provided—

8                   “(i) to the extent funds are available  
9                   pursuant to such chapter for such purpose;  
10                  and

11                   “(ii) to the extent the recipient of the  
12                   assistance is otherwise eligible to receive  
13                   such assistance.”.

14           (b) EXCEPTIONS.—The provisions of chapters 2, 3,  
15           5, and 6 of title II of the Trade Act of 1974, as in effect  
16           on the date of the enactment of this Act, shall continue  
17           to apply on and after July 1, 2025, with respect to—

18                   (1) workers certified as eligible for trade adjust-  
19                   ment assistance benefits under chapter 2 of title II  
20                   of that Act pursuant to petitions filed under section  
21                   221 of that Act before July 1, 2025;

22                   (2) firms certified as eligible for technical as-  
23                   sistance or grants under chapter 3 of title II of that  
24                   Act pursuant to petitions filed under section 251 of  
25                   that Act before July 1, 2025; and

1           (3) agricultural commodity producers certified  
2           as eligible for technical or financial assistance under  
3           chapter 6 of title II of that Act pursuant to petitions  
4           filed under section 292 of that Act before July 1,  
5           2025.

6           **Subtitle D—Career Pathways and**  
7           **Social Services**

8           **PART 1—PROVISIONS RELATING TO PATHWAYS**  
9           **TO HEALTH CAREERS**

10          **SEC. 134101. PATHWAYS TO HEALTH CAREERS.**

11           Effective October 1, 2021, title XX of the Social Se-  
12          curity Act (42 U.S.C. 1397–1397n–13) is amended by  
13          adding at the end the following:

14          **“Subtitle D—Career Pathways**  
15           **Through Health Profession Op-**  
16           **portunity Grants**

17          **“SEC. 2071. CAREER PATHWAYS THROUGH HEALTH PRO-**  
18           **FESSION OPPORTUNITY GRANTS.**

19           “(a) APPLICATION REQUIREMENTS.—An eligible en-  
20          tity desiring a grant under this section for a project shall  
21          submit to the Secretary an application for the grant, that  
22          includes the following:

23                   “(1) A description of how the applicant will use  
24                   a career pathways approach to train eligible individ-  
25                   uals for health professions that will put eligible indi-

1       viduals on a career path to an occupation that pays  
2       well, under the project.

3           “(2) A description of the adult basic education  
4       and literacy activities, work readiness activities,  
5       training activities, and case management and career  
6       coaching services that the applicant will use to assist  
7       eligible individuals to gain work experience, connec-  
8       tion to employers, and job placement, and a descrip-  
9       tion of the plan for recruiting, hiring, and training  
10      staff to provide the case management, mentoring,  
11      and career coaching services, under the project di-  
12      rectly or through local governmental, apprenticeship,  
13      educational, or charitable institutions.

14          “(3) A demonstration that the applicant has ex-  
15      perience working with low-income populations, or a  
16      description of the plan of the applicant to work with  
17      a partner organization that has the experience.

18          “(4) A plan for providing post-employment sup-  
19      port and ongoing training as part of a career path-  
20      way under the project.

21          “(5) A description of the support services that  
22      the applicant will provide under the project, includ-  
23      ing a plan for how child care and transportation  
24      support services will be guaranteed and, if the appli-  
25      cant will provide a cash stipend or wage supplement,

1       how the stipend or supplement would be calculated  
2       and distributed.

3               “(6) A certification by the applicant that the  
4       project development included—

5                       “(A) consultation or commitment to con-  
6                       sult with a local workforce development board;

7                       “(B) consideration of registered appren-  
8                       ticeship and pre-apprenticeship models;

9                       “(C) consideration of career pathway pro-  
10                      grams in the State in which the project is to be  
11                      conducted; and

12                      “(D) a review of the State plan under sec-  
13                      tion 102 or 103 of the Workforce Innovation  
14                      and Opportunity Act.

15               “(7) A description of the availability and rel-  
16       evance of recent labor market information and other  
17       pertinent evidence of in-demand jobs or worker  
18       shortages.

19               “(8) A certification that the applicant will di-  
20       rectly provide or contract for the training services  
21       described in the application.

22               “(9) A commitment by the applicant that, if the  
23       grant is made to the applicant, the applicant will—

24                       “(A) during the planning period for the  
25                       project, provide the Secretary with any informa-

1           tion needed by the Secretary to establish ade-  
2           quate data reporting and administrative struc-  
3           ture for the project;

4                   “(B) hire a person to direct the project not  
5           later than the end of the planning period appli-  
6           cable to the project;

7                   “(C) accept all technical assistance offered  
8           by the Secretary with respect to the grant;

9                   “(D) participate in peer technical assist-  
10          ance conferences as are regularly scheduled by  
11          the Secretary; and

12                   “(E) provide all data required by the Sec-  
13          retary under subsection (g).

14          “(b) ADDITIONAL APPLICATION ELEMENT.—In con-  
15          sidering applications for a grant under this section, the  
16          Secretary shall require qualified applicants to have at least  
17          1 of the following application elements—

18                   “(1) applications submitted by applicants to  
19          whom a grant was made under this section or any  
20          predecessor to this section;

21                   “(2) applications submitted by applicants who  
22          have business and community partners in each of  
23          the following categories:

24                           “(A) State and local government agencies  
25          and social service providers, including a State

1 or local entity that administers a State program  
2 funded under part A of this title;

3 “(B) institutions of higher education, ap-  
4 prenticeship programs, and local workforce de-  
5 velopment boards; and

6 “(C) health care employers, health care in-  
7 dustry or sector partnerships, labor unions, and  
8 labor-management partnerships;

9 “(3) applications that include opportunities for  
10 mentoring or peer support, and make career coach-  
11 ing available, as part of the case management plan;

12 “(4) applications which describe a project that  
13 will serve a rural area in which—

14 “(A) the community in which the individ-  
15 uals to be enrolled in the project reside is lo-  
16 cated;

17 “(B) the project will be conducted; or

18 “(C) an employer partnership that has  
19 committed to hiring individuals who successfully  
20 complete all activities under the project is lo-  
21 cated;

22 “(5) applications that include a commitment to  
23 providing project participants with a cash stipend or  
24 wage supplement; and

1           “(6) applications which have an emergency cash  
2 fund to assist project participants financially in  
3 emergency situations.

4           “(c) GRANTS.—

5           “(1) COMPETITIVE GRANTS.—

6           “(A) GRANT AUTHORITY.—

7           “(i) IN GENERAL.—The Secretary  
8 shall make a grant in accordance with this  
9 paragraph to an eligible entity whose appli-  
10 cation for the grant is approved by the  
11 Secretary, to conduct a project designed to  
12 train low-income individuals for allied  
13 health professions, health information tech-  
14 nology, physician assistants, nursing as-  
15 sistants, registered nurse, advanced prac-  
16 tice nurse, and other professions consid-  
17 ered part of a health care career pathway  
18 model.

19           “(ii) GUARANTEE OF GRANTEES IN  
20 EACH STATE AND THE DISTRICT OF CO-  
21 LUMBIA.—For each grant cycle, the Sec-  
22 retary shall award a grant under this para-  
23 graph to at least 2 eligible entities in each  
24 State that is not a territory, to the extent  
25 there are a sufficient number of applica-



1           tions that have a high likelihood of success  
2           and that are submitted by the entities that  
3           meet the requirements applicable with re-  
4           spect to such a grant. If, for a grant cycle,  
5           there are fewer than 2 such eligible entities  
6           in a State that have submitted applications  
7           with a high likelihood of success, the Sec-  
8           retary shall identify qualified eligible appli-  
9           cants located elsewhere, that are otherwise  
10          approved but un-funded, and issue a Sub-  
11          stitution of Grant and tailored technical  
12          assistance. In the preceding sentence, the  
13          term ‘issue a Substitution of Grant’  
14          means, in a case in which an approved  
15          grantee does not complete its full project  
16          period, or in which there are fewer than 2  
17          qualified grantees per State with a high  
18          likelihood of success, substitute an appli-  
19          cant located in another State that was ap-  
20          proved but un-funded during the competi-  
21          tion for the award for the award recipient.

22           “(B) GUARANTEE OF GRANTS FOR INDIAN  
23          POPULATIONS.—The Secretary shall award a  
24          grant under this paragraph to at least 10 eligi-  
25          ble entities that are an Indian tribe, an Alaska

1 Native Corporation, a tribal organization, or a  
2 tribal college or university, to the extent there  
3 are a sufficient number of applications sub-  
4 mitted by the entities that meet the require-  
5 ments applicable with respect to such a grant.

6 “(C) GUARANTEE OF GRANTEEES IN THE  
7 TERRITORIES.—The Secretary shall award a  
8 grant under this paragraph to at least 2 eligible  
9 entities that are located in a territory, to the  
10 extent there are a sufficient number of applica-  
11 tions submitted by the entities that meet the re-  
12 quirements applicable with respect to such a  
13 grant.

14 “(2) GRANT CYCLE.—The grant cycle under  
15 this section shall be not less than 5 years, with a  
16 planning period of not more than the first 12  
17 months of the grant cycle. During the planning pe-  
18 riod, the amount of the grant shall be in such lesser  
19 amount as the Secretary determines appropriate.

20 “(d) USE OF GRANT.—

21 “(1) IN GENERAL.—An entity to which a grant  
22 is made under this section shall use the grant in ac-  
23 cordance with the approved application for the  
24 grant.

25 “(2) SUPPORT TO BE PROVIDED.—

1           “(A) REQUIRED SUPPORT.—A project for  
2           which a grant is made under this section shall  
3           include the following:

4                   “(i) An assessment for adult basic  
5                   skill competency, and provision of adult  
6                   basic skills education if necessary for  
7                   lower-skilled eligible individuals to enroll in  
8                   the project and go on to enter and com-  
9                   plete post-secondary training, through  
10                  means including the following:

11                           “(I) Establishing a network of  
12                           partners that offer pre-training activi-  
13                           ties for project participants who need  
14                           to improve basic academic skills or  
15                           English language proficiency before  
16                           entering a health occupational train-  
17                           ing career pathway program.

18                           “(II) Offering resources to enable  
19                           project participants to continue ad-  
20                           vancing adult basic skill proficiency  
21                           while enrolled in a career pathway  
22                           program.

23                           “(III) Embedding adult basic  
24                           skill maintenance as part of ongoing

1 post-graduation career coaching and  
2 mentoring.

3 “(ii) A guarantee that child care is an  
4 available and affordable support service for  
5 project participants through means such as  
6 the following:

7 “(I) Referral to, and assistance  
8 with, enrollment in a subsidized child  
9 care program.

10 “(II) Direct payment to a child  
11 care provider if a slot in a subsidized  
12 child care program is not available or  
13 reasonably accessible.

14 “(III) Payment of co-payments  
15 or associated fees for child care.

16 “(iii) Case management plans that in-  
17 clude career coaching (with the option to  
18 offer appropriate peer support and men-  
19 toring opportunities to help develop soft  
20 skills and social capital), which may be of-  
21 fered on an ongoing basis before, during,  
22 and after initial training as part of a ca-  
23 reer pathway model.

1           “(iv) A plan to provide project partici-  
2 pants with transportation through means  
3 such as the following:

4                   “(I) Referral to, and assistance  
5 with enrollment in, a subsidized trans-  
6 portation program.

7                   “(II) If a subsidized transpor-  
8 tation program is not reasonably  
9 available, direct payments to subsidize  
10 transportation costs.

11           For purposes of this clause, the term  
12 ‘transportation’ includes public transit, or  
13 gasoline for a personal vehicle if public  
14 transit is not reasonably accessible or  
15 available.

16           “(B) ALLOWED SUPPORT.—The goods and  
17 services provided under a project for which a  
18 grant is made under this section may include  
19 the following:

20                   “(i) A cash stipend.

21                   “(ii) A reserve fund for financial as-  
22 sistance to project participants in emer-  
23 gency situations.

24                   “(iii) Tuition, certification exam fees,  
25 and training materials such as books, soft-

1           ware, uniforms, shoes, connection to the  
2           internet, hair nets, and personal protective  
3           equipment.

4           “(iv) In-kind resource donations such  
5           as interview clothing and conference at-  
6           tendance fees.

7           “(v) Assistance with accessing and  
8           completing high school equivalency or adult  
9           basic education courses as necessary to  
10          achieve success in the project and make  
11          progress toward career goals.

12          “(vi) Assistance with programs and  
13          activities, including legal assistance,  
14          deemed necessary to address arrest or con-  
15          viction records as an employment barrier.

16          “(vii) Other support services as  
17          deemed necessary for family well-being,  
18          success in the project, and progress toward  
19          career goals.

20          “(3) TRAINING.—The number of hours of train-  
21          ing provided to an eligible individual under a project  
22          for which a grant is made under this section, for a  
23          recognized postsecondary credential (including an in-  
24          dustry-recognized credential, and a certificate  
25          awarded by a local workforce development board),

1 which is awarded in recognition of attainment of  
2 measurable technical or occupational skills necessary  
3 to gain employment or advance within an occupa-  
4 tion, shall be—

5 “(A) not less than the number of hours of  
6 training required for certification in that level  
7 of skill by the State in which the project is con-  
8 ducted; or

9 “(B) if there is no such requirement, such  
10 number of hours of training as the Secretary  
11 finds is necessary to achieve that skill level.

12 “(4) INCLUSION OF TANF RECIPIENTS.—In the  
13 case of a project for which a grant is made under  
14 this section that is conducted in a State that has a  
15 program funded under part A of title IV, at least 10  
16 percent of the eligible individuals to whom support  
17 is provided under the project shall meet the income  
18 eligibility requirements under that State program,  
19 without regard to whether the individuals receive  
20 benefits or services directly under that State pro-  
21 gram.

22 “(5) INCOME LIMITATION.—An entity to which  
23 a grant is made under this section shall not use the  
24 grant to provide support to a person who is not an  
25 eligible individual.

1           “(6) PROHIBITION.—An entity to which a grant  
2 is made under this section shall not use the grant  
3 for purposes of entertainment, except that case man-  
4 agement and career coaching services may include  
5 celebrations of specific career-based milestones such  
6 as completing a semester, graduation, or job place-  
7 ment.

8           “(e) TECHNICAL ASSISTANCE.—

9           “(1) IN GENERAL.—The Secretary shall provide  
10 technical assistance—

11                   “(A) to assist eligible entities in applying  
12 for grants under this section;

13                   “(B) that is tailored to meet the needs of  
14 grantees at each stage of the administration of  
15 projects for which grants are made under this  
16 section;

17                   “(C) that is tailored to meet the specific  
18 needs of Indian tribes, Alaska Native Corpora-  
19 tions, tribal organizations, and tribal colleges  
20 and universities;

21                   “(D) that is tailored to meet the specific  
22 needs of the territories;

23                   “(E) that is tailored to meet the specific  
24 needs of applicants, eligible entities, and grant-  
25 ees, in carrying out dedicated career pathway



1 projects pursuant to subsections (h) and (i);  
2 and

3 “(F) to facilitate the exchange of informa-  
4 tion among eligible entities regarding best prac-  
5 tices and promising practices used in the  
6 projects.

7 “(2) CONTINUATION OF PEER TECHNICAL AS-  
8 SISTANCE CONFERENCES.—The Secretary shall con-  
9 tinue to hold peer technical assistance conferences  
10 for entities to which a grant is made under this sec-  
11 tion or was made under the immediate predecessor  
12 of this section. The preceding sentence shall not be  
13 interpreted to require any such conference to be held  
14 in person.

15 “(f) EVALUATION OF DEDICATED CAREER PATH-  
16WAYS.—

17 “(1) IN GENERAL.—The Secretary shall, by  
18 grant, contract, or interagency agreement, conduct  
19 rigorous and well-designed evaluations of the dedi-  
20 cated career pathway projects carried out pursuant  
21 to subsections (h) and (i).

22 “(2) REQUIREMENT APPLICABLE TO SECOND  
23 CHANCE CAREER PATHWAY.—In the case of a  
24 project of the type described in subsection (i), the  
25 evaluation shall include identification of successful

1 activities for creating opportunities for developing  
2 and sustaining, particularly with respect to low-in-  
3 come individuals with arrest or conviction records, a  
4 health professions workforce that has accessible  
5 entry points, that meets high standards for edu-  
6 cation, training, certification, and professional devel-  
7 opment, and that provides increased wages and af-  
8 fordable benefits, including health care coverage,  
9 that are responsive to the needs of the workforce.

10 “(3) REQUIREMENT APPLICABLE TO MATERNAL  
11 MORTALITY CAREER PATHWAY.—In the case of a  
12 project of the type described in subsection (h), the  
13 evaluation shall include identification of successful  
14 activities for creating opportunities for developing  
15 and sustaining, particularly with respect to low-in-  
16 come individuals and other entry-level workers, a ca-  
17 reer pathway that has accessible entry points, that  
18 meets high standards for education, training, certifi-  
19 cation, and professional development, and that pro-  
20 vides increased wages and affordable benefits, in-  
21 cluding health care coverage, that are responsive to  
22 the needs of the birth, pregnancy, and post-partum  
23 workforce.

24 “(g) REPORTS.—As a condition of funding, an eligi-  
25 ble entity awarded a grant to conduct a project under this

1 section shall submit interim reports to the Secretary on  
2 the activities carried out under the project, and, on the  
3 conclusion of the project, a final report on the activities.

4 “(h) MATERNAL MORTALITY CAREER PATHWAY.—

5 “(1) GRANT AUTHORITY.—The Secretary shall  
6 award grants in accordance with this subsection to  
7 eligible entities to conduct career pathway projects  
8 for the purpose of providing education for profes-  
9 sions such as doulas, lactation consultants, child-  
10 birth educators, infant massage therapists, newborn  
11 care specialists, midwives, and other community  
12 health worker professions, for individuals to enter  
13 and follow a dedicated career pathway in the field of  
14 pregnancy, childbirth, or post-partum services in a  
15 State that recognizes doulas or midwives as health  
16 care providers and that provides payment for serv-  
17 ices provided by doulas or midwives, as the case may  
18 be, under the State plan approved under title XIX.

19 “(2) DURATION.—A grant awarded under this  
20 subsection shall have the same grant cycle as is pro-  
21 vided in subsection (c)(2), and as a condition of  
22 funding the grantee shall comply with all data re-  
23 porting requirements associated with the grant cycle.

24 “(3) APPLICATION REQUIREMENTS.—An entity  
25 seeking a grant under this subsection for a project

1 shall submit to the Secretary an application for the  
2 grant, that includes the following:

3 “(A) A description of the partnerships,  
4 strategic staff hiring decisions, tailored program  
5 activities, or other programmatic elements of  
6 the project that are designed to support a  
7 strong career pathway in pregnancy, birth, or  
8 post-partum services.

9 “(B) A demonstration that the State in  
10 which the project is to be conducted recognizes  
11 and permits doulas and midwives to practice in  
12 the State.

13 “(C) A demonstration that the applicant  
14 has experience working with low-income popu-  
15 lations, or a description of the plan of the appli-  
16 cant to work with a partner that has the experi-  
17 ence.

18 “(4) SUPPORT TO BE PROVIDED.—The recipi-  
19 ent of a grant under this subsection for a project  
20 shall provide required supportive services described  
21 in subsection (d)(2)(A) to project participants who  
22 need the services, and may expend the funding on el-  
23 igible supportive services described in subsection  
24 (d)(2)(B).

25 “(i) SECOND CHANCE CAREER PATHWAY.—

1           “(1) GRANT AUTHORITY.—The Secretary shall  
2           award grants in accordance with this subsection to  
3           eligible entities to conduct career pathway projects  
4           for the purpose of providing education and training  
5           for eligible individuals with arrest or conviction  
6           records to enter and follow a career pathway in the  
7           health professions through occupations that are ex-  
8           pected to experience a labor shortage or be in high  
9           demand.

10           “(2) DURATION.—A grant awarded under this  
11           subsection shall have the same grant cycle as is pro-  
12           vided in subsection (c)(2), and as a condition of  
13           funding the grantee shall comply with all data re-  
14           porting requirements associated with the grant cycle.

15           “(3) APPLICATION REQUIREMENTS.—An entity  
16           seeking a grant under this subsection for a project  
17           shall submit to the Secretary an application for the  
18           grant, that includes the following:

19                   “(A) A demonstration that the State in  
20                   which the project is to be conducted has in ef-  
21                   fect policies or laws that permit certain allied  
22                   health and behavioral health care credentials to  
23                   be awarded to people with certain arrest or con-  
24                   viction records (which policies or laws shall in-  
25                   clude appeals processes and other opportunities

1 to demonstrate rehabilitation to obtain licensure  
2 and approval to work in the proposed health ca-  
3 reers), and a plan described in the application  
4 which will use a legally permitted career path-  
5 way to train people with such a record to be  
6 trained and employed in such a career.

7 “(B) A discussion of how the project or fu-  
8 ture strategic hiring decisions will demonstrate  
9 the experience and expertise of the project in  
10 working with job seekers who have arrest or  
11 conviction records or employers with experience  
12 working with people with arrest or conviction  
13 records.

14 “(C) A demonstration that the applicant  
15 has experience working with low-income popu-  
16 lations, or a description of the plan of the appli-  
17 cant to work with a partner that has the experi-  
18 ence.

19 “(D) An identification of promising inno-  
20 vations or best practices that can be used to  
21 provide the training.

22 “(E) A proof of concept or demonstration  
23 that the applicant has done sufficient research  
24 on workforce shortage or in-demand jobs for

1 which people with certain types of criminal  
2 records can be hired.

3 “(F) A plan for recruiting students who  
4 are eligible individuals into the project.

5 “(G) A plan for providing post-employment  
6 support and ongoing training as part of a ca-  
7 reer pathway under the project.

8 “(4) SUPPORT TO BE PROVIDED.—

9 “(A) REQUIRED SUPPORT.—A recipient of  
10 a grant under this subsection for a project shall  
11 provide—

12 “(i) access to legal assistance for  
13 project participants for the purpose of ad-  
14 dressing arrest or conviction records and  
15 associated workforce barriers;

16 “(ii) assistance with programs and ac-  
17 tivities deemed necessary to address arrest  
18 or conviction records as an employment  
19 barrier;

20 “(iii) required supportive services de-  
21 scribed in subsection (d)(2)(A) to partici-  
22 pants who need the services, and may ex-  
23 pend funds on eligible supportive services  
24 described in subsection (d)(2)(B).

25 “(j) DEFINITIONS.—In this section:

1           “(1) ALASKA NATIVE CORPORATION.—The term  
2           ‘Alaska Native Corporation’ has the meaning given  
3           the term in section 3(m) of the Alaska Native  
4           Claims Settlement Act (43 U.S.C. 1602(m)).

5           “(2) ALLIED HEALTH PROFESSION.—The term  
6           ‘allied health profession’ has the meaning given the  
7           term in section 799B(5) of the Public Health Serv-  
8           ice Act.

9           “(3) CAREER PATHWAY.—The term ‘career  
10          pathway’ has the meaning given the term in section  
11          3(7) of the Workforce Innovation and Opportunity  
12          Act.

13          “(4) DOULA.—The term ‘doula’ means an indi-  
14          vidual who—

15                 “(A) is certified by an organization that  
16                 has been established for not less than 5 years  
17                 and that requires the completion of continuing  
18                 education to maintain the certification, to pro-  
19                 vide non-medical advice, information, emotional  
20                 support, and physical comfort to an individual  
21                 during the individual’s pregnancy, childbirth,  
22                 and post-partum period; and

23                 “(B) maintains the certification by com-  
24                 pleting the required continuing education.



1           “(5) ELIGIBLE ENTITY.—The term ‘eligible en-  
2           tity’ means any of the following entities that dem-  
3           onstrates in an application submitted under this sec-  
4           tion that the entity has the capacity to fully develop  
5           and administer the project described in the applica-  
6           tion:

7                   “(A) A local workforce development board  
8                   established under section 107 of the Workforce  
9                   Innovation and Opportunity Act.

10                   “(B) A State or territory, a political sub-  
11                   division of a State or territory, or an agency of  
12                   a State, territory, or such a political subdivi-  
13                   sion, including a State or local entity that ad-  
14                   ministers a State program funded under part A  
15                   of this title.

16                   “(C) An Indian tribe, an Alaska Native  
17                   Corporation, a tribal organization, or a tribal  
18                   college or university.

19                   “(D) An institution of higher education (as  
20                   defined in the Higher Education Act of 1965).

21                   “(E) A hospital (as defined in section  
22                   1861(e)).

23                   “(F) A high-quality skilled nursing facility.

24                   “(G) A Federally qualified health center  
25                   (as defined in section 1861(aa)(4)).

1           “(H) A nonprofit organization described in  
2 section 501(c)(3) of the Internal Revenue Code  
3 of 1986, a labor organization, or an entity with  
4 shared labor-management oversight, that has a  
5 demonstrated history of providing health profes-  
6 sion training to eligible individuals.

7           “(I) In the case of a project of the type  
8 provided for in subsection (h) of this section, an  
9 entity recognized by a State, an Indian tribe,  
10 an Alaska Native Corporation, or a tribal orga-  
11 nization as qualified to train doulas or mid-  
12 wives, if midwives or doulas, as the case may  
13 be, are permitted to practice in the State in-  
14 volved.

15           “(J) An opioid treatment program (as de-  
16 fined in section 1861(jjj)(2)), and other high  
17 quality comprehensive addiction care providers.

18           “(6) ELIGIBLE INDIVIDUAL.—The term ‘eligible  
19 individual’ means an individual whose family income  
20 does not exceed 200 percent of the Federal poverty  
21 level.

22           “(7) FEDERAL POVERTY LEVEL.—The term  
23 ‘Federal poverty level’ means the poverty line (as de-  
24 fined in section 673(2) of the Omnibus Budget Rec-  
25 onciliation Act of 1981, including any revision re-

1       quired by such section applicable to a family of the  
2       size involved).

3           “(8) INSTITUTION OF HIGHER EDUCATION.—  
4       The term ‘institution of higher education’ has the  
5       meaning given the term in section 101 or  
6       102(a)(1)(B) of the Higher Education Act of 1965.

7           “(9) TERRITORY.—The term ‘territory’ means  
8       the Commonwealth of Puerto Rico, the United  
9       States Virgin Islands, Guam, the Northern Mariana  
10       Islands, and American Samoa.

11          “(10) TRIBAL COLLEGE OR UNIVERSITY.—The  
12       term ‘tribal college or university’ has the meaning  
13       given the term in section 316(b) of the Higher Edu-  
14       cation Act of 1965.

15          “(11) TRIBAL ORGANIZATION.—The term ‘trib-  
16       al organization’ means the recognized governing  
17       body of any Indian tribe; any legally established or-  
18       ganization of Indians which is controlled, sanctioned,  
19       or chartered by such governing body or which is  
20       democratically elected by the adult members of the  
21       Indian community to be served by such organization  
22       and which includes the maximum participation of  
23       Indians in all phases of its activities.

1       “(k) FUNDING.—In addition to amounts otherwise  
2 available, there is appropriated to the Secretary, out of  
3 any money in the Treasury not otherwise appropriated—

4               “(1) for grants under subsection (e)(1)(A)—

5                       “(A) \$318,750,000 for fiscal year 2022;

6               and

7                       “(B) \$338,108,438 for each of fiscal years

8               2023 through 2026;

9               “(2) for grants under subsection (e)(1)(B)—

10                      “(A) \$17,000,000 for fiscal year 2022; and

11                      “(B) \$18,027,650 for each of fiscal years

12               2023 through 2026;

13               “(3) for grants under subsection (e)(1)(C)—

14                      “(A) \$21,250,000 for fiscal year 2022; and

15                      “(B) \$22,534,563 for each of fiscal years

16               2023 through 2026;

17               “(4) for projects conducted under subsections

18               (h) and (i), \$27,041,475 for each of fiscal years

19               2023 through 2026;

20               “(5) for the provision of technical assistance

21               and administration—

22                      “(A) for fiscal year 2022, \$25,500,000

23               plus all amounts referred to in paragraphs (1)

24               through (3) of this subsection that remain un-

1 used after all grant awards are made for the  
2 fiscal year; and

3 “(B) for each of fiscal years 2023 through  
4 2026, \$27,041,475 plus all amounts referred to  
5 in paragraphs (1) through (4) of this subsection  
6 that remain unused after all grant awards are  
7 made for the fiscal year; and

8 “(6) for studying the effects of the projects for  
9 which a grant is made under this section, and for  
10 administration, for the purpose of supporting the  
11 rigorous evaluation of the projects, and supporting  
12 the continued study of the short-, medium-, and  
13 long-term effects of all such projects, including the  
14 effectiveness of new or added elements of the  
15 projects—

16 “(A) \$17,000,000 for fiscal year 2022; and

17 “(B) \$18,027,650 for each of fiscal years  
18 2023 through 2026.”.

**PART 2—PROVISIONS RELATING TO ELDER****JUSTICE****SEC. 134201. REAUTHORIZATION OF FUNDING FOR PROGRAMS TO PREVENT AND INVESTIGATE ELDER ABUSE, NEGLECT, AND EXPLOITATION.**

(a) LONG-TERM CARE STAFF TRAINING GRANTS.—

Section 2041 of the Social Security Act (42 U.S.C. 1397m) is amended to read as follows:

**“SEC. 2041. NURSING HOME WORKER TRAINING GRANTS.**

“(a) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, in addition to amounts otherwise available, there is appropriated to the Secretary for each of fiscal years 2023 through 2026—

“(1) \$415,696,400 for grants under subsection

(b)(1); and

“(2) \$8,483,600 for grants under subsection

(b)(2).

“(b) GRANTS.—

“(1) STATE ENTITLEMENT.—

“(A) IN GENERAL.—Each State shall be entitled to receive from the Secretary for each fiscal year specified in subsection (a) a grant in an amount equal to the amount allotted to the State under subparagraph (B) of this paragraph.

1           “(B) STATE ALLOTMENTS.—The amount  
2 allotted to a State under this subparagraph for  
3 a fiscal year shall be—

4           “(i) the amount made available by  
5 subsection (a) for the fiscal year that is  
6 not required to be reserved by subsection  
7 (a); multiplied by

8           “(ii)(I) the number of State residents  
9 who have attained 65 years of age or are  
10 individuals with a disability, as determined  
11 by the Secretary using the most recent  
12 version of the American Community Sur-  
13 vey published by the Bureau of the Census  
14 or a successor data set; divided by

15           “(II) the total number of such resi-  
16 dents of all States.

17           “(2) GRANTS TO INDIAN TRIBES AND TRIBAL  
18 ORGANIZATIONS.—

19           “(A) IN GENERAL.—The Secretary, in con-  
20 sultation with the Indian tribes and tribal orga-  
21 nizations, shall make grants in accordance with  
22 this section to Indian tribes and tribal organiza-  
23 tions who operate at least 1 eligible setting.

24           “(B) GRANT FORMULA.—The Secretary, in  
25 consultation with the Indian tribes and tribal

1 organizations, shall devise a formula for distrib-  
2 uting among Indian tribes and tribal organiza-  
3 tions the amount required to be reserved by  
4 subsection (a) for each fiscal year.

5 “(3) SUB-GRANTS.—A State, Indian tribe, or  
6 tribal organization to which an amount is paid under  
7 this paragraph may use the amount to make sub-  
8 grants to local organizations, including community  
9 organizations, local non-profits, elder rights and jus-  
10 tice groups, and workforce development boards for  
11 any purpose described in paragraph (1) or (2) of  
12 subsection (c).

13 “(c) USE OF FUNDS.—

14 “(1) REQUIRED USES.—A State to which an  
15 amount is paid under subsection (b) shall use the  
16 amount to—

17 “(A) provide wage subsidies to eligible in-  
18 dividuals;

19 “(B) provide student loan repayment or  
20 tuition assistance to eligible individuals for a  
21 degree or certification in a field relevant to  
22 their position referred to in subsection  
23 (f)(1)(A);

24 “(C) guarantee affordable and accessible  
25 child care for eligible individuals, including help



1 with referrals, co-pays, or other direct assist-  
2 ance; and

3 “(D) provide assistance where necessary  
4 with obtaining appropriate transportation, in-  
5 cluding public transportation if available, or gas  
6 money or transit vouchers for ride share, taxis,  
7 and similar types of transportation if public  
8 transportation is unavailable or impractical  
9 based on work hours or location.

10 “(2) AUTHORIZED USES.—A State to which an  
11 amount is paid under subsection (b) may use the  
12 amount to—

13 “(A) establish a reserve fund for financial  
14 assistance to eligible individuals in emergency  
15 situations;

16 “(B) provide in-kind resource donations,  
17 such as interview clothing and conference at-  
18 tendance fees;

19 “(C) provide assistance with programs and  
20 activities, including legal assistance, deemed  
21 necessary to address arrest or conviction  
22 records that are an employment barrier;

23 “(D) support employers operating an eligi-  
24 ble setting in the State in providing employees

1 with not less than 2 weeks of paid leave per  
2 year; or

3 “(E) provide other support services the  
4 Secretary deems necessary to allow for success-  
5 ful recruitment and retention of workers.

6 “(3) PROVISION OF FUNDS ONLY FOR THE  
7 BENEFIT OF ELIGIBLE INDIVIDUALS IN ELIGIBLE  
8 SETTINGS.—A State to which an amount is paid  
9 under subsection (b) may provide the amount to only  
10 an eligible individual or a partner organization serv-  
11 ing an eligible individual.

12 “(4) NONSUPPLANTATION.—A State to which  
13 an amount is paid under subsection (b) shall not use  
14 the amount to supplant the expenditure of any State  
15 funds for recruiting or retaining employees in an eli-  
16 gible setting.

17 “(d) ADMINISTRATION.—A State to which a grant is  
18 made under subsection (b) shall reserve not more than 10  
19 percent of the grant to—

20 “(1) administer subgrants in accordance with  
21 this section;

22 “(2) provide technical assistance and support  
23 for applying for and accessing such a subgrant op-  
24 portunity;

25 “(3) publicize the availability of the subgrants;

1           “(4) carry out activities to increase the supply  
2 of eligible individuals; and

3           “(5) provide technical assistance to help sub-  
4 grantees find and train individuals to provide the  
5 services for which they are contracted.

6           “(e) DEFINITIONS.—In this section:

7           “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible  
8 individual’ means an individual who—

9           “(A)(i) is a qualified home health aide, as  
10 defined in section 484.80(a) of title 42, Code of  
11 Federal Regulations;

12           “(ii) is a nurse aide approved by the State  
13 as meeting the requirements of sections  
14 483.150 through 483.154 of such title, and is  
15 listed in good standing on the State nurse aide  
16 registry;

17           “(iii) is a personal care aide approved by  
18 the State, and furnishes personal care services,  
19 as defined in section 440.167 of such title;

20           “(iv) is a qualified hospice aide, as defined  
21 in section 418.76 of such title; or

22           “(v) is a licensed practical nurse or a li-  
23 censed or certified social worker; or

1           “(vi) is receiving training to be certified or  
2 licensed as such an aide, nurse, or social work-  
3 er; and

4           “(B) provides (or, in the case of a trainee,  
5 intends to provide) services as such an aide,  
6 nurse, or social worker in an eligible setting.

7           “(2) ELIGIBLE SETTING.—The term ‘eligible  
8 setting’ means—

9           “(A) a skilled nursing facility, as defined  
10 in section 1819;

11           “(B) a nursing facility, as defined in sec-  
12 tion 1919;

13           “(C) a home health agency, as defined in  
14 section 1891;

15           “(D) a facility provider approved to deliver  
16 home or community-based services authorized  
17 under State options described in subsection (c)  
18 or (i) of section 1915 or, as relevant, dem-  
19 onstration projects authorized under section  
20 1115;

21           “(E) a hospice, as defined in section 1814;

22           “(F) an intermediate care facility, as de-  
23 fined in section 1905(d); or

24           “(G) a tribal assisted living facility.

1           “(3) TRIBAL ORGANIZATION.—The term ‘tribal  
2           organization’ has the meaning given the term in sec-  
3           tion 4 of the Indian Self-Determination and Edu-  
4           cation Assistance Act.”.

5           (b) ADULT PROTECTIVE SERVICES FUNCTIONS AND  
6 GRANT PROGRAMS.—

7           (1) DIRECT FUNDING; STATE ENTITLEMENT.—  
8           Section 2042 of the Social Security Act (42 U.S.C.  
9           1397m–1) is amended—

10                   (A) in subsection (a)—

11                           (i) in paragraph (1)(A)—

12                                   (I) by striking “offices” and in-  
13                                   serting “programs”; and

14                                   (II) by inserting “and adults who  
15                                   are under a disability (as defined in  
16                                   section 216(i)(1))” before the semi-  
17                                   colon; and

18                           (ii) by striking paragraph (2) and in-  
19                           serting the following:

20                   “(2) APPROPRIATION.—Out of any money in  
21                   the Treasury not otherwise appropriated, in addition  
22                   to amounts otherwise available, there are appro-  
23                   priated to the Secretary \$8,483,600 for each of fis-  
24                   cal years 2023 through 2025 to carry out this sub-  
25                   section.”;

1 (B) in subsection (b)—

2 (i) in paragraph (2)—

3 (I) in subparagraph (A), by strik-  
4 ing “the availability of appropriations  
5 and”; and

6 (II) in subparagraph (B)—

7 (aa) in the heading for  
8 clause (i), by inserting “AND THE  
9 DISTRICT OF COLUMBIA” after  
10 “STATES”; and

11 (bb) in clause (ii), by insert-  
12 ing “or the District of Columbia”  
13 after “States”; and

14 (ii) by striking paragraph (5) and in-  
15 serting the following:

16 “(5) APPROPRIATION.—Out of any money in  
17 the Treasury not otherwise appropriated, in addition  
18 to amounts otherwise available, there are appro-  
19 priated to the Secretary for each of fiscal years 2023  
20 through 2025—

21 “(A) \$415,696,400 for grants to States  
22 under this subsection; and

23 “(B) \$8,483,600 for grants to Indian  
24 tribes and tribal organizations under this sub-  
25 section.”; and

1 (C) in subsection (c), by striking para-  
2 graph (6) and inserting the following:

3 “(6) APPROPRIATION.—Out of any money in  
4 the Treasury not otherwise appropriated, in addition  
5 to amounts otherwise available, there are appro-  
6 priated to the Secretary \$79,533,750 for each of fis-  
7 cal years 2023 through 2025 to carry out this sub-  
8 section.”.

9 (2) STATE ENTITLEMENT; GRANTS TO INDIAN  
10 TRIBES AND TRIBAL ORGANIZATIONS.—Section 2042  
11 of such Act (42 U.S.C. 1397m–1) is amended—

12 (A) in subsection (a)(1)(A), by striking  
13 “State and local” and inserting “State, local,  
14 and tribal”;

15 (B) in subsection (b)(1), by striking “the  
16 Secretary shall annually award grants to States  
17 in the amounts calculated under paragraph (2)”  
18 and inserting “each State shall be entitled to  
19 annually receive from the Secretary in the  
20 amounts calculated under paragraph (2), and  
21 the Secretary may annually award to each In-  
22 dian tribe and tribal organization in accordance  
23 with paragraph (3), grants”;

24 (C) in subsection (b)(2)—

1 (i) in the paragraph heading, by in-  
2 serting “FOR A STATE” after “PAYMENT”;

3 (ii) in subparagraph (A), by striking  
4 “to carry out” and inserting “for grants to  
5 States under”; and

6 (iii) in subparagraph (B)(i), by strik-  
7 ing “such year” and inserting “for grants  
8 to States under this subsection for the fis-  
9 cal year”; and

10 (D) in subsection (b), by redesignating  
11 paragraphs (3) through (5) as paragraphs (4)  
12 through (6), respectively, and inserting after  
13 paragraph (2) the following:

14 “(3) AMOUNT OF PAYMENT TO INDIAN TRIBE  
15 OR TRIBAL ORGANIZATION.—The Secretary, in con-  
16 sultation with Indian tribes and tribal organizations,  
17 shall determine the amount of any grant to be made  
18 to each Indian tribe and tribal organization under  
19 this subsection. Paragraphs (4) and (5) shall apply  
20 to grantees under this paragraph in the same man-  
21 ner in which the paragraphs apply to States.”;

22 (E) in subsection (c)—

23 (i) in paragraph (1), by striking “to  
24 States” and inserting “to States, Indian  
25 tribes, and tribal organizations”;



1 (ii) in paragraph (2)—

2 (I) in the matter preceding sub-  
3 paragraph (A), by inserting “and In-  
4 dian tribes and tribal organizations”  
5 after “government”; and

6 (II) in subparagraph (D), by in-  
7 serting “or Indian tribe or tribal orga-  
8 nization, as the case may be” after  
9 “government”;

10 (iii) in paragraph (4), by inserting “or  
11 Indian tribe or tribal organization” after  
12 “a State” the 1st place it appears; and

13 (iv) in paragraph (5)—

14 (I) by inserting “or Indian tribe  
15 or tribal organization” after “Each  
16 State”; and

17 (II) by inserting “or Indian tribe  
18 or tribal organization, as the case may  
19 be” after “the State”; and

20 (F) by adding at the end the following:

21 “(d) DEFINITIONS OF INDIAN TRIBE AND TRIBAL  
22 ORGANIZATION.—In this section, the terms ‘Indian tribe’  
23 and ‘tribal organization’ have the meanings given the  
24 terms in section 419.”.

1           (3) CONFORMING AMENDMENT.—Section  
2           2011(2) of such Act (42 U.S.C. 1397j(2)) is amend-  
3           ed by striking “such services provided to adults as  
4           the Secretary may specify” and inserting “services  
5           provided by an entity authorized by or under State  
6           law address neglect, abuse, and exploitation of older  
7           adults and people with disabilities”.

8           (c) LONG-TERM CARE OMBUDSMAN PROGRAM  
9           GRANTS AND TRAINING.—Section 2043 of the Social Se-  
10          curity Act (42 U.S.C. 1397m–2) is amended—

11           (1) in subsection (a), by striking paragraph (2)  
12          and inserting the following:

13           “(2) APPROPRIATION.—Out of any money in  
14          the Treasury not otherwise appropriated, in addition  
15          to amounts otherwise available, there are appro-  
16          priated to the Secretary to carry out this sub-  
17          section—

18           “(A) \$23,860,125 for fiscal year 2023; and

19           “(B) \$31,813,500 for each of fiscal years  
20          2024 and 2025.”; and

21           (2) in subsection (b), by striking paragraph (2)  
22          and inserting the following:

23           “(2) APPROPRIATION.—Out of any money in  
24          the Treasury not otherwise appropriated, in addition  
25          to amounts otherwise available, there are appro-

1        appropriated to the Secretary \$31,813,500 for each of fis-  
2        cal years 2023 through 2025 to carry out this sub-  
3        section.”.

4        (d) INCENTIVES FOR DEVELOPING AND SUSTAINING  
5        STRUCTURAL COMPETENCY IN PROVIDING HEALTH AND  
6        HUMAN SERVICES.—Part II of subtitle B of title XX of  
7        the Social Security Act (42 U.S.C. 1397m-1397m-5) is  
8        amended by adding at the end the following:

9        **“SEC. 2047. INCENTIVES FOR DEVELOPING AND SUS-**  
10        **TAINING STRUCTURAL COMPETENCY IN PRO-**  
11        **VIDING HEALTH AND HUMAN SERVICES.**

12        “(a) GRANTS TO STATES TO SUPPORT LINKAGES TO  
13        LEGAL SERVICES AND MEDICAL LEGAL PARTNER-  
14        SHIPS.—

15        “(1) APPROPRIATION.—Out of any money in  
16        the Treasury not otherwise appropriated, in addition  
17        to amounts otherwise available, there are appro-  
18        priated to the Secretary \$530,225,000 for fiscal year  
19        2023, to remain available for the purposes of this  
20        subsection through fiscal year 2028.

21        “(2) GRANTS.—Within 2 years after the date of  
22        the enactment of this section, the Secretary shall es-  
23        tablish and administer a program of grants to States  
24        to support the adoption of evidence-based ap-  
25        proaches to establishing or improving and maintain-

1 ing real-time linkages between health and social  
2 services and supports for vulnerable elders or in con-  
3 junction with authorized representatives of vulner-  
4 able elders, including through the following:

5 “(A) MEDICAL-LEGAL PARTNERSHIPS.—

6 The establishment and support of medical-legal  
7 partnerships, the incorporation of the partner-  
8 ships in the elder justice framework and health  
9 and human services safety net, and the imple-  
10 mentation and operation of such a partnership  
11 by an eligible grantee—

12 “(i) at the option of a State, in con-  
13 junction with an area agency on aging;

14 “(ii) in a solo provider practice in a  
15 health professional shortage area (as de-  
16 fined in section 332(a) of the Public  
17 Health Service Act), a medically under-  
18 served community (as defined in section  
19 399V of such Act), or a rural area (as de-  
20 fined in section 330J of such Act);

21 “(iii) in a minority-serving institution  
22 of higher learning with health, law, and so-  
23 cial services professional programs;

24 “(iv) in a federally qualified health  
25 center, as described in section 330 of the

1 Public Health Service Act, or look-alike, as  
2 described in section 1905(l)(2)(B) of this  
3 Act; or

4 “(v) in certain hospitals that are crit-  
5 ical access hospitals, Medicare-dependent  
6 hospitals, sole community hospitals, rural  
7 emergency hospitals, or that serve a high  
8 proportion of Medicare or Medicaid pa-  
9 tients.

10 “(B) LEGAL HOTLINES DEVELOPMENT OR  
11 EXPANSION.—The provision of incentives to de-  
12 velop, enhance, and integrate platforms, such as  
13 legal assistance hotlines, that help to facilitate  
14 the identification of older adults who could ben-  
15 efit from linkages to available legal services  
16 such as those described in subparagraph (A).

17 “(3) STATE REPORTS.—Each State to which a  
18 grant is made under this subsection shall submit to  
19 the Secretary biannual reports on the activities car-  
20 ried out by the State pursuant to this subsection,  
21 which shall include assessments of the effectiveness  
22 of the activities with respect to—

23 “(A) the number of unique individuals  
24 identified through the mechanism outlined in  
25 paragraph (2)(B) who are referred to services

1 described in paragraph (2)(A), and the average  
2 time period associated with resolving issues;

3 “(B) the success rate for referrals to com-  
4 munity-based resources; and

5 “(C) other factors determined relevant by  
6 the Secretary.

7 “(4) EVALUATION.—The Secretary shall, by  
8 grant, contract, or interagency agreement, evaluate  
9 the activities conducted pursuant to this subsection,  
10 which shall include a comparison among the States.

11 “(5) SUPPLEMENT NOT SUPPLANT.—Support  
12 provided to area agencies on aging, State units on  
13 aging, eligible entities, or other community-based or-  
14 ganizations pursuant to this subsection shall be used  
15 to supplement and not supplant any other Federal,  
16 State, or local funds expended to provide the same  
17 or comparable services described in this subsection.

18 “(b) GRANTS AND TRAINING TO SUPPORT AREA  
19 AGENCIES ON AGING OR OTHER COMMUNITY-BASED OR-  
20 GANIZATIONS TO ADDRESS SOCIAL ISOLATION AMONG  
21 VULNERABLE OLDER ADULTS AND PEOPLE WITH DIS-  
22 ABILITIES.—

23 “(1) APPROPRIATION.—Out of any money in  
24 the Treasury not otherwise appropriated, in addition  
25 to amounts otherwise available, there are appro-

1        priated to the Secretary \$265,112,500 for fiscal year  
2        2023, to remain available for the purposes of this  
3        subsection through fiscal year 2028.

4           “(2) GRANTS.—The Secretary shall make  
5        grants to eligible area agencies on aging or other  
6        community-based organizations for the purpose of—

7           “(A) conducting outreach to individuals at  
8        risk for, or already experiencing, social isolation  
9        or loneliness, through established screening  
10       tools or other methods identified by the Sec-  
11       retary;

12          “(B) developing community-based interven-  
13       tions for the purposes of mitigating loneliness  
14       or social isolation (including evidence-based pro-  
15       grams, as defined by the Secretary, developed  
16       with multi-stakeholder input for the purposes of  
17       promoting social connection, mitigating social  
18       isolation or loneliness, or preventing social iso-  
19       lation or loneliness) among at-risk individuals;

20          “(C) connecting at-risk individuals with  
21       community social and clinical supports; and

22          “(D) evaluating the effect of programs de-  
23       veloped and implemented under subparagraphs  
24       (B) and (C).

1           “(3) TRAINING.—The Secretary shall establish  
2 programs to provide and improve training for area  
3 agencies on aging or community-based organizations  
4 with respect to addressing and preventing social iso-  
5 lation and loneliness among older adults and people  
6 with disabilities.

7           “(4) EVALUATION.—Not later than 3 years  
8 after the date of the enactment of this section and  
9 at least once after fiscal year 2025, the Secretary  
10 shall submit to the Congress a written report which  
11 assesses the extent to which the programs estab-  
12 lished under this subsection address social isolation  
13 and loneliness among older adults and people with  
14 disabilities.

15           “(5) COORDINATION.—The Secretary shall co-  
16 ordinate with resource centers, grant programs, or  
17 other funding mechanisms established under section  
18 411(a)(18) of the Older Americans Act (42 U.S.C.  
19 3032(a)(18)), section 417(a)(1) of such Act (42  
20 U.S.C. 3032F(a)(1)), or other programs as deter-  
21 mined by the Secretary.

22           “(c) DEFINITIONS.—In this section:

23           “(1) AREA AGENCY ON AGING.—The term ‘area  
24 agency on aging’ means an area agency on aging



1 designated under section 305 of the Older Ameri-  
2 cans Act of 1965.

3 “(2) SOCIAL ISOLATION.—The term ‘social iso-  
4 lation’ means objectively being alone, or having few  
5 relationships or infrequent social contact.

6 “(3) LONELINESS.—The term ‘loneliness’  
7 means subjectively feeling alone, or the discrepancy  
8 between one’s desired level of social connection and  
9 one’s actual level of social connection.

10 “(4) SOCIAL CONNECTION.—The term ‘social  
11 connection’ means the variety of ways one can con-  
12 nect to others socially, through physical, behavioral,  
13 social–cognitive, and emotional channels.

14 “(5) COMMUNITY-BASED ORGANIZATION.—The  
15 term ‘community-based organization’ includes, ex-  
16 cept as otherwise provided by the Secretary, a non-  
17 profit community-based organization, a consortium  
18 of nonprofit community-based organizations, a na-  
19 tional nonprofit organization acting as an inter-  
20 mediary for a community-based organization, or a  
21 community-based organization that has a fiscal  
22 sponsor that allows the organization to function as  
23 an organization described in section 501(c)(3) of the  
24 Internal Revenue Code of 1986 and exempt from  
25 taxation under section 501(a) of such Code.”.

1 (e) TECHNICAL AMENDMENT.—Section 2011(12)(A)  
2 of the Social Security Act (42 U.S.C. 1397j(12)(A)) is  
3 amended by striking “450b” and inserting “5304”.

4 **SEC. 134202. APPROPRIATION FOR ASSESSMENTS.**

5 Out of any money in the Treasury not otherwise ap-  
6 propriated, in addition to amounts otherwise available,  
7 there are appropriated to the Secretary of Health and  
8 Human Services \$5,302,250 for each of fiscal years 2023  
9 through 2026 to prepare and submit to the Committee on  
10 Ways and Means of the House of Representatives and the  
11 Committee on Finance of the Senate, not later than 3  
12 years after the date of enactment of this Act, and at least  
13 once after fiscal year 2025, reports on the programs, co-  
14 ordinating bodies, registries, and activities established or  
15 authorized under subtitle B of title XX of the Social Secu-  
16 rity Act or section 6703(b) of the Patient Protection and  
17 Affordable Care Act (42 U.S.C. 1395i–3a), which shall as-  
18 sess the extent to which such programs, coordinating bod-  
19 ies, registries, and activities have improved access to, and  
20 the quality of, resources available to aging Americans and  
21 their caregivers to ultimately prevent, detect, and treat  
22 abuse, neglect, and exploitation, and shall include, as ap-  
23 propriate, recommendations to Congress on funding levels  
24 and policy changes to help these programs, coordinating

1 bodies, registries, and activities better prevent, detect, and  
2 treat abuse, neglect, and exploitation of aging Americans.

3 **Subtitle E—Infrastructure Financ-**  
4 **ing and Community Develop-**  
5 **ment**

6 **SEC. 135001. AMENDMENT OF 1986 CODE.**

7 Except as otherwise expressly provided, whenever in  
8 this subtitle an amendment or repeal is expressed in terms  
9 of an amendment to, or repeal of, a section or other provi-  
10 sion, the reference shall be considered to be made to a  
11 section or other provision of the Internal Revenue Code  
12 of 1986.

13 **PART 1—LOW INCOME HOUSING CREDIT**

14 **SEC. 135101. INCREASES IN STATE ALLOCATIONS.**

15 (a) IN GENERAL.—Section 42(h)(3)(I) is amended to  
16 read as follows:

17 “(I) INCREASE IN STATE HOUSING CREDIT  
18 CEILING AFTER 2021.—

19 “(i) IN GENERAL.—In the case of cal-  
20 endar years 2022 through 2025, the dollar  
21 amounts under subclauses (I) and (II) of  
22 subparagraph (C)(ii) for any such calendar  
23 year shall be determined in accordance  
24 with the following table:

“In the case of calendar year:	The sub- clause (I) amount shall be:	The sub- clause (II) amount shall be:
2022 .....	\$3.14	\$3,629,096
2023 .....	\$3.54	\$4,081,825
2024 .....	\$3.97	\$4,582,053
2025 .....	\$2.65	\$3,120,000

1                                   “(ii) INFLATION ADJUSTMENT AFTER  
2                                   2025.—In the case of calendar years after  
3                                   2025, the subclause (I) and (II) dollar  
4                                   amounts shall be the respective dollar  
5                                   amounts corresponding to calendar year  
6                                   2025 in the table under clause (i) each in-  
7                                   creased by an amount equal to—  
8   “(I) such dollar amount, multi-  
9   plied by  
10   “(II) the cost-of-living adjust-  
11   ment determined under section 1(f)(3)  
12   for such calendar year by substituting  
13   ‘calendar year 2024’ for ‘calendar  
14   year 2016’ in paragraph (A)(ii) there-  
15   of.  
16                                   Any increase under this clause shall be  
17                                   rounded to the nearest cent in the case of  
18                                   the subclause (I) amount and the nearest  
19                                   dollar in the case of the subclause (II)  
20                                   amount.”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to calendar years beginning after  
3 December 31, 2021.

4 **SEC. 135102. TAX-EXEMPT BOND FINANCING REQUIRE-**  
5 **MENT.**

6 (a) IN GENERAL.—Section 42(h)(4)(B) is amended  
7 to read as follows:

8 “(B) SPECIAL RULE WHERE A REQUIRED  
9 PERCENT OF BUILDINGS IS FINANCED WITH  
10 TAX-EXEMPT BONDS SUBJECT TO VOLUME  
11 CAP.—For purposes of subparagraph (A), para-  
12 graph (1) shall not apply to any portion of the  
13 credit allowable under subsection (a) with re-  
14 spect to a building if—

15 “(i) 50 percent or more of the aggre-  
16 gate basis of any such building and the  
17 land on which the building is located is fi-  
18 nanced by any obligation described in sub-  
19 paragraph (A), or

20 “(ii) 25 percent or more of the aggre-  
21 gate basis of such building and the land on  
22 which the building is located is financed by  
23 any obligation described in subparagraph  
24 (A) and issued in calendar year 2022,  
25 2023, 2024, 2025, or 2026.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to any building some portion of  
3 which, or of the land on which the building is located, is  
4 financed by an obligation which is described in section  
5 42(h)(4)(A) and which is part of an issue the issue date  
6 of which is after December 31, 2021.

7 **SEC. 135103. BUILDINGS DESIGNATED TO SERVE EX-**  
8 **TREMELY LOW-INCOME HOUSEHOLDS.**

9 (a) RESERVED STATE ALLOCATION.—

10 (1) IN GENERAL.—Section 42(h) is amended—

11 (A) by redesignating paragraphs (6), (7),  
12 and (8) as paragraphs (7), (8), and (9), respec-  
13 tively, and

14 (B) by inserting after paragraph (5) the  
15 following new paragraph:

16 “(6) PORTION OF STATE CEILING SET-ASIDE  
17 FOR PROJECTS DESIGNATED TO SERVE EXTREMELY  
18 LOW-INCOME HOUSEHOLDS.—

19 “(A) IN GENERAL.—Not more than 92  
20 percent of the portion of the State housing  
21 credit ceiling amount described in paragraph  
22 (3)(C)(ii) for any State for any calendar year  
23 shall be allocated to buildings other than build-  
24 ings described in subparagraph (B).

1           “(B) BUILDINGS DESCRIBED.—A building  
2 is described in this subparagraph if 20 percent  
3 or more of the residential units in such building  
4 are rent-restricted (determined as if the im-  
5 puted income limitation applicable to such units  
6 were 30 percent of area median gross income)  
7 and are designated by the taxpayer for occu-  
8 pancy by households the aggregate household  
9 income of which does not exceed the greater  
10 of—

11                   “(i) 30 percent of area median gross  
12 income, or

13                   “(ii) 100 percent of an amount equal  
14 to the Federal poverty line (within the  
15 meaning of section 36B(d)(3)).

16           “(C) EXCEPTION.—A building shall not be  
17 treated as described in subparagraph (B) if  
18 such building is a part of a qualified low-income  
19 housing project elected by the taxpayer to meet  
20 the requirements of subsection (f)(1)(C).

21           “(D) STATE MAY NOT OVERRIDE SET-  
22 ASIDE.—Nothing in subparagraph (F) of para-  
23 graph (3) shall be construed to permit a State  
24 not to comply with subparagraph (A) of this  
25 paragraph.”.

1           (2)    CONFORMING    AMENDMENT.—Section  
2           42(b)(4)(C) is amended by striking “(h)(7)” and in-  
3           serting “(h)(8)”.

4           (b) INCREASE IN CREDIT.—Paragraph (5) of section  
5           42(d) is amended by adding at the end the following new  
6           subparagraph:

7                   “(C) INCREASE IN CREDIT FOR PROJECTS  
8                   DESIGNATED TO SERVE EXTREMELY LOW-IN-  
9                   COME HOUSEHOLDS.—

10                   “(i) IN GENERAL.—In the case of any  
11                   building—

12                           “(I) which is described in sub-  
13                           section (h)(6)(B), and

14                           “(II) which is designated by the  
15                           housing credit agency as requiring the  
16                           increase in credit under this subpara-  
17                           graph in order for such building to be  
18                           financially feasible as part of a quali-  
19                           fied low-income housing project,

20                   subparagraph (B) shall not apply to the  
21                   portion of such building which is comprised  
22                   of such units, and the eligible basis of such  
23                   portion of the building shall be 150 per-  
24                   cent of such basis determined without re-  
25                   gard to this subparagraph.



1           “(ii) ALLOCATION RULES APPLICABLE  
2 TO PROJECTS TO WHICH CLAUSE (i) AP-  
3 PLIES.—

4           “(I) STATE HOUSING CREDIT  
5 CEILING.—For any calendar year, the  
6 housing credit agency shall not allo-  
7 cate more than 13 percent of the por-  
8 tion of the State housing credit ceiling  
9 amount described in subsection  
10 (h)(3)(C)(ii) to buildings to which  
11 clause (i) applies, and

12           “(II) PRIVATE ACTIVITY BOND  
13 VOLUME CAP.—In the case of projects  
14 financed by tax-exempt bonds as de-  
15 scribed in subsection (h)(4), for any  
16 calendar year, the State shall not  
17 issue more than 8 percent of the pri-  
18 vate activity bond volume cap as de-  
19 scribed in section 146(d)(1) to build-  
20 ings to which clause (i) applies.”.

21       (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to allocations of housing credit dol-  
23 lar amount after December 31, 2021, and to buildings  
24 that are described in section 42(h)(4)(B) taking into ac-

1 count only obligations that are part of an issue the issue  
2 date of which is after December 31, 2021.

3 **SEC. 135104. REPEAL OF QUALIFIED CONTRACT OPTION.**

4 (a) TERMINATION OF OPTION FOR CERTAIN BUILD-  
5 INGS.—

6 (1) IN GENERAL.—Subclause (II) of section  
7 42(h)(7)(E)(i), as redesignated by section 135403, is  
8 amended by inserting “in the case of a building de-  
9 scribed in clause (iii),” before “on the last day”.

10 (2) BUILDINGS DESCRIBED.—Subparagraph  
11 (E) of section 42(h)(7), as so redesignated, is  
12 amended by adding at the end the following new  
13 clause:

14 “(iii) BUILDINGS DESCRIBED.—A  
15 building described in this clause is a build-  
16 ing—

17 “(I) which received its allocation  
18 of housing credit dollar amount before  
19 January 1, 2022, or

20 “(II) in the case of a building  
21 any portion of which is financed as  
22 described in paragraph (4), and which  
23 received before January 1, 2022,  
24 under the rules of paragraphs (1) and  
25 (2) of subsection (m), a determination

1 from the issuer of the tax-exempt  
2 bonds or the housing credit agency  
3 that the building would be eligible  
4 under the qualified allocation plan to  
5 receive an allocation of housing credit  
6 dollar amount or that the credits to be  
7 earned are necessary for financial fea-  
8 sibility of the project and its viability  
9 as a qualified low-income housing  
10 project throughout the credit period.”.

11 (b) RULES RELATING TO EXISTING PROJECTS.—

12 Subparagraph (F) of section 42(h)(7), as redesignated by  
13 section 135403, is amended by striking “the nonlow-in-  
14 come portion” and all that follows and inserting “the  
15 nonlow-income portion and the low-income portion of the  
16 building for fair market value (determined by the housing  
17 credit agency by taking into account the rent restrictions  
18 required for the low-income portion of the building to con-  
19 tinue to meet the standards of paragraphs (1) and (2) of  
20 subsection (g)). The Secretary shall prescribe such regula-  
21 tions as may be necessary or appropriate to carry out this  
22 paragraph.”.

23 (c) CONFORMING AMENDMENTS.—

24 (1) Paragraph (7) of section 42(h), as redesignig-  
25 nated by section 135403, is amended by striking

1 subparagraph (G) and by redesignating subpara-  
2 graphs (H), (I), (J), and (K) as subparagraphs (G),  
3 (H), (I), and (J), respectively.

4 (2) Subclause (II) of section 42(h)(7)(E)(i), as  
5 so redesignated and as amended by subsection (a),  
6 is further amended by striking “subparagraph (I)”  
7 and inserting “subparagraph (H)”.

8 (d) EFFECTIVE DATES.—

9 (1) IN GENERAL.—Except as provided in para-  
10 graph (2), the amendments made by this section  
11 shall take effect on the date of the enactment of this  
12 Act.

13 (2) SUBSECTION (b).—The amendments made  
14 by subsection (b) shall apply to buildings with re-  
15 spect to which a written request described in section  
16 42(h)(7)(H) of the Internal Revenue Code of 1986,  
17 as redesignated by section 135403 and subsection  
18 (c), is submitted after the date of the enactment of  
19 this Act.

20 **SEC. 135105. MODIFICATION AND CLARIFICATION OF**  
21 **RIGHTS RELATING TO BUILDING PURCHASE.**

22 (a) MODIFICATION OF RIGHT OF FIRST REFUSAL.—

23 (1) IN GENERAL.—Subparagraph (A) of section  
24 42(i)(7) is amended by striking “a right of 1st re-  
25 fusal” and inserting “an option”.

1           (2) CONFORMING AMENDMENT.—The heading  
2 of paragraph (7) of section 42(i) is amended by  
3 striking “RIGHT OF 1ST REFUSAL” and inserting  
4 “OPTION”.

5           (b) CLARIFICATION WITH RESPECT TO RIGHT OF  
6 FIRST REFUSAL AND PURCHASE OPTIONS.—

7           (1) PURCHASE OF PARTNERSHIP INTEREST.—

8           (A) IN GENERAL.—Subparagraph (A) of  
9 section 42(i)(7), as amended by subsection (a),  
10 is amended by striking “the property” and in-  
11 sserting “the property or all of the partnership  
12 interests (other than interests of the person ex-  
13 ercising such option or a related party thereto  
14 (within the meaning of section 267(b) or  
15 707(b)(1))) relating to the property”.

16           (B) APPLICATION TO S CORPORATIONS  
17 AND OTHER PASS-THROUGH ENTITIES.—Sub-  
18 paragraph (A) of section 42(i)(7) is amended  
19 by adding at the end the following: “Except as  
20 provided by the Secretary, the rules of this  
21 paragraph shall apply to S corporations and  
22 other pass-through entities in the same manner  
23 as such rules apply to partnerships.”

24           (C) CONFORMING AMENDMENT.—Subpara-  
25 graph (B) of section 42(i)(7) is amended by

1 adding at the end the following: “In the case of  
2 a purchase of all of the partnership interests,  
3 the minimum purchase price under this sub-  
4 paragraph shall be an amount not less than the  
5 sum of the interests’ shares of the amount  
6 which would be determined with respect to the  
7 property under this subparagraph without re-  
8 gard to this sentence.”.

9 (2) PROPERTY INCLUDES ASSETS RELATING TO  
10 THE BUILDING.—Paragraph (7) of section 42(i) is  
11 amended by adding at the end the following new  
12 subparagraph:

13 “(C) PROPERTY.—For purposes of sub-  
14 paragraph (A), the term ‘property’ may include  
15 all or any of the assets held for the develop-  
16 ment, operation, or maintenance of a build-  
17 ing.”.

18 (3) EXERCISE OF RIGHT OF FIRST REFUSAL  
19 AND PURCHASE OPTIONS.—Subparagraph (A) of  
20 section 42(i)(7), as amended by subsection (a) and  
21 paragraph (1)(A), is amended by adding at the end  
22 the following: “For purposes of determining whether  
23 an option, including a right of first refusal, to pur-  
24 chase property or all of the partnership interests

1 holding (directly or indirectly) such property is de-  
2 scribed in the preceding sentence—

3 “(i) such option or right of first re-  
4 fusal shall be exercisable with or without  
5 the approval of any owner of the project  
6 (including any partner, member, or affili-  
7 ated organization of such an owner), and

8 “(ii) a right of first refusal shall be  
9 exercisable in response to any offer to pur-  
10 chase the property or all of the partnership  
11 interests, including an offer by a related  
12 party.”.

13 (c) OTHER CONFORMING AMENDMENT.—Subpara-  
14 graph (B) of section 42(i)(7), as amended by subsection  
15 (b), is amended by striking “the sum of” and all that fol-  
16 lows through “application of clause (ii).” and inserting the  
17 following: “the principal amount of outstanding indebted-  
18 ness secured by the building (other than indebtedness in-  
19 curred within the 5-year period ending on the date of the  
20 sale to the tenants).”.

21 (d) EFFECTIVE DATES.—

22 (1) MODIFICATION OF RIGHT OF FIRST RE-  
23 FUSAL.—The amendments made by subsections (a)  
24 and (c) shall apply to agreements entered into or  
25 amended after the date of the enactment of this Act.





1 qualified residence sold by the taxpayer during such tax-  
2 able year in an affordable sale, the lesser of—

3 “(1) the excess (if any) of—

4 “(A) the reasonable development costs paid  
5 or incurred by the taxpayer with respect to such  
6 qualified residence, over

7 “(B) the sale price of such qualified resi-  
8 dence (reduced by any reasonable expenses paid  
9 or incurred by the taxpayer in connection with  
10 such sale), or

11 “(2) 35 percent of the lesser of—

12 “(A) the eligible development costs paid or  
13 incurred by the taxpayer with respect to such  
14 qualified residence, or

15 “(B) 80 percent of the national median  
16 sale price for new homes (as determined pursu-  
17 ant to the most recent census data available as  
18 of the date on which the neighborhood homes  
19 credit agency makes an allocation for the quali-  
20 fied project).

21 “(b) DEVELOPMENT COSTS.—For purposes of this  
22 section—

23 “(1) REASONABLE DEVELOPMENT COSTS.—

24 “(A) IN GENERAL.—The term ‘reasonable  
25 development costs’ means amounts paid or in-

1 curred for the acquisition of buildings and land,  
2 construction, substantial rehabilitation, demoli-  
3 tion of structures, or environmental remedi-  
4 ation, to the extent that the neighborhood  
5 homes credit agency determines that such  
6 amounts meet the standards specified pursuant  
7 to subsection (f)(1)(C) (as of the date on which  
8 construction or substantial rehabilitation is sub-  
9 stantially complete, as determined by such  
10 agency) and are necessary to ensure the finan-  
11 cial feasibility of such qualified residence.

12 “(B) CONSIDERATIONS IN MAKING DETER-  
13 MINATION.—In making the determination under  
14 subparagraph (A), the neighborhood homes  
15 credit agency shall consider—

16 “(i) the sources and uses of funds and  
17 the total financing,

18 “(ii) any proceeds or receipts gen-  
19 erated or expected to be generated by rea-  
20 son of tax benefits, and

21 “(iii) the reasonableness of the devel-  
22 opmental costs and fees.

23 “(2) ELIGIBLE DEVELOPMENT COSTS.—The  
24 term ‘eligible development costs’ means the amount  
25 which would be reasonable development costs if the

1 amounts taken into account as paid or incurred for  
2 the acquisition of buildings and land did not exceed  
3 75 percent of such costs determined without regard  
4 to any amount paid or incurred for the acquisition  
5 of buildings and land.

6 “(3) SUBSTANTIAL REHABILITATION.—The  
7 term ‘substantial rehabilitation’ means amounts paid  
8 or incurred for rehabilitation of a qualified residence  
9 if such amounts exceed the greater of—

10 “(A) \$20,000, or

11 “(B) 20 percent of the amounts paid or in-  
12 curred by the taxpayer for the acquisition of  
13 buildings and land with respect to such quali-  
14 fied residence.

15 “(4) CONSTRUCTION AND REHABILITATION  
16 ONLY AFTER ALLOCATION TAKEN INTO ACCOUNT.—

17 “(A) IN GENERAL.—The terms ‘reasonable  
18 development costs’ and ‘eligible development  
19 costs’ shall not include any amount paid or in-  
20 curred before the date on which an allocation is  
21 made to the taxpayer under subsection (e) with  
22 respect to the qualified project of which the  
23 qualified residence is part unless such amount  
24 is paid or incurred for the acquisition of build-  
25 ings or land.

1           “(B) LAND AND BUILDING ACQUISITION  
2 COSTS.—Amounts paid or incurred for the ac-  
3 quisition of buildings or land shall be included  
4 under paragraph (A) only if paid or incurred  
5 not more than 3 years before the date on which  
6 the allocation referred to in subparagraph (A)  
7 is made. If the taxpayer acquired any building  
8 or land from an entity (or any related party to  
9 such entity) that holds an ownership interest in  
10 the taxpayer, then such entity must also have  
11 acquired such property within such 3-year pe-  
12 riod, and the acquisition cost included under  
13 subparagraph (A) with respect to the taxpayer  
14 shall not exceed the amount such entity paid or  
15 incurred to acquire such property.

16           “(c) QUALIFIED RESIDENCE.—For purposes of this  
17 section—

18           “(1) IN GENERAL.—The term ‘qualified resi-  
19 dence’ means a residence that—

20                   “(A) is real property affixed on a perma-  
21 nent foundation,

22                   “(B) is—

23                           “(i) a house which is comprised of 4  
24 or fewer residential units,

25                           “(ii) a condominium unit, or

1           “(iii) a house or an apartment owned  
2           by a cooperative housing corporation (as  
3           defined in section 216(b)),

4           “(C) is part of a qualified project with re-  
5           spect to the neighborhood homes credit agency  
6           has made an allocation under subsection (e),  
7           and

8           “(D) is located in a qualified census tract  
9           (determined as of the date of such allocation).

10          “(2) QUALIFIED CENSUS TRACT.—

11           “(A) IN GENERAL.—The term ‘qualified  
12           census tract’ means a census tract—

13           “(i) which—

14           “(I) has a median family income  
15           which does not exceed 80 percent of  
16           the median family income for the ap-  
17           plicable area,

18           “(II) has a poverty rate that is  
19           not less than 130 percent of the pov-  
20           erty rate of the applicable area, and

21           “(III) has a median value for  
22           owner-occupied homes that does not  
23           exceed the median value for owner-oc-  
24           cupied homes in the applicable area,

25           “(ii) which—

1           “(I) is located in a city which has  
2 a population of not less than 50,000  
3 and such city has a poverty rate that  
4 is not less than 150 percent of the  
5 poverty rate of the applicable area,

6           “(II) has a median family income  
7 which does not exceed the median  
8 family income for the applicable area,  
9 and

10          “(III) has a median value for  
11 owner-occupied homes that does not  
12 exceed 80 percent of the median value  
13 for owner-occupied homes in the ap-  
14 plicable area,

15          “(iii) which—

16           “(I) is located in a nonmetropoli-  
17 tan county,

18           “(II) has a median family income  
19 which does not exceed the median  
20 family income for the applicable area,  
21 and

22           “(III) has been designated by a  
23 neighborhood homes credit agency  
24 under this clause, or

1           “(iv) which is not otherwise a quali-  
2           fied census tract and is located in a dis-  
3           aster area (as defined in section  
4           7508A(d)(3)), but only with respect to  
5           credits allocated in any period during  
6           which the President of the United States  
7           has determined that such area warrants in-  
8           dividual or individual and public assistance  
9           by the Federal Government under the Rob-  
10          ert T. Stafford Disaster Relief and Emer-  
11          gency Assistance Act.

12           “(B) APPLICABLE AREA.—The term ‘appli-  
13          cable area’ means—

14                   “(i) in the case of a metropolitan cen-  
15                   sus tract, the metropolitan area in which  
16                   such census tract is located, and

17                   “(ii) in the case of a census tract  
18                   other than a census tract described in  
19                   clause (i), the State.

20           “(d) AFFORDABLE SALE.—For purposes of this sec-  
21          tion—

22                   “(1) IN GENERAL.—The term ‘affordable sale’  
23                   means a sale to a qualified homeowner of a qualified  
24                   residence that the neighborhood homes credit agency  
25                   certifies as meeting the standards promulgated

1 under subsection (f)(1)(D) for a price that does not  
2 exceed—

3 “(A) in the case of any qualified residence  
4 not described in subparagraph (B), (C), or (D),  
5 the amount equal to the product of 4 multiplied  
6 by the median family income for the applicable  
7 area (as determined pursuant to the most re-  
8 cent census data available as of the date of the  
9 contract for such sale),

10 “(B) in the case of a house comprised of  
11 2 residential units, 125 percent of the amount  
12 described in subparagraph (A),

13 “(C) in the case of a house comprised of  
14 3 residential units, 150 percent of the amount  
15 described in subparagraph (A), or

16 “(D) in the case of a house comprised of  
17 4 residential units, 175 percent of the amount  
18 described in subparagraph (A).

19 “(2) QUALIFIED HOMEOWNER.—The term  
20 ‘qualified homeowner’ means, with respect to a  
21 qualified residence, an individual—

22 “(A) who owns and uses such qualified res-  
23 idence as the principal residence of such indi-  
24 vidual, and



1           “(B) whose family income (determined as  
2           of the date that a binding contract for the af-  
3           fordable sale of such residence is entered into)  
4           is 140 percent or less of the median family in-  
5           come for the applicable area in which the quali-  
6           fied residence is located.

7           “(e) CREDIT CEILING AND ALLOCATIONS.—

8           “(1) CREDIT LIMITED BASED ON ALLOCATIONS  
9           TO QUALIFIED PROJECTS.—

10           “(A) IN GENERAL.—The credit allowed  
11           under subsection (a) to any taxpayer for any  
12           taxable year with respect to one or more quali-  
13           fied residences which are part of the same  
14           qualified project shall not exceed the excess (if  
15           any) of—

16           “(i) the amount allocated by the  
17           neighborhood homes credit agency under  
18           this paragraph to such taxpayer with re-  
19           spect to such qualified project, over

20           “(ii) the aggregate amount of credit  
21           allowed under subsection (a) to such tax-  
22           payer with respect to qualified residences  
23           which are a part of such qualified project  
24           for all prior taxable years.

1           “(B) DEADLINE FOR COMPLETION.—No  
2 credit shall be allowed under subsection (a)  
3 with respect to any qualified residence unless  
4 the affordable sale of such residence is during  
5 the 5-year period beginning on the date of the  
6 allocation to the qualified project of which such  
7 residence is a part (or, in the case of a qualified  
8 residence to which subsection (i) applies, the re-  
9 habilitation of such residence is completed dur-  
10 ing such 5-year period).

11           “(2) LIMITATIONS ON ALLOCATIONS TO QUALI-  
12 FIED PROJECTS.—

13           “(A) ALLOCATIONS LIMITED BY STATE  
14 NEIGHBORHOOD HOMES CREDIT CEILING.—The  
15 aggregate amount allocated to taxpayers with  
16 respect to qualified projects by the neighbor-  
17 hood homes credit agency of any State for any  
18 calendar year shall not exceed the State neigh-  
19 borhood homes credit amount of such State for  
20 such calendar year.

21           “(B) SET-ASIDE FOR CERTAIN PROJECTS  
22 INVOLVING QUALIFIED NONPROFIT ORGANIZA-  
23 TIONS.—Rules similar to the rules of section  
24 42(h)(5) shall apply for purposes of this sec-  
25 tion.

1           “(3) DETERMINATION OF STATE NEIGHBOR-  
2 HOOD HOMES CREDIT CEILING.—

3           “(A) IN GENERAL.—The State neighbor-  
4 hood homes credit amount for a State for a cal-  
5 endar year is an amount equal to the sum of—

6                   “(i) the greater of—

7                           “(I) the product of \$3 (\$6 in the  
8 case of calendar year 2025), multi-  
9 plied by the State population (deter-  
10 mined in accordance with section  
11 146(j)), or

12                           “(II) \$4,000,000 (\$8,000,000 in  
13 the case of calendar year 2025), and

14                   “(ii) any amount previously allocated  
15 to any taxpayer with respect to any quali-  
16 fied project by the neighborhood homes  
17 credit agency of such State which can no  
18 longer be allocated to any qualified resi-  
19 dence because the 5-year period described  
20 in paragraph (1)(B) expires during cal-  
21 endar year.

22           “(B) TERMINATION OF ADDITIONAL  
23 AMOUNTS.—The amount determined under sub-  
24 paragraph (A)(i) shall be zero with respect to

1 any calendar year beginning after December 31,  
2 2025.

3 “(C) 3-YEAR CARRYFORWARD OF UNUSED  
4 LIMITATION.—The State neighborhood homes  
5 credit amount for a State for a calendar year  
6 shall be increased by the excess (if any) of the  
7 State neighborhood homes credit amount for  
8 such State for the preceding calendar year over  
9 the aggregate amount allocated by the neigh-  
10 borhood homes credit agency of such State dur-  
11 ing such preceding calendar year. Any amount  
12 carried forward under the preceding sentence  
13 shall not be carried past the third calendar year  
14 after the calendar year in which such credit  
15 amount originally arose, determined on a first-  
16 in, first-out basis.

17 “(f) RESPONSIBILITIES OF NEIGHBORHOOD HOMES  
18 CREDIT AGENCIES.—

19 “(1) IN GENERAL.—Notwithstanding subsection  
20 (e), the State neighborhood homes credit dollar  
21 amount shall be zero for a calendar year unless the  
22 neighborhood homes credit agency of the State—

23 “(A) allocates such amount pursuant to a  
24 qualified allocation plan of the neighborhood  
25 homes credit agency,

1           “(B) allocates not more than 20 percent of  
2 amounts allocated in the previous year (or for  
3 allocations made in 2022, not more than 20  
4 percent of the neighborhood homes credit ceil-  
5 ing for such year) to projects with respect to  
6 qualified residences which—

7                   “(i) are located in census tracts de-  
8 scribed in subsection (c)(2)(A)(iii),  
9 (c)(2)(A)(iv), (i)(5), or

10                   “(ii) are not located in a qualified  
11 census tract but meet the requirements of  
12 (i)(8),

13           “(C) promulgates standards with respect  
14 to reasonable qualified development costs and  
15 fees,

16           “(D) promulgates standards with respect  
17 to construction quality,

18           “(E) in the case of any neighborhood  
19 homes credit agency which makes an allocation  
20 to a qualified project which includes any quali-  
21 fied residence to which subsection (i) applies,  
22 promulgates standards with respect to pro-  
23 tecting the owners of such residences, including  
24 the capacity of such owners to pay rehabilita-  
25 tion costs not covered by the credit provided by

1 this section and providing for the disclosure to  
2 such owners of their rights and responsibilities  
3 with respect to the rehabilitation of such resi-  
4 dences, and

5 “(F) submits to the Secretary (at such  
6 time and in such manner as the Secretary may  
7 prescribe) an annual report specifying—

8 “(i) the amount of the neighborhood  
9 homes credits allocated to each qualified  
10 project for the previous year,

11 “(ii) with respect to each qualified  
12 residence completed in the preceding cal-  
13 endar year—

14 “(I) the census tract in which  
15 such qualified residence is located,

16 “(II) with respect to the qualified  
17 project that includes such qualified  
18 residence, the year in which such  
19 project received an allocation under  
20 this section,

21 “(III) whether such qualified res-  
22 idence was new, substantially rehabili-  
23 tated and sold to a qualified home-  
24 owner, or substantially rehabilitated  
25 pursuant to subsection (i),

1                   “(IV) the eligible development  
2 costs of such qualified residence,

3                   “(V) the amount of the neighbor-  
4 hood homes credit with respect to  
5 such qualified residence,

6                   “(VI) the sales price of such  
7 qualified residence, if applicable, and

8                   “(VII) the family income of the  
9 qualified homeowner (expressed as a  
10 percentage of the applicable area me-  
11 dian family income for the location of  
12 the qualified residence), and

13                   “(iii) such other information as the  
14 Secretary may require.

15                   “(2) QUALIFIED ALLOCATION PLAN.—For pur-  
16 poses of this subsection, the term ‘qualified alloca-  
17 tion plan’ means any plan which—

18                   “(A) sets forth the selection criteria to be  
19 used to prioritize qualified projects for alloca-  
20 tions of State neighborhood homes credit dollar  
21 amounts, including—

22                   “(i) the need for new or substantially  
23 rehabilitated owner-occupied homes in the  
24 area addressed by the project,

1           “(ii) the expected contribution of the  
2           project to neighborhood stability and re-  
3           vitalization, including the impact on neigh-  
4           borhood residents,

5           “(iii) the capability and prior perform-  
6           ance of the project sponsor, and

7           “(iv) the likelihood the project will re-  
8           sult in long-term homeownership,

9           “(B) has been made available for public  
10          comment, and

11          “(C) provides a procedure that the neigh-  
12          borhood homes credit agency (or any agent or  
13          contractor of such agency) shall follow for pur-  
14          poses of—

15                 “(i) identifying noncompliance with  
16                 any provisions of this section, and

17                 “(ii) notifying the Internal Revenue  
18                 Service of any such noncompliance of  
19                 which the agency becomes aware.

20          “(g) REPAYMENT.—

21                 “(1) IN GENERAL.—

22                         “(A) SOLD DURING 5-YEAR PERIOD.—If a  
23                         qualified residence is sold during the 5-year pe-  
24                         riod beginning immediately after the affordable  
25                         sale of such qualified residence referred to in



1 subsection (a), the seller (with respect to the  
2 sale during such 5-year period) shall transfer  
3 an amount equal to the repayment amount to  
4 the relevant neighborhood homes credit agency.

5 “(B) USE OF REPAYMENTS.—A neighbor-  
6 hood homes credit agency shall use any amount  
7 received pursuant to subparagraph (A) only for  
8 purposes of qualified projects.

9 “(2) REPAYMENT AMOUNT.—For purposes of  
10 paragraph (1)(A), the repayment amount is an  
11 amount equal to 50 percent of the gain from the  
12 sale to which the repayment relates, reduced by 20  
13 percent for each year of the 5-year period referred  
14 to in paragraph (1)(A) which ends before the date  
15 of such sale.

16 “(3) LIEN FOR REPAYMENT AMOUNT.—A  
17 neighborhood homes credit agency receiving an allo-  
18 cation under this section shall place a lien on each  
19 qualified residence that is built or rehabilitated as  
20 part of a qualified project for an amount such agen-  
21 cy deems necessary to ensure potential repayment  
22 pursuant to paragraph (1)(A).

23 “(4) DENIAL OF DEDUCTIONS IF CONVERTED  
24 TO RENTAL HOUSING.—If, during the 5-year period  
25 described in paragraph (1), an individual who owns

1 a qualified residence fails to use such qualified resi-  
2 dence as such individual's principal residence for any  
3 period of time, no deduction shall be allowed for ex-  
4 penses paid or incurred by such individual with re-  
5 spect to renting, during such period of time, such  
6 qualified residence.

7 “(5) WAIVER.—The neighborhood homes credit  
8 agency may waive the repayment required under  
9 paragraph (1)(A) in the case of homeowner experi-  
10 encing a hardship.

11 “(h) OTHER DEFINITIONS AND SPECIAL RULES.—  
12 For purposes of this section—

13 “(1) NEIGHBORHOOD HOMES CREDIT AGEN-  
14 CY.—The term ‘neighborhood homes credit agency’  
15 means the agency designated by the governor of a  
16 State as the neighborhood homes credit agency of  
17 the State.

18 “(2) QUALIFIED PROJECT.—The term ‘qualified  
19 project’ means a project that a neighborhood homes  
20 credit agency certifies will build or substantially re-  
21 habilitate one or more qualified residences.

22 “(3) DETERMINATIONS OF FAMILY INCOME.—  
23 Rules similar to the rules of section 143(f)(2) shall  
24 apply for purposes of this section.

1           “(4) POSSESSIONS TREATED AS STATES.—The  
2 term ‘State’ includes the District of Columbia and  
3 the possessions of the United States.

4           “(5) SPECIAL RULES RELATED TO CONDOMIN-  
5 IUMS AND COOPERATIVE HOUSING CORPORATIONS.—

6           “(A) DETERMINATION OF DEVELOPMENT  
7 COSTS.—In the case of a qualified residence de-  
8 scribed in clause (ii) or (iii) of subsection  
9 (c)(1)(A), the reasonable development costs and  
10 eligible development costs of such qualified resi-  
11 dence shall be an amount equal to such costs,  
12 respectively, of the entire condominium or coop-  
13 erative housing property in which such qualified  
14 residence is located, multiplied by a fraction—

15           “(i) the numerator of which is the  
16 total floor space of such qualified resi-  
17 dence, and

18           “(ii) the denominator of which is the  
19 total floor space of all residences within  
20 such property.

21           “(B) TENANT-STOCKHOLDERS OF COOPER-  
22 ATIVE HOUSING CORPORATIONS TREATED AS  
23 OWNERS.—In the case of a cooperative housing  
24 corporation (as such term is defined in section  
25 216(b)), a tenant-stockholder shall be treated

1 as owning the house or apartment which such  
2 person is entitled to occupy.

3 “(6) RELATED PARTY SALES NOT TREATED AS  
4 AFFORDABLE SALES.—

5 “(A) IN GENERAL.—A sale between related  
6 persons shall not be treated as an affordable  
7 sale.

8 “(B) RELATED PERSONS.—For purposes  
9 of this paragraph, a person (in this subpara-  
10 graph referred to as the ‘related person’) is re-  
11 lated to any person if the related person bears  
12 a relationship to such person specified in sec-  
13 tion 267(b) or 707(b)(1), or the related person  
14 and such person are engaged in trades or busi-  
15 nesses under common control (within the mean-  
16 ing of subsections (a) and (b) of section 52).  
17 For purposes of the preceding sentence, in ap-  
18 plying section 267(b) or 707(b)(1), ‘10 percent’  
19 shall be substituted for ‘50 percent’.

20 “(7) INFLATION ADJUSTMENT.—

21 “(A) IN GENERAL.—In the case of a cal-  
22 endar year after 2022, the dollar amounts in  
23 subsections (b)(3)(A), (e)(3)(A)(i)(I),  
24 (e)(3)(A)(i)(II), and (i)(2)(C) shall each be in-  
25 creased by an amount equal to—

1 “(i) such dollar amount, multiplied by

2 “(ii) the cost-of-living adjustment de-  
3 termined under section 1(f)(3) for such  
4 calendar year by substituting ‘calendar  
5 year 2021’ for ‘calendar year 2016’ in sub-  
6 paragraph (A)(ii) thereof.

7 “(B) ROUNDING.—

8 “(i) In the case of the dollar amounts  
9 in subsection (b)(3)(A) and (i)(2)(C), any  
10 increase under paragraph (1) which is not  
11 a multiple of \$1,000 shall be rounded to  
12 the nearest multiple of \$1,000.

13 “(ii) In the case of the dollar amount  
14 in subsection (e)(3)(A)(i)(I), any increase  
15 under paragraph (1) which is not a mul-  
16 tiple of \$0.01 shall be rounded to the near-  
17 est multiple of \$0.01.

18 “(iii) In the case of the dollar amount  
19 in subsection (e)(3)(A)(i)(II), any increase  
20 under paragraph (1) which is not a mul-  
21 tiple of \$100,000 shall be rounded to the  
22 nearest multiple of \$100,000.

23 “(8) REPORT.—

24 “(A) IN GENERAL.—The Secretary shall  
25 annually issue a report, to be made available to

1 the public, which contains the information sub-  
2 mitted pursuant to subsection (f)(1)(F).

3 “(B) DE-IDENTIFICATION.—The Secretary  
4 shall ensure that any information made public  
5 pursuant to paragraph (1) excludes any infor-  
6 mation that would allow for the identification of  
7 qualified homeowners.

8 “(9) LIST OF QUALIFIED CENSUS TRACTS.—  
9 The Secretary of Housing and Urban Development  
10 shall, for each year, make publicly available a list of  
11 qualified census tracts under—

12 “(A) on a combined basis, clauses (i) and  
13 (ii) of subsection (c)(2)(A),

14 “(B) clause (iii) of such subsection, and

15 “(C) subsection (i)(5)(A).

16 “(i) APPLICATION OF CREDIT WITH RESPECT TO  
17 OWNER-OCCUPIED REHABILITATIONS.—

18 “(1) IN GENERAL.—In the case of a qualified  
19 rehabilitation by the taxpayer of any qualified resi-  
20 dence which is owned (as of the date that the writ-  
21 ten binding contract referred to in paragraph (3) is  
22 entered into) by a specified homeowner, the rules of  
23 paragraphs (2) through (7) shall apply.

24 “(2) ALTERNATIVE CREDIT DETERMINATION.—

25 In the case of any qualified residence described in

1 paragraph (1), the neighborhood homes credit deter-  
2 mined under subsection (a) with respect to such res-  
3 idence shall (in lieu of any credit otherwise deter-  
4 mined under subsection (a) with respect to such res-  
5 idence) be allowed in the taxable year during which  
6 the qualified rehabilitation is completed (as deter-  
7 mined by the neighborhood homes credit agency)  
8 and shall be equal to the least of—

9 “(A) the excess (if any) of—

10 “(i) the amounts paid or incurred by  
11 the taxpayer for the qualified rehabilitation  
12 of the qualified residence to the extent that  
13 such amounts are certified by the neigh-  
14 borhood homes credit agency (at the time  
15 of the completion of such rehabilitation) as  
16 meeting the standards specified pursuant  
17 to subsection (f)(1)(C), over

18 “(ii) any amounts paid to such tax-  
19 payer for such rehabilitation,

20 “(B) 50 percent of the amounts described  
21 in subparagraph (A)(i), or

22 “(C) \$50,000.

23 “(3) QUALIFIED REHABILITATION.—

24 “(A) IN GENERAL.—For purposes of this  
25 subsection, the term ‘qualified rehabilitation’

1 means a rehabilitation or reconstruction per-  
2 formed pursuant to a written binding contract  
3 between the taxpayer and the qualified home-  
4 owner if the amount paid or incurred by the  
5 taxpayer in the performance of such rehabilita-  
6 tion or reconstruction exceeds the dollar  
7 amount in effect under subsection (b)(3)(A).

8 “(B) APPLICATION OF LIMITATION TO EX-  
9 PENSES PAID OR INCURRED AFTER ALLOCA-  
10 TION.—A rule similar to the rule of section  
11 (b)(4) shall apply for purposes of this sub-  
12 section.

13 “(4) SPECIFIED HOMEOWNER.—For purposes  
14 of this subsection, the term ‘qualified homeowner’  
15 means, with respect to a qualified residence, an indi-  
16 vidual—

17 “(A) who owns and uses such qualified res-  
18 idence as the principal residence of such indi-  
19 vidual as of the date that the written binding  
20 contract referred to in paragraph (3) is entered  
21 into, and

22 “(B) whose family income (determined as  
23 of such date) does not exceed the median family  
24 income for the applicable area (with respect to



1           the census tract in which the qualified residence  
2           is located).

3           “(5) ADDITIONAL CENSUS TRACTS IN WHICH  
4           OWNER-OCCUPIED RESIDENCES MAY BE LOCATED.—  
5           In the case of any qualified residence described in  
6           paragraph (1), the term ‘qualified census tract’ in-  
7           cludes any census tract which—

8                   “(A) meets the requirements of subsection  
9                   (c)(2)(A)(i) without regard to subclause (III)  
10                  thereof, and

11                   “(B) is designated by the neighborhood  
12                  homes credit agency for purposes of this para-  
13                  graph.

14           “(6) MODIFICATION OF REPAYMENT REQUIRE-  
15           MENT.—In the case of any qualified residence de-  
16           scribed in paragraph (1), subsection (g) shall be ap-  
17           plied by beginning the 5-year period otherwise de-  
18           scribed therein on the date on which the qualified  
19           owner acquired the residence.

20           “(7) RELATED PARTIES.—Paragraph (1) shall  
21           not apply if the taxpayer is the owner of the quali-  
22           fied residence described in paragraph (1) or is re-  
23           lated (within the meaning of subsection (h)(6)(B))  
24           to such owner.

1           “(8) PYRRHOTITE REMEDIATION.—The require-  
2           ment of subsection (c)(1)(C) shall not apply to a  
3           qualified rehabilitation under this subsection of a  
4           qualified residence that is documented by an engi-  
5           neer’s report and core testing to have a foundation  
6           that is adversely impacted by pyrrhotite or other  
7           iron sulfide minerals.

8           “(j) REGULATIONS.—The Secretary shall prescribe  
9           such regulations as may be necessary or appropriate to  
10          carry out the purposes of this section, including regula-  
11          tions that prevent avoidance of the rules, and abuse of  
12          the purposes, of this section.”.

13          (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-  
14          NESS CREDIT.—Section 38(b), as amended by the pre-  
15          ceding provisions of this Act, is amended by striking  
16          “plus” at the end of paragraph (34), by striking the period  
17          at the end of paragraph (35) and inserting “, plus”, and  
18          by adding at the end the following new paragraph:

19                 “(36) the neighborhood homes credit deter-  
20                 mined under section 42A(a),”.

21          (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-  
22          IMUM TAX.—Section 38(c)(4)(B), as amended by the pre-  
23          ceding provisions of this Act, is amended by redesignating  
24          clauses (iv) through (xiii) as clauses (v) through (xiv), re-

1 spectively, and by inserting after clause (iii) the following  
2 new clause:

3 “(iv) the credit determined under sec-  
4 tion 42A.”.

5 (d) CONFORMING AMENDMENTS.—

6 (1) Subsections (i)(3)(C), (i)(6)(B)(i), and  
7 (k)(1) of section 469 are each amended by inserting  
8 “or 42A” after “section 42”.

9 (2) The table of sections for subpart D of part  
10 IV of subchapter A of chapter 1 is amended by in-  
11 serting after the item relating to section 42 the fol-  
12 lowing new item:

“Sec. 42A. Neighborhood homes credit.”.

13 (e) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 December 31, 2021.

16 **PART 3—INVESTMENTS IN TRIBAL**  
17 **INFRASTRUCTURE**  
18 **SEC. 135301. TREATMENT OF INDIAN TRIBES AS STATES**  
19 **WITH RESPECT TO BOND ISSUANCE.**

20 (a) IN GENERAL.—Section 7871(c) is amended to  
21 read as follows:

22 “(c) SPECIAL RULES FOR TAX-EXEMPT BONDS.—

23 “(1) IN GENERAL.—In applying section 146 to  
24 bonds issued by Indian Tribal Governments the Sec-  
25 retary shall annually—

1           “(A) establish a national bond volume cap  
2 based on the greater of—

3           “(i) the State population formula ap-  
4 proach in section 146(d)(1)(A) (using na-  
5 tional Tribal population estimates supplied  
6 annually by the Department of the Interior  
7 in consultation with the Census Bureau),  
8 and

9           “(ii) the minimum State ceiling  
10 amount in section 146(d)(1)(B) (as ad-  
11 justed in accordance with the cost of living  
12 provision in section 146(d)(2)), and

13           “(B) allocate such national bond volume  
14 cap among all Indian Tribal Governments seek-  
15 ing such an allocation in a particular year  
16 under regulations prescribed by the Secretary.

17           “(2) APPLICATION OF GEOGRAPHIC RESTRIC-  
18 TION.—In the case of national bond volume cap allo-  
19 cated under paragraph (1), section 146(k)(1) shall  
20 not apply to the extent that such cap is used with  
21 respect to financing for a facility located on qualified  
22 Indian lands.

23           “(3) RESTRICTION ON FINANCING OF CERTAIN  
24 GAMING FACILITIES.—No portion of the volume cap  
25 allocated under this subsection may be used with re-

1 spect to the financing of any portion of a building  
2 in which class II or class III gaming (as defined in  
3 section 4 of the Indian Gaming Regulatory Act) is  
4 conducted or housed or any property actually used  
5 in the conduct of such gaming.

6 “(4) DEFINITIONS AND SPECIAL RULES.—For  
7 purposes of this subsection—

8 “(A) INDIAN TRIBAL GOVERNMENT.—The  
9 term ‘Indian Tribal Government’ means the  
10 governing body of an Indian Tribe, band, na-  
11 tion, or other organized group or community, or  
12 of Alaska Natives, which is recognized as eligi-  
13 ble for the special programs and services pro-  
14 vided by the United States to Indians because  
15 of their status as Indians, and also includes any  
16 agencies, instrumentalities or political subdivi-  
17 sions thereof.

18 “(B) INTERTRIBAL CONSORTIUMS, ETC.—  
19 In any case in which an Indian Tribal Govern-  
20 ment has authorized an intertribal consortium,  
21 a Tribal organization, or an Alaska Native re-  
22 gional or village corporation, as defined in, or  
23 established pursuant to, the Alaska Native  
24 Claims Settlement Act, to plan for, coordinate  
25 or otherwise administer services, finances, func-

1 tions, or activities on its behalf under this sub-  
2 section, the authorized entity shall have the  
3 rights and responsibilities of the authorizing In-  
4 dian Tribal Government only to the extent pro-  
5 vided in the Authorizing resolution.

6 “(C) QUALIFIED INDIAN LANDS.—The  
7 term ‘qualified Indian lands’ shall mean an In-  
8 dian reservation as defined in section 3(d) of  
9 the Indian Financing Act of 1974 (25 U.S.C.  
10 1452(d)), including lands which are within the  
11 jurisdictional area of an Oklahoma Indian Tribe  
12 (as determined by the Secretary of the Interior)  
13 and shall include lands outside a reservation  
14 where the facility is to be placed in service in  
15 connection with—

16 “(i) the active conduct of a trade or  
17 business by an Indian Tribe on, contiguous  
18 to, within reasonable proximity of, or with  
19 a substantial connection to, an Indian res-  
20 ervation or Alaska Native village, or

21 “(ii) infrastructure (including roads,  
22 power lines, water systems, railroad spurs,  
23 and communication facilities) serving an  
24 Indian reservation or Alaska Native vil-  
25 lage.”.

1 (b) CONFORMING AMENDMENT.—Subparagraph (B)  
2 of section 45(c)(9) is amended to read as follows:

3 “(B) INDIAN TRIBE.—For purposes of this  
4 paragraph, the term ‘Indian tribe’ has the  
5 meaning given the term ‘Indian Tribal Govern-  
6 ment’ by section 7871(c)(3)(A).”.

7 (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to obligations issued in calendar  
9 years beginning after the date of the enactment of this  
10 Act.

11 **SEC. 135302. NEW MARKETS TAX CREDIT FOR TRIBAL STA-**  
12 **TISTICAL AREAS.**

13 (a) ADDITIONAL ALLOCATIONS FOR TRIBAL STATIS-  
14 TICAL AREAS.—Section 45D(f) is amended by adding at  
15 the end the following new paragraph:

16 “(5) ADDITIONAL ALLOCATIONS FOR TRIBAL  
17 STATISTICAL AREAS.—

18 “(A) IN GENERAL.—In the case of cal-  
19 endar years 2022 through 2025, there is (in ad-  
20 dition to any limitation under any other para-  
21 graph of this subsection) a new markets tax  
22 credit limitation of \$175,000,000 which shall be  
23 allocated by the Secretary as provided in para-  
24 graph (2) except that such limitation may only

1 be allocated with respect to Tribal Statistical  
2 Areas.

3 “(B) CARRYOVER OF UNUSED TRIBAL STA-  
4 TISTICAL AREA LIMITATION.—

5 “(i) IN GENERAL.—If the credit limi-  
6 tation under subparagraph (A) for any cal-  
7 endar year exceeds the amount of such  
8 limitation allocated by the Secretary for  
9 such calendar year, such limitation for the  
10 succeeding calendar year shall be increased  
11 by the amount of such excess.

12 “(ii) LIMITATION ON CARRYOVER.—  
13 No amount of credit limitation may be car-  
14 ried under clause (i) past the 5th calendar  
15 year following the calendar year in which  
16 such amount of credit limitation arose.

17 “(iii) TRANSFER OF EXPIRED TRIBAL  
18 STATISTICAL AREA LIMITATION TO GEN-  
19 ERAL LIMITATION.—In the case of any  
20 amount of credit limitation which would  
21 (but for clause (ii)) be carried under clause  
22 (i) to the 6th calendar year following the  
23 calendar year in which such amount of  
24 credit limitation arose, the new market tax  
25 credit limitation under paragraph (1) for



1           such 6th calendar year shall be increased  
2           by the amount of such credit limitation,  
3           except that no such increase shall be made  
4           for any calendar year after 2030.

5           “(C) TRIBAL STATISTICAL AREA.—For  
6           purposes of this paragraph, the term ‘Tribal  
7           Statistical Area’ means—

8                   “(i) any low-income community which  
9                   is located in any Tribal Census Tract,  
10                  Oklahoma Tribal Statistical Area, Tribal-  
11                  Designated Statistical Area, Alaska Native  
12                  Village Statistical Area, or Hawaiian  
13                  Home Land, and

14                   “(ii) any low-income community de-  
15                  scribed in subsection (e)(1)(B).”.

16           (b) ELIGIBILITY OF CERTAIN PROJECTS SERVING  
17 TRIBAL MEMBERS.—Section 45D(e)(1) is amended to  
18 read as follows:

19                   “(1) IN GENERAL.—The term ‘low-income com-  
20                  munity’ means any area—

21                   “(A) comprising a population census tract  
22                  if—

23                           “(i) the poverty rate for such tract is  
24                           at least 20 percent, or

1           “(ii)(I) in the case of a tract not lo-  
2 cated within a metropolitan area, the me-  
3 dian family income for such tract does not  
4 exceed 80 percent of statewide median  
5 family income, or

6           “(II) in the case of a tract located  
7 within a metropolitan area, the median  
8 family income for such tract does not ex-  
9 ceed 80 percent of the greater of statewide  
10 median family income or the metropolitan  
11 area median family income,

12           “(B) which is used for a qualified active  
13 low-income community business which—

14           “(i) services a significant population  
15 of Tribal or Alaska Native Village mem-  
16 bers who are residents of a low-income  
17 community described in subsection  
18 (f)(5)(C)(i), and

19           “(ii) obtains a written statement from  
20 the relevant Indian Tribal Government  
21 (within the meaning of section 7871(e))  
22 that documents the eligibility such project  
23 with respect to the requirement of clause  
24 (i).

1 Subparagraph (A)(ii) shall be applied using posses-  
2 sion wide median family income in the case of cen-  
3 sus tracts located within a possession of the United  
4 States.”.

5 (c) COORDINATION WITH EXISTING CARRYOVER.—  
6 Section 45D(f)(3) is amended—

7 (1) is amended by inserting “under paragraph  
8 (1)” after “new markets tax credit limitation”, and

9 (2) by striking “the aggregate amount allo-  
10 cated” and inserting “the amount of such limitation  
11 allocated by the Secretary”.

12 (d) REGULATORY AUTHORITY.—Section 45D(i) is  
13 amended by striking “and” at the end of paragraph (5),  
14 by striking the period at the end of paragraph (6) and  
15 inserting “, and”, and by adding at the end the following  
16 new paragraph:

17 “(7) which provide documentation requirements  
18 for the written statement required under subsection  
19 (e)(1)(B)(ii), and

20 “(8) which provide procedures for determining  
21 which projects under subsection (e)(1)(B) are quali-  
22 fied active low-income community businesses with re-  
23 spect to the populations described in such sub-  
24 section. Such procedures shall take into account the  
25 location needs of such projects, especially with re-

1 spect to projects that serve multiple tribal or Alaska  
2 Native Village communities.”.

3 (e) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to new markets tax credit limita-  
5 tion determined for calendar years after December 31,  
6 2021.

7 **SEC. 135303. INCLUSION OF INDIAN AREAS AS DIFFICULT**  
8 **DEVELOPMENT AREAS FOR PURPOSES OF**  
9 **CERTAIN BUILDINGS.**

10 (a) IN GENERAL.—Subclause (I) of section  
11 42(d)(5)(B)(iii) is amended by inserting “, or any Indian  
12 area” before the period at the end.

13 (b) INDIAN AREA.—Clause (iii) of section  
14 42(d)(5)(B) is amended by redesignating subclause (II)  
15 as subclause (IV) and by inserting after subclause (I) the  
16 following new subclauses:

17 “(II) INDIAN AREA.—For pur-  
18 poses of subclause (I), the term ‘In-  
19 dian area’ means any Indian area (as  
20 defined in section 4(11) of the Native  
21 American Housing Assistance and  
22 Self Determination Act of 1996 (25  
23 U.S.C. 4103(11))).

24 “(III) SPECIAL RULE FOR  
25 BUILDINGS IN INDIAN AREAS.—In the

1 case of an area which is a difficult de-  
2 velopment area solely because it is an  
3 Indian area, a building shall not be  
4 treated as located in such area unless  
5 such building is assisted or financed  
6 under the Native American Housing  
7 Assistance and Self Determination  
8 Act of 1996 (25 U.S.C. 4101 et seq.)  
9 or the project sponsor is an Indian  
10 tribe (as defined in section  
11 45A(c)(6)), a tribally designated hous-  
12 ing entity (as defined in section 4(22)  
13 of such Act (25 U.S.C. 4103(22))), or  
14 wholly owned or controlled by such an  
15 Indian tribe or tribally designated  
16 housing entity.”.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to buildings placed in service after  
19 December 31, 2021.

## 20 **PART 4—OTHER PROVISIONS**

### 21 **SEC. 135401. POSSESSIONS ECONOMIC ACTIVITY CREDIT.**

22 (a) IN GENERAL.—Subpart D of part IV of sub-  
23 chapter A of chapter 1, as amended by the preceding pro-  
24 visions of this Act, is amended by adding at the end the  
25 following new section:

1 **“SEC. 45V. POSSESSIONS ECONOMIC ACTIVITY CREDIT.**

2       “(a) ALLOWANCE OF CREDIT.—For purposes of sec-  
3 tion 38, in the case of a qualified domestic corporation  
4 the possessions economic activity credit determined under  
5 this section for a taxable year is an amount equal to 20  
6 percent of the sum of the qualified possession wages and  
7 allocable employee fringe benefit expenses paid or incurred  
8 by the taxpayer for the taxable year.

9       “(b) QUALIFIED DOMESTIC CORPORATION; QUALI-  
10 FIED CORPORATION.—For purposes of this section—

11           “(1) IN GENERAL.—The term ‘qualified domes-  
12 tic corporation’ means any domestic corporation  
13 which is—

14                   “(A) a qualified corporation, or

15                   “(B) a United States shareholder of a for-  
16 eign corporation which—

17                           “(i) is a qualified corporation, and

18                           “(ii) is wholly owned by the United  
19 States shareholder together with any cor-  
20 porations which are members of the same  
21 affiliated group (within the meaning of sec-  
22 tion 1504(a)) as such United States share-  
23 holder.

24           “(2) QUALIFIED CORPORATION.—The term  
25 ‘qualified corporation’ means any corporation if such  
26 corporation meets the following requirements:

1           “(A) SOURCE QUALIFICATION.—80 percent  
2           or more of the gross income of the corporation  
3           for the 3-year period immediately preceding the  
4           close of the taxable year (or for such part of  
5           such period immediately preceding the close of  
6           such taxable year as may be applicable) was de-  
7           rived from sources within a possession of the  
8           United States (determined without regard to  
9           section 904(f)).

10           “(B) TRADE OR BUSINESS QUALIFICA-  
11           TION.—75 percent or more of the gross income  
12           of the corporation for such period or such part  
13           thereof was derived from the active conduct of  
14           a trade or business within a possession of the  
15           United States.

16           “(3) SPECIAL RULE FOR SEPARATE AND  
17           CLEARLY IDENTIFIED UNITS OF FOREIGN CORPORA-  
18           TIONS.—

19           “(A) IN GENERAL.—In the case of a  
20           United States shareholder of a foreign corpora-  
21           tion which—

22                   “(i) is not a qualified corporation but  
23                   with respect to which the ownership re-  
24                   quirements of paragraph (1)(B)(ii) are  
25                   met, and

1           “(ii) has an eligible foreign business  
2           unit which, if such unit were a corporation,  
3           would be a qualified corporation with re-  
4           spect to which such ownership require-  
5           ments would be met,  
6           then, for purposes of this section, the United  
7           States shareholder may elect to treat such unit  
8           as a separate foreign corporation which meets  
9           the requirements of paragraph (1)(B) and with  
10          respect to which such shareholder is a United  
11          States shareholder.

12           “(B) ELIGIBLE FOREIGN BUSINESS  
13          UNIT.—For purposes of this paragraph, the  
14          term ‘eligible foreign business unit’ means a  
15          separate and clearly identified foreign unit of a  
16          trade or business, including a partnership or an  
17          entity treated as disregarded as a separate enti-  
18          ty from its owner (under section 7701 or other  
19          provision under this title), which maintains sep-  
20          arate books and records.

21           “(C) SPECIAL ELECTION FOR AFFILIATED  
22          GROUPS.—In the case of an affiliated group de-  
23          scribed in paragraph (1)(B)(ii), the election  
24          under subparagraph (A) with respect to any eli-  
25          gible foreign business unit shall be made by the



1 common parent of such group and shall apply  
2 uniformly to all members of such group which  
3 are United States shareholders with respect to  
4 the foreign corporation which has such unit.

5 “(c) QUALIFIED POSSESSION WAGES.—For purposes  
6 of this section—

7 “(1) IN GENERAL.—The term ‘qualified posses-  
8 sion wages’ means wages paid or incurred by the  
9 qualified corporation during the taxable year in con-  
10 nection with the active conduct of a trade or busi-  
11 ness within a possession of the United States to any  
12 employee for services performed in such possession,  
13 but only if such services are performed while the  
14 principal place of employment of such employee is  
15 within such possession.

16 “(2) LIMITATION ON AMOUNT OF WAGES  
17 TAKEN INTO ACCOUNT.—

18 “(A) IN GENERAL.—The amount of wages  
19 which may be taken into account under para-  
20 graph (1) with respect to any employee for any  
21 taxable year shall not exceed \$50,000.

22 “(B) TREATMENT OF PART-TIME EMPLOY-  
23 EES, ETC.—If—

24 “(i) any employee is not employed by  
25 the qualified corporation on a substantially

1 full-time basis at all times during the tax-  
2 able year, or

3 “(ii) the principal place of employ-  
4 ment of any employee with the qualified  
5 corporation is not within a possession at  
6 all times during the taxable year,

7 the limitation applicable under paragraph (1)  
8 with respect to such employee shall be the ap-  
9 propriate portion (as determined by the Sec-  
10 retary) of the limitation which would otherwise  
11 be in effect under paragraph (1).

12 “(C) WAGES.—

13 “(i) IN GENERAL.—Except as pro-  
14 vided in clause (ii), the term ‘wages’ has  
15 the meaning given to such term by sub-  
16 section (b) of section 3306 (determined  
17 without regard to any dollar limitation  
18 contained in such section). For purposes of  
19 the preceding sentence, such subsection (b)  
20 shall be applied as if the term ‘United  
21 States’ included all possessions of the  
22 United States.

23 “(ii) SPECIAL RULE FOR AGRICUL-  
24 TURAL LABOR AND RAILWAY LABOR.—In  
25 any case to which subparagraph (A) or (B)

1 of paragraph (1) of section 51(h) applies,  
2 the term ‘wages’ has the meaning given to  
3 such term by section 51(h)(2).

4 “(3) ALLOCABLE EMPLOYEE FRINGE BENEFIT  
5 EXPENSES.—

6 “(A) IN GENERAL.—The allocable em-  
7 ployee fringe benefit expenses of any qualified  
8 corporation for any taxable year is an amount  
9 which bears the same ratio to the amount de-  
10 termined under subparagraph (B) for such tax-  
11 able year as—

12 “(i) the aggregate amount of the  
13 qualified corporation’s qualified possession  
14 wages for such taxable year, bears to

15 “(ii) the aggregate amount of the  
16 wages paid or incurred by such qualified  
17 corporation during such taxable year.

18 In no event shall the amount determined under  
19 the preceding sentence exceed 15 percent of the  
20 amount referred to in clause (i).

21 “(B) EXPENSES TAKEN INTO ACCOUNT.—

22 For purposes of subparagraph (A), the amount  
23 determined under this subparagraph for any  
24 taxable year is the aggregate amount allowable  
25 (or, in the case of a foreign corporation, which

1 would be allowable if such foreign corporation  
2 were a domestic corporation) as a deduction  
3 under this chapter to the qualified corporation  
4 for such taxable year with respect to—

5 “(i) employer contributions under a  
6 stock bonus, pension, profit-sharing, or an-  
7 nuity plan,

8 “(ii) employer-provided coverage  
9 under any accident or health plan for em-  
10 ployees, and

11 “(iii) the cost of life or disability in-  
12 surance provided to employees.

13 Any amount treated as wages under paragraph  
14 (2)(C) shall not be taken into account under  
15 this subparagraph.

16 “(d) SPECIAL RULE FOR QUALIFIED SMALL DOMES-  
17 TIC CORPORATION.—For purposes of this section—

18 “(1) INCREASED CREDIT PERCENTAGE.—In the  
19 case of a qualified small domestic corporation, sub-  
20 section (a) shall be applied by substituting ‘50 per-  
21 cent’ for ‘20 percent’.

22 “(2) QUALIFIED SMALL DOMESTIC CORPORA-  
23 TION.—

24 “(A) IN GENERAL.—The term ‘qualified  
25 small domestic corporation’ means a qualified

1 domestic corporation that meets the require-  
2 ments of subparagraphs (B) and (C).

3 “(B) FULL-TIME EMPLOYMENT.—A quali-  
4 fied domestic corporation meets the require-  
5 ments of this subparagraph if the qualified cor-  
6 poration which is the qualified domestic cor-  
7 poration under subsection (b)(1)(A) or the for-  
8 eign corporation under subsection  
9 (b)(1)(B)(i)—

10 “(i) has at least 5 full-time employees  
11 in a possession of the United States for  
12 each year in the 3-year period immediately  
13 preceding the close of the taxable year (or  
14 for such part of such period immediately  
15 preceding the close of such taxable year as  
16 may be applicable), and

17 “(ii) has not more than a total of 30  
18 full-time employees for each year in such  
19 3-year period.

20 “(C) GROSS RECEIPTS.—A qualified do-  
21 mestic corporation meets the requirements of  
22 this subparagraph if the annual gross receipts  
23 of the qualified domestic corporation (and all  
24 persons related thereto) for each year in such  
25 3-year period is not more than \$50,000,000.

1           “(3) RELATED PERSONS.—In determining  
2 whether the limitations under subparagraphs (B)(ii)  
3 and (C) of paragraph (2) are met, all persons who  
4 are treated as a single employer for purposes of sub-  
5 section (a) or (b) of section 52 shall be taken into  
6 account.

7           “(4) AMOUNT OF WAGES TAKEN INTO AC-  
8 COUNT.—Subsection (c)(2)(A) shall be applied by  
9 substituting ‘\$142,800’ for ‘\$50,000’.

10          “(e) POSSESSION OF THE UNITED STATES.—

11           “(1) IN GENERAL.—The term ‘possession of the  
12 United States’ means American Samoa, the Com-  
13 monwealth of the Northern Mariana Islands, the  
14 Commonwealth of Puerto Rico, Guam, and the Vir-  
15 gin Islands.

16           “(2) MIRROR CODE POSSESSIONS.—In the case  
17 of any possession of the United States with a mirror  
18 code tax system (as defined in section 24(k)), this  
19 section shall not be treated as part of the income tax  
20 laws of the United States for purposes of deter-  
21 mining the income tax law of such possession unless  
22 such possession elects to have this section be so  
23 treated.

24          “(f) SEPARATE APPLICATION TO EACH POSSES-  
25 SION.—For purposes of determining the amount of the

1 credit allowed under this section, this section shall be ap-  
2 plied separately with respect to each possession of the  
3 United States.

4 “(g) TERMINATION.—No credit shall be allowed  
5 under this section for any taxable year beginning after De-  
6 cember 31, 2031.”.

7 (b) CREDIT MADE PART OF GENERAL BUSINESS  
8 CREDIT.—Subsection (b) of section 38, as amended by the  
9 preceding provisions of this Act, is amended by striking  
10 “plus” at the end of paragraph (34), by striking the period  
11 at the end of paragraph (35) and inserting “, plus”, and  
12 by adding at the end the following new paragraph:

13 “(36) the possessions economic activity credit  
14 determined under section 45V.”.

15 (c) CLERICAL AMENDMENT.—The table of sections  
16 for subpart B of part IV of subchapter A of chapter 1  
17 is amended by adding at the end the following:

“Sec. 45V. Possessions economic activity credit.”.

18 (d) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to taxable years beginning after  
20 the date of the enactment of this Act, and in the case  
21 of a qualified corporation that is a foreign corporation,  
22 to taxable years beginning after the date of enactment and  
23 to taxable years of United States shareholders in which  
24 or with which such taxable years of foreign corporations  
25 end.

1 **SEC. 135402. TAX TREATMENT OF CERTAIN ASSISTANCE TO**  
2 **FARMERS, ETC.**

3 (a) IN GENERAL.—For purposes of the Internal Rev-  
4 enue Code of 1986, in the case of any payment described  
5 in section 1005(b) or 1006(e) of the American Rescue  
6 Plan Act of 2021 (as amended by this Act)—

7 (1) such payment shall not be included in the  
8 gross income of the person on whose behalf, or to  
9 whom, such payment is made,

10 (2) no deduction shall be denied, no tax at-  
11 tribute shall be reduced, and no basis increase shall  
12 be denied, by reason of the exclusion from gross in-  
13 come provided by paragraph (1), and

14 (3) in the case of a partnership or S corpora-  
15 tion on whose behalf, or to whom, such a payment  
16 is made—

17 (A) any amount excluded from income by  
18 reason of paragraph (1) shall be treated as tax  
19 exempt income for purposes of sections 705 and  
20 1366 of such Code, and

21 (B) except as provided by the Secretary of  
22 the Treasury (or the Secretary's delegate), any  
23 increase in the adjusted basis of a partner's in-  
24 terest in a partnership under section 705 of  
25 such Code with respect to any amount described  
26 in subparagraph (A) shall equal the partner's



1 distributive share of deductions resulting from  
2 interest that is part of such payment and the  
3 partner's share, as determined under section  
4 752 of such Code, of principal that is part of  
5 such payment.

6 (b) **AUTHORITY TO WAIVE CERTAIN INFORMATION**  
7 **REPORTING REQUIREMENTS.**—The Secretary of the  
8 Treasury (or the Secretary's delegate) may provide an ex-  
9 ception from any requirement to file an information return  
10 otherwise required by chapter 61 of the Internal Revenue  
11 Code of 1986 with respect to any amount excluded from  
12 gross income by reason of subsection (a).

13 **SEC. 135403. EXCLUSION OF AMOUNTS RECEIVED FROM**  
14 **STATE-BASED CATASTROPHE LOSS MITIGA-**  
15 **TION PROGRAMS.**

16 (a) **IN GENERAL.**—Section 139 is amended by redес-  
17 ignating subsection (h) as subsection (i) and by inserting  
18 after subsection (g) the following new subsection:

19 “(h) **STATE-BASED CATASTROPHE LOSS MITIGATION**  
20 **PROGRAMS.**—

21 “(1) **IN GENERAL.**—Gross income shall not in-  
22 clude any amount received by an individual as a  
23 qualified catastrophe mitigation payment under a  
24 program established by—

1           “(A) a State, or a political subdivision or  
2           instrumentality thereof,

3           “(B) a joint powers authority, or

4           “(C) an entity created under State law to  
5           ensure the availability of an adequate market of  
6           last resort for essential property insurance, over  
7           which a State agency or State department of  
8           insurance has regulatory oversight.

9           “(2) QUALIFIED CATASTROPHE MITIGATION  
10          PAYMENT.—For purposes of this section, the term  
11          ‘qualified catastrophe mitigation payment’ means  
12          any amount which is received by an individual to  
13          make improvements to such individual’s residence  
14          for the sole purpose of reducing the damage that  
15          would be done to such residence by a windstorm,  
16          earthquake, or wildfire.

17          “(3) NO INCREASE IN BASIS.—Rules similar to  
18          the rules of subsection (g)(3) shall apply in the case  
19          of this subsection.”.

20          (b) CONFORMING AMENDMENTS.—

21                  (1) Section 139(d) is amended by striking “and  
22                  qualified” and inserting “, qualified catastrophe  
23                  mitigation payments, and qualified”.

24                  (2) Section 139(i) (as redesignated by sub-  
25                  section (a)) is amended by striking “or qualified”

1 and inserting “, qualified catastrophe mitigation  
2 payment, or qualified”.

3 (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2020.

## 6 **Subtitle F—Green Energy**

### 7 **SEC. 136001. AMENDMENT OF 1986 CODE.**

8 Except as otherwise expressly provided, whenever in  
9 this subtitle an amendment or repeal is expressed in terms  
10 of an amendment to, or repeal of, a section or other provi-  
11 sion, the reference shall be considered to be made to a  
12 section or other provision of the Internal Revenue Code  
13 of 1986.

### 14 **PART 1—RENEWABLE ELECTRICITY AND** 15 **REDUCING CARBON EMISSIONS**

### 16 **SEC. 136101. EXTENSION AND MODIFICATION OF CREDIT** 17 **FOR ELECTRICITY PRODUCED FROM CER-** 18 **TAIN RENEWABLE RESOURCES.**

19 (a) IN GENERAL.—The following provisions of sec-  
20 tion 45(d) are each amended by striking “January 1,  
21 2022” each place it appears and inserting “January 1,  
22 2027”:

- 23 (1) Paragraph (2)(A).
- 24 (2) Paragraph (3)(A).
- 25 (3) Paragraph (4)(B).

1 (4) Paragraph (6).

2 (5) Paragraph (7).

3 (6) Paragraph (9).

4 (7) Paragraph (11)(B).

5 (b) BASE CREDIT AMOUNT.—Section 45 is amended  
6 by striking “1.5 cents” each place it appears and inserting  
7 “0.3 cents”.

8 (c) APPLICATION OF EXTENSION TO SOLAR.—Sec-  
9 tion 45(d)(4)(A) is amended by striking “is placed in serv-  
10 ice before January 1, 2006” and inserting “the construc-  
11 tion of which begins before January 1, 2027.”.

12 (d) EXTENSION OF ELECTION TO TREAT QUALIFIED  
13 FACILITIES AS ENERGY PROPERTY.—Section  
14 48(a)(5)(C)(ii) is amended by striking “January 1, 2022”  
15 and inserting “January 1, 2027”.

16 (e) APPLICATION OF EXTENSION TO WIND FACILI-  
17 TIES.—

18 (1) IN GENERAL.—Section 45(d)(1) is amended  
19 by striking “January 1, 2022” and inserting “Janu-  
20 ary 1, 2027”.

21 (2) APPLICATION OF PHASEOUT PERCENT-  
22 AGE.—

23 (A) RENEWABLE ELECTRICITY PRODUC-  
24 TION CREDIT.—Section 45(b)(5) is amended by

1 inserting “placed in service before January 1,  
2 2022” after “In the case of any facility”.

3 (B) ENERGY CREDIT.—Section  
4 48(a)(5)(E) is amended by inserting “placed in  
5 service before January 1, 2022” after “In the  
6 case of any facility”.

7 (3) QUALIFIED OFFSHORE WIND FACILITIES  
8 UNDER ENERGY CREDIT.—Section 48(a)(5)(F)(i) is  
9 amended by striking “offshore wind facility—” and  
10 all that follows and inserting the following: “offshore  
11 wind facility, subparagraph (E) shall not apply.”.

12 (f) WAGE AND APPRENTICESHIP REQUIREMENTS.—  
13 Section 45(b) is amended by adding at the end the fol-  
14 lowing new paragraphs:

15 “(6) INCREASED CREDIT AMOUNT FOR QUALI-  
16 FIED FACILITIES.—

17 “(A) IN GENERAL.—In the case of any  
18 qualified facility which satisfies the require-  
19 ments of subparagraph (B), the amount of the  
20 credit determined under subsection (a) (deter-  
21 mined after the application of paragraphs (1)  
22 through (5)) shall be equal to such amount  
23 multiplied by 5 (determined without regard to  
24 this sentence).

1           “(B) QUALIFIED FACILITY REQUIRE-  
2           MENTS.—A qualified facility meets the require-  
3           ments of this subparagraph if it is one of the  
4           following:

5                   “(i) A facility with a maximum net  
6                   output of less than 1 megawatt.

7                   “(ii) A facility the construction of  
8                   which begins prior to the date that is 60  
9                   days after the Secretary publishes guid-  
10                  ance with respect to the requirements of  
11                  paragraphs (7) and (8).

12                  “(iii) A facility which satisfies the re-  
13                  quirements of paragraphs (7) and (8).

14           “(7) PREVAILING WAGE REQUIREMENTS.—

15                   “(A) IN GENERAL.—The requirements de-  
16                   scribed in this subparagraph with respect to  
17                   any qualified facility are that the taxpayer shall  
18                   ensure that any laborers and mechanics em-  
19                   ployed by contractors and subcontractors in—

20                           “(i) the construction of such facility,  
21                           and

22                           “(ii) for the period of the taxable year  
23                           which is within the 10-year period begin-  
24                           ning on the date the facility was originally

1 placed in service, the alteration or repair of  
2 such facility,  
3 shall be paid wages at rates not less than the  
4 prevailing rates for construction, alteration, or  
5 repair of a similar character in the locality as  
6 most recently determined by the Secretary of  
7 Labor, in accordance with subchapter IV of  
8 chapter 31 of title 40, United States Code. For  
9 purposes of determining an increased credit  
10 amount under paragraph (6)(A) for a taxable  
11 year, the requirement under clause (ii) is ap-  
12 plied to such taxable year in which the alter-  
13 ation or repair of the qualified facility occurs.”

14 “(B) CORRECTION AND PENALTY RELATED  
15 TO FAILURE TO SATISFY WAGE REQUIRE-  
16 MENTS.—

17 “(i) IN GENERAL.—In the case of any  
18 taxpayer which fails to satisfy the require-  
19 ment under subparagraph (A) with respect  
20 to the construction of any qualified facility  
21 or with respect to the alteration or repair  
22 of a facility in any year during the period  
23 described in subparagraph (A)(ii), such  
24 taxpayer shall be deemed to have satisfied  
25 such requirement under such subparagraph

1 with respect to such facility for any year if,  
2 with respect to any laborer or mechanic  
3 who was paid wages at a rate below the  
4 rate described in such subparagraph for  
5 any period during such year, such tax-  
6 payer—

7 “(I) makes payment to such la-  
8 borer or mechanic in an amount equal  
9 to the sum of—

10 “(aa) an amount equal to  
11 the difference between—

12 “(AA) the amount of  
13 wages paid to such laborer  
14 or mechanic during such pe-  
15 riod, and

16 “(BB) the amount of  
17 wages required to be paid to  
18 such laborer or mechanic  
19 pursuant to such subpara-  
20 graph during such period,  
21 plus

22 “(bb) interest on the  
23 amount determined under item  
24 (aa) at the underpayment rate  
25 established under section 6621



1 (determined by substituting ‘6  
2 percentage points’ for ‘3 percent-  
3 age points’ in subsection (a)(2)  
4 of such section) for the period  
5 described in such item, and

6 “(II) makes payment to the Sec-  
7 retary of a penalty in an amount  
8 equal to the product of—

9 “(aa) \$5,000, multiplied by  
10 “(bb) the total number of la-  
11 borers and mechanics who were  
12 paid wages at a rate below the  
13 rate described in subparagraph  
14 (A) for any period during such  
15 year.

16 “(ii) DEFICIENCY PROCEDURES NOT  
17 TO APPLY.—Subchapter B of chapter 63  
18 (relating to deficiency procedures for in-  
19 come, estate, gift, and certain excise taxes)  
20 shall not apply with respect to the assess-  
21 ment or collection of any penalty imposed  
22 by this paragraph.

23 “(iii) INTENTIONAL DISREGARD.—If  
24 the Secretary determines that any failure  
25 described in subclause (i) is due to inten-

1 tional disregard of the requirements under  
2 subparagraph (A), subclause (I) shall be  
3 applied by substituting ‘three times the  
4 sum’ for ‘the sum’ in item (aa) thereof and  
5 subclause (II) shall be applied by sub-  
6 stituting ‘\$10,000’ for ‘5,000’ in item (aa)  
7 thereof.

8 “(iv) LIMITATION ON PERIOD FOR  
9 PAYMENT.—Pursuant to rules issued by  
10 the Secretary which are similar to the  
11 rules under chapter 63, in the case of a  
12 final determination by the Secretary with  
13 respect to any failure by the taxpayer to  
14 satisfy the requirement under subpara-  
15 graph (A), subparagraph (B)(i) shall not  
16 apply unless the payments described in  
17 subclauses (I) and (II) of such clause are  
18 made by the taxpayer on or before the date  
19 which is 180 days after the date of such  
20 determination.

21 “(8) APPRENTICESHIP REQUIREMENTS.—The  
22 requirements described in this subparagraph with re-  
23 spect to the construction of any qualified facility are  
24 as follows:

25 “(A) LABOR HOURS.—

1           “(i) PERCENTAGE OF TOTAL LABOR  
2           HOURS.—Taxpayers shall ensure that not  
3           less than the applicable percentage of the  
4           total labor hours of the construction, alter-  
5           ation, or repair work (including such work  
6           performed by any contractor or subcon-  
7           tractor) on any qualified facility shall, sub-  
8           ject to subparagraph (B), be performed by  
9           qualified apprentices.

10           “(ii) APPLICABLE PERCENTAGE.—For  
11           purposes of clause (i), the applicable per-  
12           centage shall be—

13                   “(I) in the case of a qualified fa-  
14                   cility the construction of which begins  
15                   before January 1, 2023, 10 percent,

16                   “(II) in the case of a qualified fa-  
17                   cility the construction of which begins  
18                   after December 31, 2022, and before  
19                   January 1, 2024, 12.5 percent, and

20                   “(III) in the case of a qualified  
21                   facility the construction of which be-  
22                   gins after December 31, 2023, 15 per-  
23                   cent.

24           “(B) APPRENTICE TO JOURNEYWORKER  
25           RATIO.—The requirement under subparagraph

1 (A)(i) shall be subject to any applicable require-  
2 ments for apprentice-to-journeyworker ratios of  
3 the Department of Labor or the applicable  
4 State apprenticeship agency.

5 “(C) PARTICIPATION.—Each contractor  
6 and subcontractor who employs 4 or more indi-  
7 viduals to perform construction, alteration, or  
8 repair work on a qualified facility shall employ  
9 1 or more qualified apprentices to perform such  
10 work.

11 “(D) EXCEPTION.—

12 “(i) IN GENERAL.—A taxpayer shall  
13 not be treated as failing to satisfy the re-  
14 quirements of this paragraph if such tax-  
15 payer—

16 “(I) makes a good faith effort to  
17 comply with the requirements of this  
18 paragraph, or

19 “(II) subject to clause (iii), in the  
20 case of any failure by the taxpayer to  
21 satisfy the requirement under sub-  
22 paragraphs (A) and (C) with respect  
23 to the construction, alteration, or re-  
24 pair work on any qualified facility to  
25 which subclause (I) does not apply,

1 makes payment to the Secretary of a  
2 penalty in an amount equal to the  
3 product of—

4 “(aa) \$50, multiplied by

5 “(bb) the total labor hours  
6 for which the requirement de-  
7 scribed in such subparagraph was  
8 not satisfied with respect to the  
9 construction, alteration, or repair  
10 work on such qualified facility.

11 “(ii) GOOD FAITH EFFORT.—For pur-  
12 poses of clause (i), a taxpayer shall be  
13 deemed to have satisfied the requirements  
14 under such paragraph with respect to a  
15 qualified facility if such taxpayer has re-  
16 quested qualified apprentices from a reg-  
17 istered apprenticeship program, as defined  
18 in section 3131(e)(3)(B), and—

19 “(I) such request has been de-  
20 nied, provided that such denial is not  
21 the result of a refusal by the contrac-  
22 tors or subcontractors engaged in the  
23 performance of construction, alter-  
24 ation, or repair work on such qualified  
25 facility to comply with the established

1 standards and requirements of the  
2 registered apprenticeship program, or

3 “(II) the registered apprentice-  
4 ship program fails to respond to such  
5 request within 5 business days after  
6 the date on which such registered ap-  
7 prenticeship program received such  
8 request.

9 “(iii) INTENTIONAL DISREGARD.—If  
10 the Secretary determines that any failure  
11 described in subclause (i)(II) is due to in-  
12 tentional disregard of the requirements  
13 under subparagraphs (A) and (C), sub-  
14 clause (i)(II) shall be applied by sub-  
15 stituting ‘\$500’ for ‘\$50’ in item (aa)  
16 thereof.

17 “(E) DEFINITIONS.—For purposes of this  
18 paragraph—

19 “(i) LABOR HOURS.—The term ‘labor  
20 hours’—

21 “(I) means the total number of  
22 hours devoted to the performance of  
23 construction, alteration, or repair  
24 work by employees of the taxpayer  
25 (including construction, alteration, or

1 repair work by any contractor or sub-  
2 contractor), and

3 “(II) excludes any hours worked  
4 by—

5 “(aa) foremen,

6 “(bb) superintendents,

7 “(cc) owners, or

8 “(dd) persons employed in a  
9 bona fide executive, administra-  
10 tive, or professional capacity  
11 (within the meaning of those  
12 terms in part 541 of title 29,  
13 Code of Federal Regulations).

14 “(ii) QUALIFIED APPRENTICE.—The  
15 term ‘qualified apprentice’ means an indi-  
16 vidual who is an employee of the con-  
17 tractor or subcontractor and who is par-  
18 ticipating in a registered apprenticeship  
19 program, as defined in section  
20 3131(e)(3)(B).

21 “(9) DOMESTIC CONTENT BONUS CREDIT  
22 AMOUNT.—

23 “(A) IN GENERAL.—In the case of any  
24 qualified facility which satisfies the requirement  
25 under subparagraph (B), the amount of the

1 credit determined under subsection (a) (deter-  
2 mined after the application of paragraphs (1)  
3 through (8)) shall be increased by an amount  
4 equal to 10 percent of the amount otherwise in  
5 effect under such subsection.

6 “(B) REQUIREMENT.—

7 “(i) IN GENERAL.—The requirement  
8 described in this subclause with respect to  
9 any qualified facility is satisfied if the tax-  
10 payer certifies to the Secretary (at such  
11 time, and in such form and manner, as the  
12 Secretary may prescribe) that any steel,  
13 iron, or manufactured product which is a  
14 component of such facility (upon comple-  
15 tion of construction) was produced in the  
16 United States.

17 “(ii) STEEL AND IRON.—

18 “(I) IN GENERAL.—In the case  
19 of steel or iron, clause (i) shall be ap-  
20 plied in a manner consistent with sec-  
21 tion 661.5(b) of title 49, Code of Fed-  
22 eral Regulations.

23 “(II) EXCEPTION.—Subclause (I)  
24 shall not apply with respect to any  
25 steel or iron which is used as a com-



1           ponent or subcomponent of a manu-  
2           factured product which is not pri-  
3           marily made of steel or iron.

4           “(iii) MANUFACTURED PRODUCT.—

5           For purposes of clause (i), the manufac-  
6           tured products which are components of a  
7           qualified facility upon completion of con-  
8           struction shall be deemed to have been pro-  
9           duced in the United States if not less than  
10          the adjusted percentage of the total costs  
11          across all such manufactured products of  
12          such facility are attributable to manufac-  
13          tured products (including components)  
14          which are mined, produced, or manufac-  
15          tured in the United States.

16          “(C) ADJUSTED PERCENTAGE.—

17                 “(i) IN GENERAL.—Subject to sub-  
18                 clause (ii), for purposes of subparagraph  
19                 (B)(iii), the adjusted percentage shall be—

20                         “(I) in the case of a facility the  
21                         construction of which begins before  
22                         January 1, 2025, 40 percent,

23                         “(II) in the case of a facility the  
24                         construction of which begins after De-

1 cember 31, 2024, and before January  
2 1, 2026, 45 percent,

3 “(III) in the case of a facility the  
4 construction of which begins after De-  
5 cember 31, 2025, and before January  
6 1, 2027, 50 percent, and

7 “(IV) in the case of a facility the  
8 construction of which begins after De-  
9 cember 31, 2026, 55 percent.

10 “(ii) OFFSHORE WIND FACILITY.—  
11 For purposes of subparagraph (B)(iii), in  
12 the case of a qualified facility which is an  
13 offshore wind facility, the adjusted per-  
14 centage shall be—

15 “(I) in the case of a facility the  
16 construction of which begins before  
17 January 1, 2025, 20 percent,

18 “(II) in the case of a facility the  
19 construction of which begins after De-  
20 cember 31, 2024, and before January  
21 1, 2026, 27.5 percent,

22 “(III) in the case of a facility the  
23 construction of which begins after De-  
24 cember 31, 2025, and before January  
25 1, 2027, 35 percent,

1           “(IV) in the case of a facility the  
2           construction of which begins after De-  
3           cember 31, 2026, and before January  
4           1, 2028, 45 percent, and

5           “(V) in the case of a facility the  
6           construction of which begins after De-  
7           cember 31, 2027, 55 percent.

8           “(10) PHASEOUT FOR ELECTIVE PAYMENT.—

9           “(A) IN GENERAL.—In the case of a tax-  
10          payer making an election under section 6417  
11          with respect to a credit under this section, the  
12          amount of such credit shall be replaced with—

13               “(i) the value of such credit (deter-  
14               mined without regard to this paragraph),  
15               multiplied by

16               “(ii) the applicable percentage.

17          “(B) 100 PERCENT APPLICABLE PERCENT-  
18          AGE FOR CERTAIN QUALIFIED FACILITIES.—In  
19          the case of any qualified facility—

20               “(i) which satisfies the requirements  
21               under paragraph (9) with respect to the  
22               construction of such facility, or

23               “(ii) with a maximum net output of  
24               less than 1 megawatt,

25          the applicable percentage shall be 100 percent.

1           “(C) PHASED DOMESTIC CONTENT RE-  
2           QUIREMENT.—Subject to subparagraph (D), in  
3           the case of any qualified facility which is not  
4           described in subparagraph (B), the applicable  
5           percentage shall be—

6                   “(i) if construction of such facility  
7                   began before January 1, 2024, 100 per-  
8                   cent,

9                   “(ii) if construction of such facility  
10                  began in calendar year 2024, 90 percent,

11                  “(iii) if construction of such facility  
12                  began in calendar year 2025, 85 percent,  
13                  and

14                  “(iv) if construction of such facility  
15                  began after December 31, 2025, 0 percent.

16           “(D) EXCEPTION.—

17                   “(i) IN GENERAL.—For purposes of  
18                   this paragraph, the Secretary shall provide  
19                   appropriate exceptions to the requirements  
20                   under subparagraph (B) for the construc-  
21                   tion of qualified facilities if—

22                           “(I) the inclusion of domestic  
23                           products increases the overall costs of  
24                           construction of qualified facilities by  
25                           more than 25 percent, or

1                   “(II) relevant domestic products  
2                   are not produced in the United States  
3                   in sufficient and reasonably available  
4                   quantities or of a satisfactory quality.

5                   “(ii) APPLICABLE PERCENTAGE.—In  
6                   any case in which the Secretary provides  
7                   an exception pursuant to clause (i), the ap-  
8                   plicable percentage shall be 100 percent.

9                   “(11) SPECIAL RULE FOR QUALIFIED FACILITY  
10                  LOCATED IN ENERGY COMMUNITY.—

11                  “(A) IN GENERAL.—In the case of a quali-  
12                  fied facility which is located in an energy com-  
13                  munity, the credit determined under subsection  
14                  (a) shall be increased by an amount equal to 10  
15                  percent of the amount otherwise in effect under  
16                  such subsection (without application of sub-  
17                  section (b)(9)).

18                  “(B) ENERGY COMMUNITY.—The term ‘en-  
19                  ergy community’ means a census tract or any  
20                  directly adjoining census tract in which—

21                         “(i) after December 31, 1999, a coal  
22                         mine has closed, or

23                         “(ii) after December 31, 2009, a coal-  
24                         fired electric generating unit has been re-  
25                         tired.

1           “(12) REGULATIONS AND GUIDANCE.—The  
2           Secretary shall issue such regulations or other guid-  
3           ance as the Secretary determines necessary or ap-  
4           propriate to carry out the purposes of this sub-  
5           section, including regulations or other guidance  
6           which provides for requirements for recordkeeping or  
7           information reporting for purposes of establishing  
8           the requirements of this subsection.”.

9           (g) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—  
10          Section 45(b)(3) is amended to read as follows:

11           “(3) CREDIT REDUCED FOR TAX-EXEMPT  
12          BONDS.—The amount of the credit determined  
13          under subsection (a) with respect to any facility for  
14          any taxable year (determined after the application of  
15          paragraphs (1) and (2)) shall be reduced by the  
16          amount which is the product of the amount so deter-  
17          mined for such year and the lesser of 15 percent or  
18          a fraction—

19                   “(A) the numerator of which is the sum,  
20                   for the taxable year and all prior taxable years,  
21                   of proceeds of an issue of any obligations used  
22                   to provide financing for the qualified facility the  
23                   interest on which is exempt from tax under sec-  
24                   tion 103, and

1           “(B) the denominator of which is the ag-  
2           gregate amount of additions to the capital ac-  
3           count for the qualified facility for the taxable  
4           year and all prior taxable years.

5           The amounts under the preceding sentence for any  
6           taxable year shall be determined as of the close of  
7           the taxable year.”.

8           (h) ROUNDING ADJUSTMENT.—Section 45(b)(2) is  
9           amended by striking “If any amount as increased under  
10          the preceding sentence is not a multiple of 0.1 cent, such  
11          amount shall be rounded to the nearest multiple of 0.1  
12          cent” and inserting “If the 0.3 cent amount as increased  
13          under the preceding sentence is not a multiple of 0.05  
14          cent, such amount shall be rounded to the nearest multiple  
15          of 0.05 cent. In any other case, if an amount as increased  
16          under this paragraph is not a multiple of 0.1 cent, such  
17          amount shall be rounded to the nearest multiple of 0.1  
18          cent”.

19          (i) CONFORMING AMENDMENT.—Section 45(b)(4)(A)  
20          is amended by striking “last sentence” and inserting “last  
21          two sentences”.

22          (j) EFFECTIVE DATES.—

23                 (1) The amendments made by subsections (a),  
24                 (b), (c), (d), (e), (f), (h), and (i) of this section shall

1 apply to facilities placed in service after December  
2 31, 2021.

3 (2) The amendment made by subsection (g)  
4 shall apply to facilities the construction of which be-  
5 gins after December 31, 2021.

6 **SEC. 136102. EXTENSION AND MODIFICATION OF ENERGY**  
7 **CREDIT.**

8 (a) **EXTENSION OF CREDIT.**—The following provi-  
9 sions of section 48 are each amended by striking “January  
10 1, 2024” each place it appears and inserting “January  
11 1, 2027”:

12 (1) Subsection (a)(2)(A)(i)(II).

13 (2) Subsection (a)(3)(A)(ii).

14 (3) Subsection (c)(1)(D).

15 (4) Subsection (c)(2)(D).

16 (5) Subsection (c)(4)(C).

17 (b) **FURTHER EXTENSION FOR CERTAIN ENERGY**  
18 **PROPERTY.**—The following provisions of section 48 are  
19 each amended by striking “January 1, 2024” each place  
20 it appears and inserting “January 1, 2034”:

21 (1) Subsection (a)(3)(A)(vii).

22 (2) Subsection (c)(3)(A)(iv).

23 (c) **PHASEOUT OF CREDIT.**—Section 48(a) is amend-  
24 ed by striking paragraphs (6) and (7) and inserting the  
25 following new paragraph:



1           “(6) PHASEOUT FOR CERTAIN ENERGY PROP-  
2           ERTY.—In the case of any qualified fuel cell prop-  
3           erty, qualified small wind property, or energy prop-  
4           erty described in clause (i) or clause (ii) of para-  
5           graph (3)(A) the construction of which begins after  
6           December 31, 2019 and which is placed in service  
7           before January 1, 2022, the energy percentage de-  
8           termined under paragraph (2) shall be equal to 26  
9           percent.”.

10          (d) BASE ENERGY PERCENTAGE AMOUNT.—Section  
11 48(a) is amended—

12           (1) in paragraph (2)(A)—

13                   (A) in clause (i), by striking “30 percent”  
14                   and inserting “6 percent”, and

15                   (B) in clause (ii), by striking “10 percent”  
16                   and inserting “2 percent”, and

17           (2) in paragraph (5)(A)(ii), by striking “30 per-  
18           cent” and inserting “6 percent”.

19          (e) 6 PERCENT CREDIT FOR GEOTHERMAL.—Section  
20 48(a)(2)(A)(i)(II) is amended by striking “paragraph  
21 (3)(A)(i)” and inserting “clause (i) or (iii) of paragraph  
22 (3)(A)”.

23          (f) ENERGY STORAGE TECHNOLOGIES; QUALIFIED  
24 BIOGAS PROPERTY; MICROGRID CONTROLLERS; EXTEN-  
25 SION OF WASTE ENERGY RECOVERY PROPERTY.—

1           (1) IN GENERAL.—Section 48(a)(3)(A) is  
2 amended by striking “or” at the end of clause (vii),  
3 and by adding at the end the following new clauses:

4                   “(ix) energy storage technology,

5                   “(x) qualified biogas property, or

6                   “(xi) microgrid controllers,”.

7           (2) APPLICATION OF 6 PERCENT CREDIT.—Sec-  
8 tion 48(a)(2)(A)(i) is amended by striking “and” at  
9 the end of subclauses (IV) and (V) and adding at  
10 the end the following new subclauses:

11                   “(VI) energy storage technology,

12                   “(VII) qualified biogas property,

13                   “(VIII) microgrid controllers,

14                   and

15                   “(IX) energy property described

16                   in clauses (v) and (vii) of paragraph

17                   (3)(A), and”.

18           (3) DEFINITIONS.—Section 48(c) is amended  
19 by adding at the end the following new paragraphs:

20                   “(6) ENERGY STORAGE TECHNOLOGY.—

21                   “(A) IN GENERAL.—The term ‘energy  
22 storage technology’ means property (other than  
23 property primarily used in the transportation of  
24 goods or individuals and not for the production  
25 of electricity) which receives, stores, and deliv-

1           ers energy for conversion to electricity (or, in  
2           the case of hydrogen, which stores energy), and  
3           has a nameplate capacity of not less than 5 kilowatt  
4           hours.

5           “(B) MODIFICATIONS OF CERTAIN PROP-  
6           ERTY.—In the case of any equipment which ei-  
7           ther—

8                   “(i) would be described in subpara-  
9                   graph (A) except that such equipment has  
10                  a capacity of less than 5 kilowatt hours  
11                  and is modified such that such equipment  
12                  (after such modification) has a nameplate  
13                  capacity of not less than 5 kilowatt hours,  
14                  or

15                   “(ii) is described in subparagraph (A)  
16                  and which has a capacity of not less than  
17                  5 kilowatt hours and is modified such that  
18                  such equipment (after such modification)  
19                  has an increased nameplate capacity,  
20           such equipment shall be treated as described in  
21           subparagraph (A) except that the basis of any  
22           property which was part of such equipment be-  
23           fore such modification shall not be taken into  
24           account for purposes of this section. In the case  
25           of any property to which this subparagraph ap-

1           plies, subparagraph (C) shall be applied by sub-  
2           stituting ‘modification’ for ‘construction’.

3           “(C) TERMINATION.—The term ‘energy  
4           storage technology’ shall not include any prop-  
5           erty the construction of which does not begin  
6           before January 1, 2027.

7           “(7) QUALIFIED BIOGAS PROPERTY.—

8           “(A) IN GENERAL.—The term ‘qualified  
9           biogas property’ means property comprising a  
10          system which—

11           “(i) converts biomass (as defined in  
12           section 45K(c)(3), as in effect on the date  
13           of enactment of this paragraph) into a gas  
14           which—

15           “(I) consists of not less than 52  
16           percent methane by volume, or

17           “(II) is concentrated by such sys-  
18           tem into a gas which consists of not  
19           less than 52 percent methane, and

20           “(ii) captures such gas for sale or pro-  
21           ductive use, and not for disposal via com-  
22           bustion.

23           “(B) INCLUSION OF CLEANING AND CON-  
24           DITIONING PROPERTY.—The term ‘qualified  
25           biogas property’ includes any property which is

1 part of such system which cleans or conditions  
2 such gas.

3 “(C) TERMINATION.—The term ‘qualified  
4 biogas property’ shall not include any property  
5 the construction of which does not begin before  
6 January 1, 2027.

7 “(8) MICROGRID CONTROLLER.—

8 “(A) IN GENERAL.—The term ‘microgrid  
9 controller’ means equipment which is—

10 “(i) part of a qualified microgrid, and

11 “(ii) designed and used to monitor  
12 and control the energy resources and loads  
13 on such microgrid.

14 “(B) QUALIFIED MICROGRID.—The term  
15 ‘qualified microgrid’ means an electrical system  
16 which—

17 “(i) includes equipment which is capa-  
18 ble of generating not less than 4 kilowatts  
19 and not greater than 20 megawatts of elec-  
20 tricity,

21 “(ii) is capable of operating—

22 “(I) in connection with the elec-  
23 trical grid and as a single controllable  
24 entity with respect to such grid, and

1 “(II) independently (and discon-  
2 nected) from such grid, and

3 “(iii) is not part of a bulk-power sys-  
4 tem (as defined in section 215 of the Fed-  
5 eral Power Act (16 U.S.C. 24o)).

6 “(C) TERMINATION.—The term ‘microgrid  
7 controller’ shall not include any property the  
8 construction of which does not begin before  
9 January 1, 2027.”.

10 (4) DENIAL OF DOUBLE BENEFIT FOR QUALI-  
11 FIED BIOGAS PROPERTY.—Section 45(e) is amended  
12 by adding at the end the following new paragraph:

13 “(12) COORDINATION WITH ENERGY CREDIT  
14 FOR QUALIFIED BIOGAS PROPERTY.—The term  
15 ‘qualified facility’ shall not include any facility which  
16 produces electricity from gas produced by qualified  
17 biogas property (as defined in section 48(c)(7)) if a  
18 credit is determined under section 48 with respect to  
19 such property for the taxable year or any prior tax-  
20 able year.”.

21 (5) EXTENSION OF WASTE ENERGY RECOVERY  
22 PROPERTY.—Section 48(c)(5)(D) is amended by  
23 striking “January 1, 2024” and inserting “January  
24 1, 2034”.

1           (6) PHASEOUT OF CERTAIN OTHER ENERGY  
2 PROPERTY.—Section 48(a) is amended by adding at  
3 the end the following new paragraph:

4           “(7) PHASEOUT FOR CERTAIN OTHER ENERGY  
5 PROPERTY.—In the case of any energy property de-  
6 scribed in clause (v), (vii) or (viii) of paragraph  
7 (3)(A), the energy percentage determined under  
8 paragraph (2) shall be equal to—

9           “(A) in the case of any property described  
10 in paragraph (3)(A)(viii) the construction of  
11 which begins after December 31, 2019, and  
12 which is placed in service before January 1,  
13 2022, 26 percent,

14           “(B) in the case of any property the con-  
15 struction of which begins before January 1,  
16 2032, and which is placed in service after De-  
17 cember 31, 2021, 6 percent,

18           “(C) in the case of any property the con-  
19 struction of which begins after December 31,  
20 2031 and before January 1, 2033, 5.2 percent,  
21 and

22           “(D) in the case of any property the con-  
23 struction of which begins after December 31,  
24 2032 and before January 1, 2034, 4.4 per-  
25 cent.”.

1 (g) FUEL CELLS USING ELECTROMECHANICAL  
2 PROCESSES.—

3 (1) IN GENERAL.—Section 48(c)(1) is amend-  
4 ed—

5 (A) in subparagraph (A)(i)—

6 (i) by inserting “or electromechanical”  
7 after “electrochemical”, and

8 (ii) by inserting “(1 kilowatt in the  
9 case of a fuel cell power plant with a linear  
10 generator assembly)” after “0.5 kilowatt”,  
11 and

12 (B) in subparagraph (C)—

13 (i) by inserting “, or linear generator  
14 assembly,” after “a fuel cell stack assem-  
15 bly”, and

16 (ii) by inserting “or  
17 electromechanical” after “electrochemical”.

18 (2) LINEAR GENERATOR ASSEMBLY LIMITA-  
19 TION.—Section 48(c)(1) is amended by redesign-  
20 ating subparagraph (D) as subparagraph (E) and  
21 by inserting after subparagraph (C) the following  
22 new subparagraph:

23 “(D) LINEAR GENERATOR ASSEMBLY.—

24 The term ‘linear generator assembly’ does not



1 include any assembly which contains rotating  
2 parts.”.

3 (h) DYNAMIC GLASS.—Section 48(a)(3)(A)(ii) is  
4 amended by inserting “, or electrochromic glass which  
5 uses electricity to change its light transmittance properties  
6 in order to heat or cool a structure,” after “sunlight”.

7 (i) COORDINATION WITH LOW INCOME HOUSING  
8 TAX CREDIT.—Paragraph (3) of section 50(c) of the In-  
9 ternal Revenue Code of 1986 is amended—

10 (1) by striking “and” at the end of subpara-  
11 graph (A),

12 (2) by striking the period at the end of sub-  
13 paragraph (B) and inserting “, and”, and

14 (3) by adding at the end the following new sub-  
15 paragraph:

16 “(C) paragraph (1) shall not apply for pur-  
17 poses of determining eligible basis under section  
18 42.”.

19 (j) INTERCONNECTION PROPERTY.—Section 48(a) is  
20 amended by adding at the end the following new para-  
21 graph:

22 “(8) INTERCONNECTION PROPERTY.—

23 “(A) IN GENERAL.—For purposes of deter-  
24 mining the credit under subsection (a), energy  
25 property shall include amounts paid or incurred

1 by the taxpayer for qualified interconnection  
2 property in connection with the installation of  
3 energy property (described in paragraph (3)(A))  
4 which has a maximum net output of not greater  
5 than 5 megawatts, to provide for the trans-  
6 mission or distribution of the electricity pro-  
7 duced or stored by such property, and which  
8 are properly chargeable to the capital account  
9 of the taxpayer.

10 “(B) QUALIFIED INTERCONNECTION PROP-  
11 ERTY.—The term ‘qualified interconnection  
12 property’ means, with respect to an energy  
13 project which is not a microgrid controller, any  
14 tangible property—

15 “(i) which is part of an addition,  
16 modification, or upgrade to a transmission  
17 or distribution system which is required at  
18 or beyond the point at which the energy  
19 project interconnects to such transmission  
20 or distribution system in order to accom-  
21 modate such interconnection,

22 “(ii) either—

23 “(I) which is constructed, recon-  
24 structed, or erected by the taxpayer,  
25 or

1                   “(II) for which the cost with re-  
2                   spect to the construction, reconstruc-  
3                   tion, or erection of such property is  
4                   paid or incurred by such taxpayer,  
5                   and

6                   “(iii) the original use of which, pursu-  
7                   ant to an interconnection agreement, com-  
8                   mences with a utility.

9                   “(C) INTERCONNECTION AGREEMENT.—  
10                  The term ‘interconnection agreement’ means an  
11                  agreement with a utility for the purposes of  
12                  interconnecting the energy property owned by  
13                  such taxpayer to the transmission or distribu-  
14                  tion system of such utility.

15                  “(D) UTILITY.—The term ‘utility’ means  
16                  the owner or operator of an electrical trans-  
17                  mission or distribution system which is subject  
18                  to the regulatory authority of a State or polit-  
19                  ical subdivision thereof, any agency or instru-  
20                  mentality of the United States, a public service  
21                  or public utility commission or other similar  
22                  body of any State or political subdivision there-  
23                  of, or the governing or ratemaking body of an  
24                  electric cooperative.

1           “(E) SPECIAL RULE FOR INTERCONNEC-  
2           TION PROPERTY.—In the case of expenses paid  
3           or incurred for interconnection property,  
4           amounts otherwise chargeable to capital ac-  
5           count with respect to such expenses shall be re-  
6           duced under rules similar to the rules of section  
7           50(c).”.

8           (k) WAGE AND APPRENTICESHIP REQUIREMENTS.—  
9           Section 48(a) is amended by adding at the end the fol-  
10          lowing new paragraphs:

11           “(9) INCREASED CREDIT AMOUNT FOR ENERGY  
12          PROJECTS.—

13           “(A) IN GENERAL.—

14           “(i) RULE.—In the case of any energy  
15           project which satisfies the requirements of  
16           subparagraph (B), the amount of the cred-  
17           it determined under this subsection (deter-  
18           mined after the application of paragraphs  
19           (1) through (8) shall be equal to such  
20           amount multiplied by 5 (determined with-  
21           out regard to this sentence).

22           “(ii) ENERGY PROJECT DEFINED.—  
23           For purposes of this subsection the term  
24           ‘energy project’ means a project consisting  
25           of one or more energy properties that are

1 part of a single project. The requirements  
2 of this paragraph shall be applied to such  
3 project.

4 “(B) PROJECT REQUIREMENTS.—A project  
5 meets the requirements of this subparagraph if  
6 it is one of the following:

7 “(i) A project with a maximum net  
8 output of less than 1 megawatt of elec-  
9 trical or thermal energy.

10 “(ii) A project the construction of  
11 which begins before the date that is 60  
12 days after the Secretary publishes guid-  
13 ance with respect to the requirements of  
14 paragraphs (10) and (11).

15 “(iii) A project which satisfies the re-  
16 quirements of paragraphs (10) and (11).

17 “(10) PREVAILING WAGE REQUIREMENTS.—

18 “(A) IN GENERAL.—The requirements de-  
19 scribed in this subparagraph with respect to  
20 any energy project are that the taxpayer shall  
21 ensure that any laborers and mechanics em-  
22 ployed by contractors and subcontractors in—

23 “(i) the construction of such energy  
24 project, and

1           “(ii) for the five-year period beginning  
2           on the date such project is originally  
3           placed in service, the alteration or repair of  
4           such project,  
5           shall be paid wages at rates not less than the  
6           prevailing rates for construction, alteration, or  
7           repair of a similar character in the locality as  
8           most recently determined by the Secretary of  
9           Labor, in accordance with subchapter IV of  
10          chapter 31 of title 40, United States Code.

11           “(B) CORRECTION AND PENALTY RELATED  
12          TO FAILURE TO SATISFY WAGE REQUIRE-  
13          MENTS.—Rules similar to the rules of clauses  
14          (i) through (iv) of section 45(b)(7)(B) shall  
15          apply.

16           “(C) RECAPTURE.—The Secretary shall,  
17          by regulations or other guidance, provide for re-  
18          capturing the benefit of any increase in the  
19          credit allowed under this subsection by reason  
20          of this paragraph with respect to any project  
21          which does not satisfy the requirements under  
22          subparagraph (A) (after application of subpara-  
23          graph (B)) for the period described in clause  
24          (ii) of subparagraph (A) (but which does not  
25          cease to be investment credit property within

1 the meaning of section 50(a)). The period and  
2 percentage of such recapture shall be deter-  
3 mined under rules similar to the rules of section  
4 50(a).

5 “(11) APPRENTICESHIP REQUIREMENTS.—  
6 Rules similar to the rules of section 45(b)(8) shall  
7 apply.

8 “(12) DOMESTIC CONTENT BONUS CREDIT  
9 AMOUNT.—

10 “(A) IN GENERAL.—In the case of any en-  
11 ergy project which satisfies the requirement  
12 under subparagraph (B), for purposes of apply-  
13 ing paragraph (2) with respect to such prop-  
14 erty, the energy percentage shall be increased  
15 by the applicable credit rate increase.

16 “(B) REQUIREMENT.—Rules similar to the  
17 rules of section 45(b)(9)(B) shall apply.

18 “(C) APPLICABLE CREDIT RATE IN-  
19 CREASE.—For purposes of subparagraph (A),  
20 the applicable credit rate increase shall be—

21 “(i) in the case of an energy project  
22 that does not satisfy the requirements of  
23 paragraph (9)(B), 2 percentage points, and

1                   “(ii) in the case of an energy project  
2                   that satisfies the requirements of para-  
3                   graph (9)(B), 10 percentage points.

4                   “(13) PHASEOUT FOR ELECTIVE PAYMENT.—  
5                   Rules similar to the rules of section 45(b)(10) shall  
6                   apply.

7                   “(14) REGULATIONS AND GUIDANCE.—The  
8                   Secretary shall issue such regulations or other guid-  
9                   ance as the Secretary determines necessary or ap-  
10                  propriate to carry out the purposes of this sub-  
11                  section, including regulations or other guidance  
12                  which provides for requirements for recordkeeping or  
13                  information reporting for purposes of establishing  
14                  the requirements of this subsection.”.

15                  (l) SPECIAL RULE FOR PROPERTY FINANCED BY  
16                  TAX-EXEMPT BONDS.—Section 48(a)(4) is amended to  
17                  read as follows:

18                  “(4) SPECIAL RULE FOR PROPERTY FINANCED  
19                  BY TAX-EXEMPT BONDS.—Rules similar to the rule  
20                  under section 45(b)(3) shall apply for purposes of  
21                  this section.”.

22                  (m) TREATMENT OF CERTAIN CONTRACTS INVOLV-  
23                  ING ENERGY STORAGE.—Section 7701(e) is amended—  
24                  (1) in paragraph (3)—



1 (A) in subparagraph (A)(i), by striking  
2 “or” at the end of subclause (II), by striking  
3 “and” at the end of subclause (III) and insert-  
4 ing “or”, and by adding at the end the fol-  
5 lowing new subclause:

6 “(IV) the operation of a storage  
7 facility, and”, and

8 (B) by adding at the end the following new  
9 subparagraph:

10 “(F) STORAGE FACILITY.—For purposes  
11 of subparagraph (A), the term ‘storage facility’  
12 means a facility which uses energy storage tech-  
13 nology within the meaning of section 48(c)(6).”,  
14 and

15 (2) in paragraph (4), by striking “or water  
16 treatment works facility” and inserting “water treat-  
17 ment facility, or storage facility”.

18 (n) INCREASE IN CREDIT RATE FOR ENERGY COM-  
19 MUNITIES.—Section 48(a) is amended by adding at the  
20 end the following new paragraph:

21 “(15) INCREASE IN CREDIT RATE FOR ENERGY  
22 COMMUNITIES.—

23 “(A) IN GENERAL.—In the case of any en-  
24 ergy project that is placed in service within an  
25 energy community (as defined in section

1           45(b)(11)(B)), for purposes of applying para-  
2           graph (2) with respect to such property, the en-  
3           ergy percentage shall be increased by the appli-  
4           cable credit rate increase.

5           “(B) APPLICABLE CREDIT RATE IN-  
6           CREASE.—For purposes of subparagraph (A),  
7           the applicable credit rate increase shall be equal  
8           to—

9                   “(i) in the case of any energy project  
10                   that does not satisfy the requirements of  
11                   paragraph (9)(B), 2 percentage points, and

12                   “(ii) in the case of any energy project  
13                   that satisfies the requirements of para-  
14                   graph (9)(B), 10 percentage points.”.

15       (o) EFFECTIVE DATES.—

16           (1) The amendments made by subsections (a),  
17           (b), (c), (d), (h), (i), (j), (l), (m), and (n) of this sec-  
18           tion shall apply to property placed in service after  
19           December 31, 2021.

20           (2) The amendments made by subsections (e),  
21           (f), and (g) shall apply to property placed in service  
22           after December 31, 2021, and, for any property the  
23           construction of which begins prior to January 1,  
24           2022, only to the extent of the basis thereof attrib-

1       utable to the construction, reconstruction, or erec-  
2       tion after December 31, 2021.

3               (3) The amendments made by subsection (k)  
4       shall apply to property the construction of which be-  
5       gins after December 31, 2021.

6   **SEC. 136103. INCREASE IN ENERGY CREDIT FOR SOLAR FA-**  
7                   **CILITIES PLACED IN SERVICE IN CONNEX-**  
8                   **ION WITH LOW-INCOME COMMUNITIES.**

9       (a) IN GENERAL.—Section 48 is amended by adding  
10      at the end the following new subsection:

11       “(e) SPECIAL RULES FOR CERTAIN SOLAR AND  
12      WIND FACILITIES PLACED IN SERVICE IN CONNECTION  
13      WITH LOW-INCOME COMMUNITIES.—

14               “(1) IN GENERAL.—In the case of any qualified  
15      solar and wind facility with respect to which the Sec-  
16      retary makes an allocation of environmental justice  
17      solar and wind capacity limitation under paragraph  
18      (4)—

19                   “(A) the energy percentage otherwise de-  
20      termined under subsection (a)(2) with respect  
21      to any eligible property which is part of such  
22      facility shall be increased by—

23                           “(i) in the case of a facility described  
24                           in subclause (I) of paragraph (2)(A)(iii)

1 and not described in subclause (II) of such  
2 paragraph, 10 percentage points, and

3 “(ii) in the case of a facility described  
4 in subclause (II) of paragraph (2)(A)(iii),  
5 20 percentage points, and

6 “(B) the increase in the credit determined  
7 under subsection (a) by reason of this sub-  
8 section for any taxable year with respect to all  
9 property which is part of such facility shall not  
10 exceed the amount which bears the same ratio  
11 to the amount of such increase (determined  
12 without regard to this subparagraph) as—

13 “(i) the environmental justice solar  
14 and wind capacity limitation allocated to  
15 such facility, bears to

16 “(ii) the total megawatt nameplate ca-  
17 pacity of such facility, as measured in di-  
18 rect current.

19 “(2) QUALIFIED SOLAR AND WIND FACILITY.—  
20 For purposes of this subsection—

21 “(A) IN GENERAL.—The term ‘qualified  
22 solar and wind facility’ means any facility—

23 “(i) which generates electricity solely  
24 from property described in section 45(d)(1)

1 or in clause (i) or (vi) of subsection  
2 (a)(3)(A),

3 “(ii) which has a maximum net output  
4 of less than 5 megawatts, and

5 “(iii) which—

6 “(I) is located in a low-income  
7 community (as defined in section  
8 45D(e)) or on Indian land (as defined  
9 in section 2601(2) of the Energy Pol-  
10 icy Act of 1992 (25 U.S.C. 3501(2))),  
11 or

12 “(II) is part of a qualified low-in-  
13 come residential building project or a  
14 qualified low-income economic benefit  
15 project.

16 “(B) QUALIFIED LOW-INCOME RESIDEN-  
17 TIAL BUILDING PROJECT.—A facility shall be  
18 treated as part of a qualified low-income resi-  
19 dential building project if—

20 “(i) such facility is installed on a resi-  
21 dential rental building which participates  
22 in a covered housing program (as defined  
23 in section 41411(a) of the Violence Against  
24 Women Act of 1994 (34 U.S.C.  
25 12491(a)(3)), a Housing Development

1 Fund Corporation cooperative under Arti-  
2 cle XI of the New York State Private  
3 Housing Finance Law, a housing assist-  
4 ance program administered by the Depart-  
5 ment of Agriculture under title V of the  
6 Housing Act of 1949, a housing program  
7 administered by a tribally designated hous-  
8 ing entity (as defined in section 4(22) of  
9 the Native American Housing Assistance  
10 and Self-Determination Act of 1996 (25  
11 U.S.C. 4103(22))) or such other affordable  
12 housing programs as the Secretary may  
13 provide, and

14 “(ii) the financial benefits of the elec-  
15 tricity produced by such facility are allo-  
16 cated equitably among the occupants of the  
17 dwelling units of such building.

18 “(C) QUALIFIED LOW-INCOME ECONOMIC  
19 BENEFIT PROJECT.—A facility shall be treated  
20 as part of a qualified low-income economic ben-  
21 efit project if at least 50 percent of the finan-  
22 cial benefits of the electricity produced by such  
23 facility are provided to households with income  
24 of—

1                   “(i) less than 200 percent of the pov-  
2                   erty line applicable to a family of the size  
3                   involved, or

4                   “(ii) less than 80 percent of area me-  
5                   dian gross income (as determined under  
6                   section 142(d)(2)(B)).

7                   “(D) FINANCIAL BENEFIT.—For purposes  
8                   of subparagraphs (B) and (C), electricity ac-  
9                   quired at a below-market rate shall not fail to  
10                  be taken into account as a financial benefit.

11                  “(3) ELIGIBLE PROPERTY.—For purposes of  
12                  this section, the term ‘eligible property’ means en-  
13                  ergy property which is part of a facility described in  
14                  section 45(d)(1) or in clause (i) or (vi) of subsection  
15                  (a)(3)(A), including energy storage property (de-  
16                  scribed in subsection (a)(3)(A)(viii)) installed in con-  
17                  nection with such energy property.

18                  “(4) ALLOCATIONS.—

19                  “(A) IN GENERAL.—Not later than 270  
20                  days after the date of enactment of this sub-  
21                  section, the Secretary shall establish a program  
22                  to allocate amounts of environmental justice  
23                  solar and wind capacity limitation to qualified  
24                  solar and wind facilities.

1           “(B) LIMITATION.—The amount of envi-  
2           ronmental justice solar and wind capacity limi-  
3           tation allocated by the Secretary under sub-  
4           paragraph (A) during any calendar year shall  
5           not exceed the annual capacity limitation with  
6           respect to such year.

7           “(C) ANNUAL CAPACITY LIMITATION.—For  
8           purposes of this paragraph, the term ‘annual  
9           capacity limitation’ means 1.8 gigawatts of di-  
10          rect current capacity for each of calendar years  
11          2022 through 2026, and zero thereafter.

12          “(D) CARRYOVER OF UNUSED LIMITA-  
13          TION.—If the annual capacity limitation for any  
14          calendar year exceeds the aggregate amount al-  
15          located for such year under this paragraph,  
16          such limitation for the succeeding calendar year  
17          shall be increased by the amount of such excess.  
18          No amount may be carried under the preceding  
19          sentence to any calendar year after 2026 except  
20          as provided in section 48F(i)(4)(D)(ii).

21          “(E) PLACED IN SERVICE DEADLINE.—

22                 “(i) IN GENERAL.—Paragraph (1)  
23                 shall not apply with respect to any prop-  
24                 erty which is placed in service after the  
25                 date that is 4 years after the date of the



1 allocation with respect to the facility of  
2 which such property is a part.

3 “(ii) APPLICATION OF CARRYOVER.—

4 Any amount of environmental justice solar  
5 and wind capacity limitation which expires  
6 under clause (i) during any calendar year  
7 shall be taken into account as an excess  
8 described in subparagraph (D) (or as an  
9 increase in such excess) for such calendar  
10 year, subject to the limitation imposed by  
11 the last sentence of such subparagraph.

12 “(F) SELECTION CRITERIA.—

13 “(i) IN GENERAL.—In determining to  
14 which qualified solar and wind facilities to  
15 allocate environmental justice solar and  
16 wind capacity limitation under this para-  
17 graph, the Secretary shall take into consid-  
18 eration which facilities will result in—

19 “(I) the greatest health and eco-  
20 nomic benefits, including the ability to  
21 withstand extreme weather events, for  
22 individuals described in section  
23 45D(e)(2),

24 “(II) the greatest employment  
25 and wages for such individuals, and

1           “(III) the greatest engagement  
2           with, outreach to, or ownership by,  
3           such individuals, including through  
4           partnerships with local governments,  
5           community-based organizations, an  
6           Indian tribal government (as defined  
7           in clause (ii)), or any Alaska Native  
8           Corporation (as defined in section 3 of  
9           the Alaska Native Claims Settlement  
10          Act (43 U.S.C. 1602(m))).

11          “(ii) INDIAN TRIBAL GOVERNMENT.—  
12          For purposes of this subparagraph, the  
13          term ‘Indian tribal government’ means the  
14          recognized governing body of any Indian or  
15          Alaska Native tribe, band, nation, pueblo,  
16          village, community, component band, or  
17          component reservation, individually identi-  
18          fied (including parenthetically) in the list  
19          published most recently as of the date of  
20          enactment of this subsection pursuant to  
21          section 104 of the Federally Recognized  
22          Indian Tribe List Act of 1994 (25 U.S.C.  
23          5131).

24          “(G) DISCLOSURE OF ALLOCATIONS.—The  
25          Secretary shall, upon making an allocation of

1 environmental justice solar and wind capacity  
2 limitation under this paragraph, publicly dis-  
3 close the identity of the applicant, the amount  
4 of the environmental justice solar and wind ca-  
5 pacity limitation allocated to such applicant,  
6 and the location of the facility for which such  
7 allocation is made.

8 “(5) RECAPTURE.—The Secretary shall, by reg-  
9 ulations or other guidance, provide for recapturing  
10 the benefit of any increase in the credit allowed  
11 under subsection (a) by reason of this subsection  
12 with respect to any property which ceases to be  
13 property eligible for such increase (but which does  
14 not cease to be investment credit property within the  
15 meaning of section 50(a)). The period and percent-  
16 age of such recapture shall be determined under  
17 rules similar to the rules of section 50(a). To the ex-  
18 tent provided by the Secretary, such recapture may  
19 not apply with respect to any property if, within 12  
20 months after the date the taxpayer becomes aware  
21 (or reasonably should have become aware) of such  
22 property ceasing to be property eligible for such in-  
23 crease, the eligibility of such property for such in-  
24 crease is restored. The preceding sentence shall not  
25 apply more than once with respect to any facility.”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on January 1, 2022.

3 **SEC. 136104. ELECTIVE PAYMENT FOR ENERGY PROPERTY**  
4 **AND ELECTRICITY PRODUCED FROM CER-**  
5 **TAIN RENEWABLE RESOURCES, ETC.**

6 (a) IN GENERAL.—Subchapter B of chapter 65 is  
7 amended by inserting after section 6416 the following new  
8 section:

9 **“SEC. 6417. ELECTIVE PAYMENT OF APPLICABLE CREDITS.**

10 “(a) IN GENERAL.—In the case of a taxpayer making  
11 an election (at such time and in such manner as the Sec-  
12 retary may provide) under this section with respect to any  
13 applicable credit determined with respect to such taxpayer,  
14 such taxpayer shall be treated as making a payment  
15 against the tax imposed by subtitle A (for the taxable year  
16 with respect to which such credit was determined) equal  
17 to the amount of such credit.

18 “(b) APPLICABLE CREDIT.—The term ‘applicable  
19 credit’ means each of the following:

20 “(1) So much of the renewable electricity pro-  
21 duction credit determined under section 45 as is at-  
22 tributable to qualified facilities which are originally  
23 placed in service after December 31, 2021, and with  
24 respect to which an election is made under sub-  
25 section (c)(3).

1           “(2) The energy credit determined under sec-  
2           tion 48.

3           “(3) So much of the credit for carbon oxide se-  
4           questration determined under section 45Q as is at-  
5           tributable to carbon capture equipment which is  
6           originally placed in service after December 31, 2021,  
7           and with respect to which an election is made under  
8           subsection (c)(3).

9           “(4) The credit for alternative fuel vehicle re-  
10          fueling property allowed under section 30C.

11          “(5) The qualifying advanced energy project  
12          credit determined under section 48C.

13          “(c) SPECIAL RULES.—For purposes of this sec-  
14          tion—

15               “(1) APPLICATION TO TAX-EXEMPT AND GOV-  
16               ERNMENTAL ENTITIES.—In the case of any organi-  
17               zation exempt from the tax imposed by subtitle A,  
18               any State or local government (or political subdivi-  
19               sion thereof), the Tennessee Valley Authority, an In-  
20               dian tribal government (as defined in section  
21               48(e)(4)(F)(ii)), or any Alaska Native Corporation  
22               (as defined in section 3 of the Alaska Native Claims  
23               Settlement Act (43 U.S.C. 1602(m)) which makes  
24               the election described in subsection (a), any applica-  
25               ble credit shall be determined—

1           “(A) without regard to paragraphs (3) and  
2           (4)(A)(i) of section 50(b), and

3           “(B) by treating any property with respect  
4           to which such credit is determined as used in  
5           a trade or business of the taxpayer.

6           “(2) APPLICATION TO PARTNERSHIPS AND S  
7           CORPORATIONS.—

8           “(A) IN GENERAL.—In the case of any ap-  
9           plicable credit determined with respect to any  
10          facility or property held directly by a partner-  
11          ship or S corporation, if such partnership or S  
12          corporation makes an election under this sub-  
13          section (in such manner as the Secretary may  
14          provide) with respect to such credit—

15               “(i) the Secretary shall make a pay-  
16               ment to such partnership or S corporation  
17               equal to the amount of such credit,

18               “(ii) subsection (d) shall be applied  
19               with respect to such credit before deter-  
20               mining any partner’s distributive share, or  
21               shareholder’s pro rata share, of such cred-  
22               it,

23               “(iii) any amount with respect to  
24               which the election in subsection (a) is  
25               made shall be treated as tax exempt in-

1           come for purposes of sections 705 and  
2           1366, and

3           “(iv) a partner’s distributive share of  
4           such tax exempt income shall be based on  
5           such partner’s distributive share of the  
6           otherwise applicable credit for each taxable  
7           year.

8           “(B) COORDINATION WITH APPLICATION  
9           AT PARTNER OR SHAREHOLDER LEVEL.—In the  
10          case of any partnership or S corporation, sub-  
11          section (a) shall be applied at the partner or  
12          shareholder level after application of subpara-  
13          graph (A)(ii).

14          “(3) ELECTIONS.—

15          “(A) IN GENERAL.—Any election under  
16          this subsection shall be made not later than the  
17          due date (including extensions of time) for the  
18          return of tax for the taxable year for which the  
19          election is made, but in no event earlier than  
20          270 days after the date of the enactment of this  
21          section. Any such election, once made, shall be  
22          irrevocable. Except as otherwise provided in this  
23          paragraph, any election under this subsection  
24          shall apply with respect to any credit for the  
25          taxable year for which the election is made.

1           “(B) RENEWABLE ELECTRICITY PRODUC-  
2           TION CREDIT.—In the case of the credit de-  
3           scribed in subsection (b)(1), any election under  
4           this subsection shall—

5                   “(i) apply separately with respect to  
6                   each qualified facility,

7                   “(ii) be made for the taxable year in  
8                   which such qualified facility is originally  
9                   placed in service, and

10                   “(iii) shall apply to such taxable year  
11                   and all subsequent taxable years with re-  
12                   spect to such qualified facility.

13           “(C) CREDIT FOR CARBON OXIDE SEQUES-  
14           TRATION.—In the case of the credit described  
15           in subsection (b)(3), any election under this  
16           subsection shall—

17                   “(i) apply separately with respect to  
18                   the carbon capture equipment originally  
19                   placed in service by the taxpayer during a  
20                   taxable year, and

21                   “(ii) shall apply to such taxable year  
22                   and all subsequent taxable years with re-  
23                   spect to such equipment.

24           “(4) TIMING.—The payment described in sub-  
25           section (a) shall be treated as made on—



1           “(A) in the case of any government, or po-  
2           litical subdivision, described in paragraph (1)  
3           and for which no return is required under sec-  
4           tion 6011 or 6033(a), the later of the date that  
5           a return would be due under section 6033(a) if  
6           such government or subdivision were described  
7           in that section or the date on which such gov-  
8           ernment or subdivision submits a claim for  
9           credit or refund (at such time and in such man-  
10          ner as the Secretary shall provide), and

11          “(B) in any other case, the later of the due  
12          date (determined without regard to extensions)  
13          of the return of tax for the taxable year or the  
14          date on which such return is filed.

15          “(5) TREATMENT OF PAYMENTS TO PARTNER-  
16          SHIPS AND S CORPORATIONS.—For purposes of sec-  
17          tion 1324 of title 31, United States Code, the pay-  
18          ments under paragraph (2)(A)(ii) shall be treated in  
19          the same manner as a refund due from a credit pro-  
20          vision referred to in subsection (b)(2) of such sec-  
21          tion.

22          “(6) ADDITIONAL INFORMATION.—As a condi-  
23          tion of, and prior to, a payment under this section,  
24          the Secretary may require such information or reg-  
25          istration as the Secretary deems necessary or appro-

1       prate for purposes of preventing duplication, fraud,  
2       improper payments, or excessive payments under  
3       this section.

4               “(7) EXCESSIVE PAYMENT.—

5               “(A) IN GENERAL.—In the case of a pay-  
6       ment made to a taxpayer under this subsection  
7       or any amount treated as a payment which is  
8       made by the taxpayer under subsection (a)  
9       which the Secretary determines constitutes an  
10      excessive payment, the tax imposed on such tax-  
11      payer by chapter 1 for the taxable year in  
12      which such determination is made shall be in-  
13      creased by an amount equal to the sum of—

14              “(i) the amount of such excessive pay-  
15              ment, plus

16              “(ii) an amount equal to 20 percent of  
17              such excessive payment.

18              “(B) REASONABLE CAUSE.—Subparagraph  
19      (A)(ii) shall not apply if the taxpayer dem-  
20      onstrates to the satisfaction of the Secretary  
21      that the excessive payment resulted from rea-  
22      sonable cause.

23              “(C) EXCESSIVE PAYMENT DEFINED.—For  
24      purposes of this paragraph, the term ‘excessive  
25      payment’ means, with respect to a facility for

1           which an election is made under this section for  
2           any taxable year, an amount equal to the excess  
3           of—

4                   “(i) the amount of the payment made  
5                   to the taxpayer under this subsection or  
6                   any amount treated as a payment which is  
7                   made by the taxpayer under subsection (a)  
8                   with respect to such facility for such tax-  
9                   able year, over

10                   “(ii) the amount of the credit which,  
11                   without application of this subsection,  
12                   would be otherwise allowable (determined  
13                   without regard to section 38(c)) under this  
14                   section with respect to such facility for  
15                   such taxable year.

16           “(d) DENIAL OF DOUBLE BENEFIT.—In the case of  
17 a taxpayer making an election under this section with re-  
18 spect to an applicable credit, such credit shall be reduced  
19 to zero and shall, for any other purposes under this title,  
20 be deemed to have been allowed to the taxpayer for such  
21 taxable year.

22           “(e) MIRROR CODE POSSESSIONS.—In the case of  
23 any possession of the United States with a mirror code  
24 tax system (as defined in section 24(k)), this section shall  
25 not be treated as part of the income tax laws of the United

1 States for purposes of determining the income tax law of  
2 such possession unless such possession elects to have this  
3 section be so treated.

4 “(f) BASIS REDUCTION AND RECAPTURE.—Except  
5 as otherwise provided in subsection (c)(1)(A), rules similar  
6 to the rules of section 50 shall apply for purposes of this  
7 section.

8 “(g) REGULATIONS.—The Secretary shall issue such  
9 regulations or other guidance as may be necessary or ap-  
10 propriate to carry out the purposes of this section, includ-  
11 ing—

12 “(1) regulations or other guidance providing  
13 rules for determining a partner’s distributive share  
14 of the tax exempt income described in subsection  
15 (c)(2)(A)(iii), and

16 “(2) guidance to ensure that the amount of the  
17 payment or deemed payment made under this sec-  
18 tion is commensurate with the amount of the credit  
19 that would be otherwise allowable (determined with-  
20 out regard to section 38(c)).”.

21 (b) APPLICATION WITH RESPECT TO REAL ESTATE  
22 INVESTMENT TRUSTS.—Section 50(d) is amended by add-  
23 ing at the end the following: “In the case of a real estate  
24 investment trust making an election under section 6417,  
25 paragraphs (1)(B) and (2)(B) of the section 46(e) referred

1 to in paragraph (1) of this subsection shall not apply to  
2 any qualified investment credit property of a real estate  
3 investment trust.”.

4 (d) CLERICAL AMENDMENT.—The table of sections  
5 for subchapter B of chapter 65 is amended by inserting  
6 after the item relating to section 6416 the following new  
7 item:

“Sec. 6417. Elective payment of applicable credits.”.

8 (e) IN GENERAL.—The amendments made by this  
9 section shall apply to taxable years beginning after De-  
10 cember 31, 2021.

11 **SEC. 136105. INVESTMENT CREDIT FOR ELECTRIC TRANS-**  
12 **MISSION PROPERTY.**

13 (a) IN GENERAL.—Subpart E of part IV of sub-  
14 chapter A of chapter 1 is amended by inserting after sec-  
15 tion 48C the following new section:

16 **“SEC. 48D. QUALIFYING ELECTRIC TRANSMISSION PROP-**  
17 **ERTY.**

18 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-  
19 tion 46, the qualifying electric transmission property cred-  
20 it for any taxable year is an amount equal to 6 percent  
21 of the basis of qualifying electric transmission property  
22 placed in service by the taxpayer during such taxable year.

23 “(b) QUALIFYING ELECTRIC TRANSMISSION PROP-  
24 ERTY.—For purposes of this section—

1           “(1) IN GENERAL.—The term ‘qualifying elec-  
2       tric transmission property’ means tangible prop-  
3       erty—

4           “(A) which is a qualifying electric trans-  
5       mission line or related transmission property,

6           “(B)(i) the construction, reconstruction, or  
7       erection of which is completed by the taxpayer,  
8       or

9           “(ii) which is acquired by the taxpayer if  
10      the original use of such property commences  
11      with the taxpayer, and

12          “(C) with respect to which depreciation (or  
13      amortization in lieu of depreciation) is allow-  
14      able.

15          “(2) QUALIFYING ELECTRIC TRANSMISSION  
16      LINE.—

17          “(A) IN GENERAL.—The term ‘qualifying  
18      electric transmission line’ means an electric  
19      transmission line which—

20           “(i) is capable of transmitting elec-  
21      tricity at a voltage of not less than 275  
22      kilovolts or is a superconducting line, and

23           “(ii) has a transmission capacity of  
24      not less than 500 megawatts.

1           “(B) SUPERCONDUCTING LINE.—For pur-  
2           poses of subparagraph (A), the term ‘super-  
3           conducting line’ means a transmission line that  
4           conducts all of its current over a super-  
5           conducting material.

6           “(3) RELATED TRANSMISSION PROPERTY.—

7           “(A) IN GENERAL.—The term ‘related  
8           transmission property’ means, with respect to  
9           any electric transmission line, any property  
10          which—

11                  “(i) is listed as a ‘transmission plant’  
12                  in the Uniform System of Accounts for the  
13                  Federal Energy Regulatory Commission  
14                  under part 101 of subchapter C of chapter  
15                  I of title 18, Code of Federal Regulations,  
16                  and

17                  “(ii) is—

18                          “(I) necessary for the operation  
19                          of such electric transmission line, or

20                          “(II) conversion equipment along  
21                          such electric transmission line.

22           “(B) CREDIT NOT ALLOWED SEPARATELY  
23           WITH RESPECT TO RELATED PROPERTY.—No  
24           credit shall be allowed to any taxpayer under  
25           this section with respect to any related trans-

1 mission property unless such taxpayer is al-  
2 lowed a credit under this section with respect to  
3 the qualifying electric transmission line to  
4 which such related transmission property re-  
5 lates.

6 “(c) APPLICATION TO REPLACEMENT AND UP-  
7 GRADED SYSTEMS.—

8 “(1) IN GENERAL.—In the case of any quali-  
9 fying electric transmission line (determined without  
10 regard to this subsection) which replaces any exist-  
11 ing electric transmission line—

12 “(A) the 500 megawatts referred to in sub-  
13 section (b)(2)(A)(ii) shall be increased by the  
14 transmission capacity of such existing electric  
15 transmission line, and

16 “(B) in no event shall the basis of such ex-  
17 isting electric transmission line (or related  
18 transmission property with respect to such ex-  
19 isting electric transmission line) be taken into  
20 account in determining the credit allowed under  
21 this section.

22 “(2) UPGRADES TREATED AS REPLACE-  
23 MENTS.—For purposes of this subsection, any up-  
24 grade of an existing electric transmission line shall  
25 be treated as a replacement of such line.



1       “(d) EXCEPTION FOR CERTAIN PROPERTY AND  
2 PROJECTS ALREADY IN PROCESS.—

3               “(1) IN GENERAL.—No credit shall be allowed  
4 under this section with respect to—

5                       “(A) any property that is selected for cost  
6 allocation in a regional transmission plan ap-  
7 proved by a transmission planning region that  
8 was approved by the Federal Energy Regu-  
9 latory Commission prior to January 1, 2022, or

10                      “(B) any property if—

11                               “(i) construction of such property be-  
12 gins before January 1, 2022, or

13                               “(ii) construction of any portion of  
14 the qualifying electric transmission line to  
15 which such property relates begins before  
16 such date.

17               “(2) WHEN CONSTRUCTION BEGINS.—For pur-  
18 poses of subparagraph (B) of paragraph (1), con-  
19 struction of property begins when the taxpayer has  
20 begun on-site physical work of a significant nature  
21 with respect to such property.

22       “(e) CERTAIN QUALIFIED PROGRESS EXPENDITURES  
23 RULES MADE APPLICABLE.—Rules similar to the rules of  
24 subsections (c)(4) and (d) of section 46 (as in effect on

1 the day before the enactment of the Revenue Reconcili-  
2 ation Act of 1990) shall apply for purposes of this section.

3 “(f) CREDIT ADJUSTMENTS; WAGE AND APPREN-  
4 TICESHIP REQUIREMENTS.—

5 “(1) INCREASED CREDIT AMOUNT FOR APPLI-  
6 CABLE FACILITIES.—

7 “(A) IN GENERAL.—

8 “(i) RULE.—In the case of any appli-  
9 cable facility which satisfies the require-  
10 ments of subparagraph (B), the amount of  
11 the credit determined under subsection (a)  
12 shall be such amount multiplied by 5 (de-  
13 termined without regard to this sentence).

14 “(ii) APPLICABLE FACILITY DE-  
15 FINED.—For purposes of this subsection,  
16 the term ‘applicable facility’ means a quali-  
17 fying electric transmission line and related  
18 transmission property to which such quali-  
19 fying electric transmission line relates.

20 “(B) APPLICABLE FACILITY REQUIRE-  
21 MENTS.—An applicable facility meets the re-  
22 quirements of this subparagraph if it is one of  
23 the following:

24 “(i) An applicable facility the con-  
25 struction of which begins prior to the date

1           that is 60 days after the Secretary pub-  
2           lishes guidance with respect to the require-  
3           ments of paragraphs (2) and (3).

4           “(ii) An applicable facility which satis-  
5           fies the requirements of paragraphs (2)  
6           and (3).

7           “(2) PREVAILING WAGE REQUIREMENTS.—  
8           Rules similar to the rules of section 48(a)(10) shall  
9           apply.

10          “(3) APPRENTICESHIP REQUIREMENTS.—Rules  
11          similar to the rules of section 45(b)(8) shall apply.

12          “(4) DOMESTIC CONTENT BONUS CREDIT  
13          AMOUNT.—Rules similar to the rules of section  
14          48(a)(12) shall apply.

15          “(5) PHASEOUT FOR ELECTIVE PAYMENT.—  
16          Rules similar to the rules of section 48(a)(13) shall  
17          apply.

18          “(g) TERMINATION.—This section shall not apply to  
19          any qualifying electric transmission property unless such  
20          property is placed in service before January 1, 2032.

21          “(h) REGULATIONS AND GUIDANCE.—The Secretary  
22          shall issue such regulations or other guidance as the Sec-  
23          retary determines necessary or appropriate to carry out  
24          the purposes of this subsection, including regulations or  
25          other guidance which provides for requirements for record-

1 keeping or information reporting for purposes of estab-  
2 lishing the requirements of this subsection.”.

3 (b) ELECTIVE PAYMENT OF CREDIT.—Section  
4 6417(b), as amended by the preceding provisions of this  
5 Act, is amended by adding at the end the following new  
6 paragraph:

7 “(6) The qualifying electric transmission prop-  
8 erty credit determined under section 48D.”.

9 (c) SPECIAL RULE FOR PROPERTY FINANCED BY  
10 TAX-EXEMPT BONDS.—Section 48D, as added by sub-  
11 section (a), is amended by redesignating subsection (h) as  
12 subsection (i) and by inserting after subsection (g) the fol-  
13 lowing new subsection:

14 “(h) SPECIAL RULE FOR PROPERTY FINANCED BY  
15 TAX-EXEMPT BONDS.—Rules similar to the rules of sec-  
16 tion 45(b)(3) shall apply.”.

17 (d) CONFORMING AMENDMENTS.—

18 (1) Section 46 is amended—

19 (A) by striking “and” at the end of para-  
20 graph (5),

21 (B) by striking the period at the end of  
22 paragraph (6) and inserting “, and”, and

23 (C) by adding at the end the following new  
24 paragraph:

1           “(7) the qualifying electric transmission prop-  
2 erty credit.”.

3           (2) Section 49(a)(1)(C) is amended—

4                 (A) by striking “and” at the end of clause  
5 (vii),

6                 (B) by striking the period at the end of  
7 clause (viii) and inserting “, and”, and

8                 (C) by adding at the end the following new  
9 clause:

10                         “(ix) the basis of any qualifying elec-  
11 tric transmission property under section  
12 48D.”.

13           (3) Section 50(a)(2)(E) is amended by striking  
14 “or 48C(b)(2)” and inserting “48C(b)(2), or  
15 48D(e)”.

16           (4) The table of sections for subpart E of part  
17 IV of subchapter A of chapter 1 of such Code is  
18 amended by inserting after the item relating to sec-  
19 tion 48C the following new item:

“Sec. 48D. Qualifying electric transmission property.”.

20           (e) EFFECTIVE DATE.—

21                 (1) IN GENERAL.—The amendments made by  
22 subsections (a), (b), and (d) of this section shall  
23 apply to property placed in service after December  
24 31, 2021.

1           (2) TAX-EXEMPT BONDS.—The amendment  
2           made by subsection (c) shall apply to property the  
3           construction of which begins after December 31,  
4           2021.

5           (3) EXCEPTION FOR CERTAIN PROPERTY AND  
6           PROJECTS ALREADY IN PROCESS.—For exclusion of  
7           certain property and projects already in process, see  
8           section 48D(d) of the Internal Revenue Code of  
9           1986 (as added by this section).

10 **SEC. 136106. EXTENSION AND MODIFICATION OF CREDIT**  
11 **FOR CARBON OXIDE SEQUESTRATION.**

12           (a) MODIFICATION OF CARBON OXIDE CAPTURE RE-  
13           QUIREMENTS.—Section 45Q(d) is amended to read as fol-  
14           lows:

15           “(d) QUALIFIED FACILITY.—

16           “(1) IN GENERAL.—For purposes of this sec-  
17           tion, the term ‘qualified facility’ means a facility  
18           which captures—

19           “(A) in the case of a direct air capture fa-  
20           cility, not less than 1,000 metric tons of quali-  
21           fied carbon oxide during the taxable year,

22           “(B) in the case of an electricity gener-  
23           ating facility, not less than 18,750 metric tons  
24           of qualified carbon oxide during the taxable  
25           year and not less than 75 percent by mass of

1 the carbon oxide that would otherwise be re-  
2 leased into the atmosphere by such facility dur-  
3 ing such taxable year, and

4 “(C) in the case of any other facility, not  
5 less than 12,500 metric tons of qualified carbon  
6 oxide during the taxable year.

7 “(2) TERMINATION RULE.—The term ‘qualified  
8 facility’ means any industrial facility or direct air  
9 capture facility—

10 “(A) the construction of which begins be-  
11 fore January 1, 2032, and

12 “(B) either—

13 “(i) the construction of carbon cap-  
14 ture equipment of which begins before such  
15 date, or

16 “(ii) the original planning and design  
17 of which includes installation of carbon  
18 capture equipment.”.

19 (b) DETERMINATION OF APPLICABLE DOLLAR  
20 AMOUNT.—

21 (1) IN GENERAL.—Section 45Q(b)(1) is amend-  
22 ed by striking subparagraph (B) and by inserting  
23 after subparagraph (A) the following new subpara-  
24 graphs:

1           “(B) SPECIAL RULE FOR DIRECT AIR CAP-  
2           TURE FACILITIES.—For any qualified facility  
3           described in subsection (d)(1)(A), the construc-  
4           tion of which begins after December 31, 2021,  
5           the applicable dollar amount shall be an amount  
6           equal to the applicable dollar amount otherwise  
7           determined with respect to such facility under  
8           subparagraph (A), except that such subpara-  
9           graph shall be applied—

10                   “(i) in clause (i)(I) of such subpara-  
11                   graph, by substituting ‘\$36’ for ‘\$17’, and

12                   “(ii) in clause (i)(II) of such subpara-  
13                   graph, by substituting ‘\$26’ for ‘\$12’.

14           “(C) APPLICABLE DOLLAR AMOUNT FOR  
15           ADDITIONAL CARBON CAPTURE EQUIPMENT.—  
16           In the case of any qualified facility the con-  
17           struction of which begins before January 1,  
18           2022, if any additional carbon capture equip-  
19           ment is installed at such facility and construc-  
20           tion of such equipment began after December  
21           31, 2021, the applicable dollar amount shall be  
22           an amount equal to the applicable dollar  
23           amount otherwise determined under subpara-  
24           graph (A), except that such subparagraph shall  
25           be applied by substituting ‘carbon capture



1 equipment' for 'qualified facility' each place it  
2 appears.”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 45Q(b)(1)(A) is amended by  
5 striking “The applicable dollar amount” and in-  
6 serting “Except as provided in subparagraph  
7 (B), the applicable dollar amount”.

8 (B) Section 45Q(b)(1)(D), as redesignated  
9 by subparagraph (A), is amended by striking  
10 “subparagraph (A)” and inserting “subpara-  
11 graph (A), (B), or (C)”.

12 (C) Section 45Q(b)(2) is amended by in-  
13 serting “Subject to paragraph (3)” before “in  
14 the case”.

15 (c) WAGE AND APPRENTICESHIP REQUIREMENTS.—

16 Section 45Q is amended by redesignating subsection (h)  
17 as subsection (i) and inserting after subsection (g) fol-  
18 lowing new subsection:

19 “(h) INCREASED CREDIT AMOUNT FOR QUALIFIED  
20 FACILITIES AND CARBON CAPTURE EQUIPMENT.—

21 “(1) IN GENERAL.—In the case of any qualified  
22 facility and any carbon capture equipment which  
23 satisfy the requirements of paragraph (2), the  
24 amount of the credit determined under subsection

1 (a) shall be equal to such amount multiplied by 5  
2 (determined without regard to this sentence).

3 “(2) REQUIREMENTS.—The requirements de-  
4 scribed in this subparagraph are that—

5 “(A) with respect to any qualified facility  
6 the construction of which begins on or after the  
7 date that is 60 days after the Secretary pub-  
8 lishes guidance with respect to the requirements  
9 of paragraphs (3) and (4), as well as any car-  
10 bon capture equipment placed in service at such  
11 facility—

12 “(i) subject to subparagraph (B) of  
13 paragraph (3), such facility and equipment  
14 satisfy the requirements under subpara-  
15 graph (A) of such paragraph, and

16 “(ii) the construction of such facility  
17 and equipment satisfy the requirements  
18 under paragraph (4),

19 “(B) with respect to any carbon capture  
20 equipment the construction of which begins  
21 after the date that is 60 days after the Sec-  
22 retary publishes guidance with respect to the  
23 requirements of paragraphs (3) and (4), and  
24 which is installed at a qualified facility the con-  
25 struction of which began prior to such date—

1           “(i) subject to subparagraph (B) of  
2           paragraph (3), such equipment satisfies  
3           the requirements of subparagraphs (A) of  
4           such paragraph, and

5           “(ii) the construction of such facility  
6           and equipment satisfy the requirements  
7           under paragraph (4), and

8           “(C) the construction of carbon capture  
9           equipment begins prior to the date that is 60  
10          days after the Secretary publishes guidance  
11          with respect to the requirements of paragraphs  
12          (3) and (4), and such equipment is installed at  
13          a qualified facility the construction of which be-  
14          gins prior to such date.

15          “(3) PREVAILING WAGE REQUIREMENTS.—

16                 “(A) IN GENERAL.—The requirements de-  
17                 scribed in this subparagraph with respect to  
18                 any qualified facility and any carbon capture  
19                 equipment placed in service at such facility are  
20                 that the taxpayer shall ensure that any laborers  
21                 and mechanics employed by contractors and  
22                 subcontractors in—

23                         “(i) in the case of—

24                                 “(I) any qualified facility de-  
25                                 scribed in subparagraph (A)(i) of

1 paragraph (2), the construction of  
2 such facility and carbon capture  
3 equipment placed in service at such  
4 facility, or

5 “(II) any carbon capture equip-  
6 ment described in subparagraph  
7 (A)(ii) of paragraph (2), the construc-  
8 tion of such equipment, and

9 “(ii) for the period of the taxable year  
10 which is within the 12-year period begin-  
11 ning on the date on which any carbon cap-  
12 ture equipment is originally placed in serv-  
13 ice at any qualified facility (as described in  
14 paragraphs (3)(A) and (4)(A) of sub-  
15 section (a)), the alteration or repair of  
16 such facility or such equipment,

17 shall be paid wages at rates not less than the  
18 prevailing rates for construction, alteration, or  
19 repair of a similar character in the locality as  
20 most recently determined by the Secretary of  
21 Labor, in accordance with subchapter IV of  
22 chapter 31 of title 40, United States Code. For  
23 purposes of determining an increased credit  
24 amount under paragraph (1) for a taxable year,  
25 the requirement under clause (ii) of this para-

1 graph is applied to such taxable year in which  
2 the alteration or repair of qualified facility oc-  
3 curs.

4 “(B) CORRECTION AND PENALTY RELATED  
5 TO FAILURE TO SATISFY WAGE REQUIRE-  
6 MENTS.—Rules similar to the rules of clauses  
7 (i) through (iv) of section 45(b)(7)(B) shall  
8 apply.

9 “(4) APPRENTICESHIP REQUIREMENTS.—Rules  
10 similar to the rules of section 45(b)(8) shall apply.

11 “(5) REGULATIONS AND GUIDANCE.—The Sec-  
12 retary shall issue such regulations or other guidance  
13 as the Secretary determines necessary or appropriate  
14 to carry out the purposes of this subsection, includ-  
15 ing regulations or other guidance which provides for  
16 requirements for recordkeeping or information re-  
17 porting for purposes of establishing the requirements  
18 of this subsection.”.

19 (d) INCREASED APPLICABLE DOLLAR AMOUNT.—

20 (1) IN GENERAL.—Section 45Q(b)(1) is amend-  
21 ed—

22 (A) by amending clause (i) of subpara-  
23 graph (A) to read as follows:

1           “(i) for any taxable year beginning in  
2           a calendar year after 2016 and before  
3           2027—

4                   “(I) for purposes of paragraph  
5                   (3) of subsection (a), \$17 for each  
6                   calendar year during such period, and

7                   “(II) for purposes of paragraph  
8                   (4) of such subsection, \$12 for each  
9                   calendar year during such period,  
10                  and”, and

11                 (B) in clause (ii)—

12                   (i) in subclause (I), by striking “\$50”  
13                   and inserting “the amount determined  
14                   under clause (i)(I) with respect to the  
15                   qualified facility”, and

16                   (ii) in subclause (II), by striking  
17                   “\$35” and inserting “the amount deter-  
18                   mined under clause (i)(II) with respect to  
19                   the qualified facility”.

20                 (e) INSTALLATION OF ADDITIONAL CARBON CAP-  
21                 TURE EQUIPMENT ON CERTAIN FACILITIES.—Section  
22                 45Q(b) is amended by redesignating paragraph (3) as  
23                 paragraph (4) and by inserting after paragraph (2) the  
24                 following new paragraph:

1           “(3) INSTALLATION OF ADDITIONAL CARBON  
2           CAPTURE EQUIPMENT ON CERTAIN FACILITIES.—In  
3           the case of a qualified facility described in para-  
4           graph (1)(C), for purposes of determining the  
5           amount of qualified carbon oxide which is captured  
6           by the taxpayer, rules similar to rules of paragraph  
7           (2) shall apply for purposes of subsection (a).”.

8           (f) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—  
9           Section 45Q(f) is amended by adding at the end the fol-  
10          lowing new paragraph:

11           “(8) CREDIT REDUCED FOR TAX-EXEMPT  
12          BONDS.—Rules similar to the rule under section  
13          45(b)(3) shall apply for purposes of this section.”.

14          (g) APPLICATION OF SECTION FOR CERTAIN CARBON  
15          CAPTURE EQUIPMENT.—Section 45Q(g) is amended by  
16          inserting “the earlier of January 1, 2023 and” before “the  
17          end of the calendar year”.

18          (h) ELECTION.—Section 45Q(f) is amended by add-  
19          ing at the end the following new paragraph:

20           “(9) ELECTION.—For purposes of paragraphs  
21          (3) and (4) of subsection (a), a person described in  
22          paragraph (3)(A)(ii) may elect, at such time and in  
23          such manner as the Secretary may prescribe, to have  
24          the 12–year period begin on the first day of the first  
25          taxable year in which a credit under this section is

1 claimed with respect to carbon capture equipment  
2 which is originally placed in service at a qualified fa-  
3 cility on or after the date of the enactment of the  
4 Bipartisan Budget Act of 2018 (after application of  
5 subsection (f)(6) where applicable) if—

6 “(A) no taxpayer claimed a credit under  
7 this section with respect to such carbon capture  
8 equipment for any prior taxable year,

9 “(B) the qualified facility at which such  
10 carbon capture equipment is placed in service is  
11 located in an area affected by a federally–de-  
12 clared disaster (as defined by section 165(i)  
13 (5)(A)) after the carbon capture equipment is  
14 originally placed in service, and

15 “(C) such federally–declared disaster re-  
16 sults in a cessation of the operation of the  
17 qualified facility after the carbon capture equip-  
18 ment is originally placed in service.”.

19 (i) EFFECTIVE DATES.—

20 (1) The amendments made by subsections (a),  
21 (b), (c), (d), (e), (f), and (g) shall apply to facilities  
22 or equipment the construction of which begins after  
23 December 31, 2021.



1           (2) The amendments made by subsection (h)  
2           shall apply to carbon oxide captured and disposed of  
3           after December 31, 2021.

4 **SEC. 136107. GREEN ENERGY PUBLICLY TRADED PARTNER-**  
5 **SHIPS.**

6           (a) IN GENERAL.—Section 7704(d)(1)(E) is amend-  
7 ed—

8           (1) by striking “income and gains derived from  
9           the exploration” and inserting “income and gains  
10           derived from—

11                           “(i) the exploration”,

12           (2) by inserting “or” before “industrial  
13           source”, and

14           (3) by striking “, or the transportation or stor-  
15           age” and all that follows and inserting the following:

16                           “(ii) the generation of electric power  
17                           or thermal energy exclusively using any  
18                           qualified energy resource (as defined in  
19                           section 45(c)(1)),

20                           “(iii) the operation of energy property  
21                           (as defined in section 48(a)(3), determined  
22                           without regard to any date by which the  
23                           construction of the facility is required to  
24                           begin),

1           “(iv) in the case of a facility described  
2           in paragraph (3) or (7) of section 45(d)  
3           (determined without regard to any placed  
4           in service date or date by which construc-  
5           tion of the facility is required to begin),  
6           the accepting or processing of open-loop  
7           biomass or municipal solid waste,

8           “(v) the transportation or storage of  
9           any fuel described in subsection (b), (c),  
10          (d), or (e) of section 6426,

11          “(vi) the conversion of renewable bio-  
12          mass (as defined in subparagraph (I) of  
13          section 211(o)(1) of the Clean Air Act (as  
14          in effect on the date of the enactment of  
15          this clause)) into renewable fuel (as de-  
16          fined in subparagraph (J) of such section  
17          as so in effect), or the storage or transpor-  
18          tation of such fuel,

19          “(vii) the production, storage, or  
20          transportation of any fuel which—

21                 “(I) uses as its primary feedstock  
22                 carbon oxides captured from an an-  
23                 thropogenic source or the atmosphere,

24                 “(II) does not use as its primary  
25                 feedstock carbon oxide which is delib-

1 erately released from naturally occur-  
2 ring subsurface springs, and

3 “(III) is determined by the Sec-  
4 retary to achieve a reduction of not  
5 less than a 60 percent in lifecycle  
6 greenhouse gas emissions (as defined  
7 in section 211(o)(1)(H) of the Clean  
8 Air Act, as in effect on the date of the  
9 enactment of this clause) compared to  
10 baseline lifecycle greenhouse gas emis-  
11 sions (as defined in section  
12 211(o)(1)(C) of such Act, as so in ef-  
13 fect), or

14 “(viii) a qualified facility (as defined  
15 in section 45Q(d), without regard to any  
16 date by which construction of the facility is  
17 required to begin).”.

18 (b) EFFECTIVE DATE.—The amendments made by  
19 this section apply to taxable years beginning after Decem-  
20 ber 31, 2021.

21 **SEC. 136108. ZERO-EMISSION NUCLEAR POWER PRODUC-**  
22 **TION CREDIT.**

23 (a) IN GENERAL.—Subpart D of part IV of sub-  
24 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new  
2 section:

3 **“SEC. 45W. ZERO-EMISSION NUCLEAR POWER PRODUCTION**  
4 **CREDIT.**

5 “(a) AMOUNT OF CREDIT.—For purposes of section  
6 38, the zero-emission nuclear power production credit for  
7 any taxable year is an amount equal to the amount by  
8 which—

9 “(1) the product of—

10 “(A) 0.3 cents, multiplied by

11 “(B) the kilowatt hours of electricity—

12 “(i) produced by the taxpayer at a  
13 qualified nuclear power facility, and

14 “(ii) sold by the taxpayer to an unre-  
15 lated person during the taxable year, ex-  
16 ceeds

17 “(2) the reduction amount for such taxable  
18 year.

19 “(b) DEFINITIONS.—

20 “(1) QUALIFIED NUCLEAR POWER FACILITY.—

21 For purposes of this section, the term ‘qualified nu-  
22 clear power facility’ means any nuclear facility—

23 “(A) which is owned by the taxpayer and  
24 which uses nuclear energy to produce elec-  
25 tricity,

1           “(B) which is not an advanced nuclear  
2 power facility as defined in subsection (d)(1) of  
3 section 45J, and

4           “(C) which is placed in service before the  
5 date of the enactment of this section.

6           “(2) REDUCTION AMOUNT.—

7           “(A) IN GENERAL.—For purposes of this  
8 section, the term ‘reduction amount’ means,  
9 with respect to any qualified nuclear power fa-  
10 cility for any taxable year, the amount equal to  
11 the lesser of—

12                   “(i) the amount determined under  
13 subsection (a)(1), or

14                   “(ii) the amount equal to 16 percent  
15 of the excess of—

16                           “(I) subject to subparagraph (B),  
17 the gross receipts from any electricity  
18 produced by such facility (including  
19 any electricity services or products  
20 provided in conjunction with the elec-  
21 tricity produced by such facility) and  
22 sold to an unrelated person during  
23 such taxable year, over

24                           “(II) the amount equal to the  
25 product of—

1                   “(aa) 2.5 cents, multiplied  
2                   by

3                   “(bb) the amount deter-  
4                   mined under subsection  
5                   (a)(1)(B).

6                   “(B) TREATMENT OF CERTAIN RE-  
7                   CEIPTS.—

8                   “(i) IN GENERAL.—The amount de-  
9                   termined under subparagraph (A)(ii)(I)  
10                  shall include any amount received by the  
11                  taxpayer during the taxable year with re-  
12                  spect to the qualified nuclear power facility  
13                  from a zero-emission credit program unless  
14                  the amount received by the taxpayer is  
15                  subject to reduction—

16                  “(I) by the full amount of the  
17                  credit determined under this section,  
18                  or

19                  “(II) by any lesser amount if  
20                  such amount entirely offsets the  
21                  amount received from a zero-emission  
22                  credit program.

23                  “(ii) ZERO-EMISSION CREDIT PRO-  
24                  GRAM.—For purposes of this subpara-  
25                  graph, the term ‘zero-emission credit pro-

1           gram’ means any payments to a qualified  
2           nuclear power facility as a result of any  
3           Federal, State or local government pro-  
4           gram for, in whole or in part, the zero-  
5           emission, zero-carbon, or air quality at-  
6           tributes of any portion of the electricity  
7           produced by such facility.

8           “(3) ELECTRICITY.—For purposes of this sec-  
9           tion, the term ‘electricity’ means the energy pro-  
10          duced by a qualified nuclear power facility from the  
11          conversion of nuclear fuel into electric power.

12          “(c) OTHER RULES.—

13                 “(1) INFLATION ADJUSTMENT.—The 0.3 cent  
14                 amount in subsection (a)(1)(A) and the 2.5 cent  
15                 amount in subsection (b)(2)(A)(ii)(II)(aa) shall each  
16                 be adjusted by multiplying such amount by the infla-  
17                 tion adjustment factor (as determined under section  
18                 45(e)(2), as applied by substituting ‘calendar year  
19                 2022’ for ‘calendar year 1992’ in subparagraph (B)  
20                 thereof) for the calendar year in which the sale oc-  
21                 curs. If the 0.3 cent amount as increased under this  
22                 paragraph is not a multiple of 0.05 cent, such  
23                 amount shall be rounded to the nearest multiple of  
24                 0.05 cent. If the 2.5 cent amount as increased under  
25                 this paragraph is not a multiple of 0.1 cent, such

1 amount shall be rounded to the nearest multiple of  
2 0.1 cent.

3 “(2) SPECIAL RULES.—Rules similar to the  
4 rules of paragraphs (1), (3), (4), and (5) of section  
5 45(e) shall apply for purposes of this section.

6 “(3) ULTIMATE PURCHASER.—For purposes of  
7 this section, electricity produced by the taxpayer  
8 shall be treated as sold to an unrelated person if the  
9 ultimate purchaser of such electricity is unrelated to  
10 such taxpayer.

11 “(d) WAGE REQUIREMENTS.—

12 “(1) INCREASED CREDIT AMOUNT FOR QUALI-  
13 FIED NUCLEAR POWER FACILITIES.—In the case of  
14 any qualified nuclear power facility which satisfies  
15 the requirements of paragraph (2), the amount of  
16 the credit determined under subsection (a) shall be  
17 equal to such amount multiplied by 5 (determined  
18 without regard to this sentence).

19 “(2) PREVAILING WAGE REQUIREMENTS.—

20 “(A) IN GENERAL.—The taxpayer shall en-  
21 sure that any laborers and mechanics employed  
22 by contractors and subcontractors in the alter-  
23 ation or repair of a facility shall be paid wages  
24 at rates not less than the prevailing rates for  
25 alteration or repair of a similar character in the



1           locality as most recently determined by the Sec-  
2           retary of Labor, in accordance with subchapter  
3           IV of chapter 31 of title 40, United States  
4           Code.

5           “(B) CORRECTION AND PENALTY RELATED  
6           TO FAILURE TO SATISFY WAGE REQUIRE-  
7           MENTS.—Rules similar to the rules of clauses  
8           (i) through (iv) of section 45(b)(7)(B) shall  
9           apply.

10          “(3) REGULATIONS AND GUIDANCE.—The Sec-  
11         retary shall issue such regulations or other guidance  
12         as the Secretary determines necessary or appropriate  
13         to carry out the purposes of this subsection, includ-  
14         ing regulations or other guidance which provides for  
15         requirements for recordkeeping or information re-  
16         porting for purposes of establishing the requirements  
17         of this subsection.

18          “(e) TERMINATION.—This section shall not apply to  
19         taxable years beginning after December 31, 2027.”.

20          (b) CONFORMING AMENDMENTS.—

21                 (1) Section 38(b) of the Internal Revenue Code  
22                 of 1986 is amended—

23                         (A) in paragraph (32), by striking “plus”  
24                         at the end,

1 (B) in paragraph (33), by striking the pe-  
2 riod at the end and inserting “, plus”, and

3 (C) by adding at the end the following new  
4 paragraph:

5 “(34) the zero-emission nuclear power produc-  
6 tion credit determined under section 45W(a).”.

7 (2) The table of sections for subpart D of part  
8 IV of subchapter A of chapter 1 of such Code is  
9 amended by adding at the end the following new  
10 item:

“Sec. 45W. Zero-emission nuclear power production credit.”.

11 (c) ELECTIVE PAYMENT OF CREDIT.—Section  
12 6417(b), as amended by the preceding provisions of this  
13 Act, is amended by adding at the end the following new  
14 paragraph:

15 “(7) The zero-emission nuclear power produc-  
16 tion credit determined under section 45W.”.

17 (d) EFFECTIVE DATE.—This section shall apply to  
18 electricity produced and sold after December 31, 2021, in  
19 taxable years beginning after such date.

1                   **PART 2—RENEWABLE FUELS**  
2   **SEC. 136201. EXTENSION OF INCENTIVES FOR BIODIESEL,**  
3                   **RENEWABLE DIESEL AND ALTERNATIVE**  
4                   **FUELS.**

5           (a) BIODIESEL AND RENEWABLE DIESEL CREDIT.—  
6 Section 40A(g) is amended by striking “December 31,  
7 2022” and inserting “December 31, 2026”.

8           (b) BIODIESEL MIXTURE CREDIT.—

9               (1) IN GENERAL.—Section 6426(c)(6) is  
10 amended by striking “December 31, 2022” and in-  
11 sserting “December 31, 2026”.

12               (2) FUELS NOT USED FOR TAXABLE PUR-  
13 POSES.—Section 6427(e)(6)(B) is amended by strik-  
14 ing “December 31, 2022” and inserting “December  
15 31, 2026”.

16           (c) ALTERNATIVE FUEL CREDIT.—Section  
17 6426(d)(5) is amended by striking “December 31, 2021”  
18 and inserting “December 31, 2026”.

19           (d) ALTERNATIVE FUEL MIXTURE CREDIT.—Section  
20 6426(e)(3) is amended by striking “December 31, 2021”  
21 and inserting “December 31, 2026”.

22           (e) PAYMENTS FOR ALTERNATIVE FUELS.—Section  
23 6427(e)(6)(C) is amended by striking “December 31,  
24 2021” and inserting “December 31, 2026”.

1 (f) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to fuel sold or used after December  
3 31, 2021.

4 **SEC. 136202. EXTENSION OF SECOND GENERATION**  
5 **BIOFUEL INCENTIVES.**

6 (a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended  
7 by striking “2022” and inserting “2027”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 subsection (a) shall apply to qualified second generation  
10 biofuel production after December 31, 2021.

11 **SEC. 136203. SUSTAINABLE AVIATION FUEL CREDIT.**

12 (a) IN GENERAL.—Subpart D of part IV of sub-  
13 chapter A of chapter 1 is amended by inserting after sec-  
14 tion 40A the following new section:

15 **“SEC. 40B. SUSTAINABLE AVIATION FUEL CREDIT.**

16 “(a) IN GENERAL.—For purposes of section 38, the  
17 sustainable aviation fuel credit for the taxable year is, with  
18 respect to any sale or use of a qualified mixture which  
19 occurs during such taxable year, an amount equal to the  
20 product of—

21 “(1) the number of gallons of sustainable avia-  
22 tion fuel in such mixture, multiplied by

23 “(2) the sum of—

24 “(A) \$1.25, plus

1           “(B) the applicable supplementary amount  
2           with respect to such sustainable aviation fuel.

3           “(b) APPLICABLE SUPPLEMENTARY AMOUNT.—For  
4 purposes of this section, the term ‘applicable supple-  
5 mentary amount’ means, with respect to any sustainable  
6 aviation fuel, an amount equal to \$0.01 for each percent-  
7 age point by which the lifecycle greenhouse gas emissions  
8 reduction percentage with respect to such fuel exceeds 50  
9 percent. In no event shall the applicable supplementary  
10 amount determined under this subsection exceed \$0.50.

11          “(c) QUALIFIED MIXTURE.—For purposes of this  
12 section, the term ‘qualified mixture’ means a mixture of  
13 sustainable aviation fuel and kerosene if—

14           “(1) such mixture is produced by the taxpayer  
15           in the United States,

16           “(2) such mixture is used by the taxpayer (or  
17           sold by the taxpayer for use) in an aircraft,

18           “(3) such sale or use is in the ordinary course  
19           of a trade or business of the taxpayer, and

20           “(4) the transfer of such mixture to the fuel  
21           tank of such aircraft occurs in the United States.

22          “(d) SUSTAINABLE AVIATION FUEL.—For purposes  
23 of this section, the term ‘sustainable aviation fuel’ means  
24 liquid fuel which—

25           “(1) meets the requirements of—

1           “(A) ASTM International Standard  
2           D7566, or

3           “(B) the Fischer Tropsch provisions of  
4           ASTM International Standard D1655, Annex  
5           A1,

6           “(2) is not derived from palm fatty acid dis-  
7           tillates or petroleum, and

8           “(3) has been certified in accordance with sub-  
9           section (e) as having a lifecycle greenhouse gas emis-  
10          sions reduction percentage of at least 50 percent.

11          “(e) LIFECYCLE GREENHOUSE GAS EMISSIONS RE-  
12          DUCTION PERCENTAGE.—For purposes of this section, the  
13          term ‘lifecycle greenhouse gas emissions reduction per-  
14          centage’ means, with respect to any sustainable aviation  
15          fuel, the percentage reduction in lifecycle greenhouse gas  
16          emissions—

17                 “(1) as defined in accordance with—

18                         “(A) the most recent Carbon Offsetting  
19                         and Reduction Scheme for International Avia-  
20                         tion which has been adopted by the Inter-  
21                         national Civil Aviation Organization with the  
22                         agreement of the United States, or

23                         “(B) any similar methodology which satis-  
24                         fies the criteria under section 211(o)(1)(H) of

1 the Clean Air Act (42 U.S.C. 7545(o)(1)(H)),  
2 and

3 “(2) achieved by such fuel as compared with pe-  
4 troleum-based jet fuel.

5 “(f) REGISTRATION OF SUSTAINABLE AVIATION  
6 FUEL PRODUCERS.—No credit shall be allowed under this  
7 section with respect to any sustainable aviation fuel unless  
8 the producer of such fuel is registered with the Secretary  
9 under section 4101 and has provided such other informa-  
10 tion with respect to such fuel as the Secretary may require  
11 for purposes of carrying out this section.

12 “(g) COORDINATION WITH CREDIT AGAINST EXCISE  
13 TAX.—The amount of the credit determined under this  
14 section with respect to any sustainable aviation fuel shall,  
15 under rules prescribed by the Secretary, be properly re-  
16 duced to take into account any benefit provided with re-  
17 spect to such sustainable aviation fuel solely by reason of  
18 the application of section 6426 or 6427(e).

19 “(h) TERMINATION.—This section shall not apply to  
20 any sale or use after December 31, 2026.”.

21 (b) CREDIT MADE PART OF GENERAL BUSINESS  
22 CREDIT.— Section 38(b) is amended by striking “plus”  
23 at the end of paragraph (33), by striking the period at  
24 the end of paragraph (34) and inserting “, plus”, and by

1 inserting after paragraph (34) the following new para-  
2 graph:

3 “(35) the sustainable aviation fuel credit deter-  
4 mined under section 40B.”.

5 (e) COORDINATION WITH BIODIESEL INCENTIVES.—

6 (1) IN GENERAL.—Section 40A(d)(1) is amend-  
7 ed by inserting “or 40B” after “determined under  
8 section 40”.

9 (2) CONFORMING AMENDMENT.—Section  
10 40A(f) is amended by striking paragraph (4).

11 (d) SUSTAINABLE AVIATION FUEL ADDED TO CRED-  
12 IT FOR ALCOHOL FUEL, BIODIESEL, AND ALTERNATIVE  
13 FUEL MIXTURES.—

14 (1) IN GENERAL.—Section 6426 is amended by  
15 adding at the end the following new subsection:

16 “(k) SUSTAINABLE AVIATION FUEL CREDIT.—

17 “(1) IN GENERAL.—For purposes of this sec-  
18 tion, the sustainable aviation fuel credit for the tax-  
19 able year is, with respect to any sale or use of a  
20 qualified mixture, an amount equal to the product  
21 of—

22 “(A) the number of gallons of sustainable  
23 aviation fuel in such mixture, multiplied by

24 “(B) the sum of—

25 “(i) \$1.25, plus



1           “(ii) the applicable supplementary  
2           amount with respect to such sustainable  
3           aviation fuel.

4           “(2) APPLICABLE SUPPLEMENTARY AMOUNT.—  
5           For purposes of this subsection, the term ‘applicable  
6           supplementary amount’ has the meaning given such  
7           term in section 40B(b).

8           “(3) OTHER DEFINITIONS.—Any term used in  
9           this subsection which is also used in section 40B  
10          shall have the meaning given such term by section  
11          40B.

12          “(4) REGISTRATION REQUIREMENT.—For pur-  
13          poses of this subsection, rules similar to the rules of  
14          section 40B(f) shall apply.”.

15          (2) CONFORMING AMENDMENTS.—

16                (A) Section 6426 is amended—

17                   (i) in subsection (a)(1), by striking  
18                   “and (e)” and inserting “(e), and (k)”,  
19                   and

20                   (ii) in subsection (h), by striking  
21                   “under section 40 or 40A” and inserting  
22                   “under section 40, 40A, or 40B”.

23                (B) Section 6427(e)(6) is amended by  
24                striking the “and” at the end of subparagraph  
25                (C), by striking the period at the end of sub-

1 paragraph (D) and inserting “, and”, and by  
2 adding at the end the following new subpara-  
3 graph:

4 “(E) any qualified mixture of sustainable  
5 aviation fuel (as defined in section 6426(k)(3))  
6 sold or used after December 31, 2026.”.

7 (C) Section 6427(e) is amended in the  
8 heading by striking “OR ALTERNATIVE FUEL”  
9 and inserting, “ALTERNATIVE FUEL, OR SUS-  
10 TAINABLE AVIATION FUEL”.

11 (D) Section 6427(e)(1) is amended by in-  
12 serting “or the sustainable aviation fuel mixture  
13 credit” after “alternative fuel mixture credit”.

14 (E) Section 4101(a)(1) is amended by in-  
15 serting “every person producing sustainable  
16 aviation fuel (as defined in section 40B or sec-  
17 tion 6426(k)(3)),” before “and every person  
18 producing second generation biofuel”.

19 (e) GUIDANCE.—Under rules prescribed by the Sec-  
20 retary of the Treasury (or the Secretary’s delegate), the  
21 amount of the credit allowed under section 40B of the In-  
22 ternal Revenue Code of 1986 (as added by this subsection)  
23 shall be properly reduced to take into account any benefit  
24 provided with respect to sustainable aviation fuel (as de-

1 fined in such section 40B) by reason of the application  
2 of section 6426 or section 6427(e).

3 (f) AMOUNT OF CREDIT INCLUDED IN GROSS IN-  
4 COME.—Section 87 is amended by striking “and” in para-  
5 graph (1), by striking the period at the end of paragraph  
6 (2) and inserting “, and”, and by adding at the end the  
7 following new paragraph:

8 “(3) the sustainable aviation fuel credit deter-  
9 mined with respect to the taxpayer for the taxable  
10 year under section 40B(a).”.

11 (g) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to fuel sold or used after December  
13 31, 2022.

14 **SEC. 136204. CLEAN HYDROGEN.**

15 (a) CREDIT FOR PRODUCTION OF CLEAN HYDRO-  
16 GEN.—

17 (1) IN GENERAL.—Subpart D of part IV of  
18 subchapter A of chapter 1 is amended by adding at  
19 the end the following new section:

20 **“SEC. 45X. CREDIT FOR PRODUCTION OF CLEAN HYDRO-  
21 GEN.**

22 “(a) AMOUNT OF CREDIT.—For purposes of section  
23 38, the clean hydrogen production credit for any taxable  
24 year is an amount equal to the product of—

25 “(1) the applicable amount, multiplied by

1           “(2) the kilograms of qualified clean hydrogen  
2           produced by the taxpayer during such taxable year  
3           at a qualified clean hydrogen production facility dur-  
4           ing the 10-year period beginning on the date such  
5           facility was originally placed in service.

6           “(b) APPLICABLE AMOUNT.—

7           “(1) IN GENERAL.—For purposes of subsection  
8           (a)(1), the applicable amount shall be an amount  
9           equal to the applicable percentage of \$0.60. If any  
10          amount as determined under the preceding sentence  
11          is not a multiple of 0.1 cent, such amount shall be  
12          rounded to the nearest multiple of 0.1 cent.

13          “(2) APPLICABLE PERCENTAGE.—For purposes  
14          of paragraph (1), the term ‘applicable percentage’  
15          shall be determined as follows:

16                 “(A) In the case of any qualified clean hy-  
17                 drogen which is produced by a facility that is  
18                 placed in service before January 1, 2027  
19                 through a process that results in a lifecycle  
20                 greenhouse gas emissions rate of—

21                         “(i) not greater than 6 kilograms of  
22                         CO<sub>2</sub>e per kilogram of hydrogen, and

23                         “(ii) not less than 4 kilograms of  
24                         CO<sub>2</sub>e per kilogram of hydrogen,

25                 the applicable percentage shall be 15 percent.

1           “(B) In the case of any qualified clean hy-  
2           drogen which is produced through a process  
3           that results in a lifecycle greenhouse gas emis-  
4           sions rate of—

5                   “(i) less than 4 kilograms of CO<sub>2</sub>e  
6                   per kilogram of hydrogen, and

7                   “(ii) not less than 2.5 kilograms of  
8                   CO<sub>2</sub>e per kilogram of hydrogen,  
9           the applicable percentage shall be 20 percent.

10           “(C) In the case of any qualified clean hy-  
11           drogen which is produced through a process  
12           that results in a lifecycle greenhouse gas emis-  
13           sions rate of—

14                   “(i) less than 2.5 kilograms of CO<sub>2</sub>e  
15                   per kilogram of hydrogen, and

16                   “(ii) not less than 1.5 kilograms of  
17                   CO<sub>2</sub>e per kilogram of hydrogen,  
18           the applicable percentage shall be 25 percent.

19           “(D) In the case of any qualified clean hy-  
20           drogen which is produced through a process  
21           that results in a lifecycle greenhouse gas emis-  
22           sions rate of—

23                   “(i) less than 1.5 kilograms of CO<sub>2</sub>e  
24                   per kilogram of hydrogen, and

1                   “(ii) not less than 0.45 kilograms of  
2                   CO<sub>2</sub>e per kilogram of hydrogen,  
3                   the applicable percentage shall be 33.4 percent.

4                   “(E) In the case of any qualified clean hy-  
5                   drogen which is produced through a process  
6                   that results in a lifecycle greenhouse gas emis-  
7                   sions rate of less than 0.45 kilograms of CO<sub>2</sub>e  
8                   per kilogram of hydrogen, the applicable per-  
9                   centage shall be 100 percent.

10                  “(3) INFLATION ADJUSTMENT.—The \$0.60  
11                  amount in paragraph (1) shall be adjusted by multi-  
12                  plying such amount by the inflation adjustment fac-  
13                  tor (as determined under section 45(e)(2), deter-  
14                  mined by substituting ‘2020’ for ‘1992’ in subpara-  
15                  graph (B) thereof) for the calendar year in which  
16                  the qualified clean hydrogen is produced. If any  
17                  amount as increased under the preceding sentence is  
18                  not a multiple of 0.1 cent, such amount shall be  
19                  rounded to the nearest multiple of 0.1 cent.

20                  “(c) DEFINITIONS.—For purposes of this section—

21                   “(1) LIFECYCLE GREENHOUSE GAS EMIS-  
22                   SIONS.—

23                   “(A) IN GENERAL.—Subject to subpara-  
24                   graph (B), the term ‘lifecycle greenhouse gas  
25                   emissions’ has the same meaning given such

1 term under subparagraph (H) of section  
2 211(o)(1) of the Clean Air Act (42 U.S.C.  
3 7545(o)(1)), as in effect on the date of enact-  
4 ment of this section.

5 “(B) GREET MODEL.—The term ‘lifecycle  
6 greenhouse gas emissions’ shall only include  
7 emissions through the point of production (well-  
8 to-gate), as determined under the most recent  
9 Greenhouse gases, Regulated Emissions, and  
10 Energy use in Transportation model (commonly  
11 referred to as the ‘GREET model’) developed  
12 by Argonne National Laboratory, or a successor  
13 model (as determined by the Secretary).

14 “(2) QUALIFIED CLEAN HYDROGEN.—

15 “(A) IN GENERAL.—The term ‘qualified  
16 clean hydrogen’ means hydrogen which is pro-  
17 duced through a process that results in a  
18 lifecycle greenhouse gas emissions rate of not  
19 greater than 6 kilograms of CO<sub>2</sub>e per kilogram  
20 of hydrogen.

21 “(B) ADDITIONAL REQUIREMENTS.—Such  
22 term shall not include any hydrogen unless such  
23 hydrogen is produced—

24 “(i) in the United States (as defined  
25 in section 638(1) or a possession of the

1 United States (as defined in section  
2 638(2)),

3 “(ii) in the ordinary course of a trade  
4 or business of the taxpayer, and

5 “(iii) for sale or use, as verified by an  
6 unrelated third party of such production  
7 and sale or use in such form or manner as  
8 the Secretary may prescribe under sub-  
9 section (f)(2).

10 “(3) QUALIFIED CLEAN HYDROGEN PRODUC-  
11 TION FACILITY.—

12 “(A) IN GENERAL.—The term ‘qualified  
13 clean hydrogen production facility’ means a fa-  
14 cility owned by the taxpayer which produces  
15 qualified clean hydrogen and which meets the  
16 requirements of subparagraph (B).

17 “(B) TERMINATION.—The term ‘qualified  
18 clean hydrogen production facility’ shall not in-  
19 clude any facility the construction of which be-  
20 gins after December 31, 2028.

21 “(d) SPECIAL RULES.—

22 “(1) TREATMENT OF FACILITIES OWNED BY  
23 MORE THAN 1 TAXPAYER.—Rules similar to the  
24 rules section 45(e)(3) shall apply for purposes of  
25 this section.



1           “(2) COORDINATION WITH CREDIT FOR CARBON  
2           OXIDE SEQUESTRATION.—No credit shall be allowed  
3           under this section with respect to any qualified clean  
4           hydrogen produced at a facility which includes car-  
5           bon capture equipment for which a credit is allowed  
6           to any taxpayer under section 45Q for the taxable  
7           year or any prior taxable year.

8           “(e) INCREASED CREDIT AMOUNT FOR QUALIFIED  
9           CLEAN HYDROGEN PRODUCTION FACILITIES.—

10           “(1) IN GENERAL.—In the case of any qualified  
11           clean hydrogen production facility which satisfies the  
12           requirements of paragraph (2), the amount of the  
13           credit determined under subsection (a) with respect  
14           to qualified clean hydrogen described in subsection  
15           (b)(2) shall be equal to such amount multiplied by  
16           5 (determined without regard to this sentence).

17           “(2) REQUIREMENTS.—A facility meets the re-  
18           quirements of this subparagraph if it is one of the  
19           following:

20           “(A) A facility—

21           “(i) the construction of which begins  
22           prior to the date that is 60 days after the  
23           Secretary publishes guidance with respect  
24           to the requirements of paragraphs (3) and  
25           (4), and

1           “(ii) which meets the requirements of  
2           paragraph (3) with respect to construction,  
3           alteration, or repair of facilities which oc-  
4           curs after such date.

5           “(B) A facility which satisfies the require-  
6           ments of paragraphs (3) and (4).

7           “(3) PREVAILING WAGE REQUIREMENTS.—

8           “(A) IN GENERAL.—The requirements de-  
9           scribed in this subparagraph with respect to  
10          any qualified clean hydrogen production facility  
11          are that the taxpayer shall ensure that any la-  
12          borers and mechanics employed by contractors  
13          and subcontractors in—

14                 “(i) the construction of such facility,  
15                 and

16                 “(ii) for the period of the taxable year  
17                 which is within the 10-year period begin-  
18                 ning on the date the facility was originally  
19                 placed in service, the alteration or repair of  
20                 such facility,

21          shall be paid wages at rates not less than the  
22          prevailing rates for construction, alteration, or  
23          repair of a similar character in the locality as  
24          most recently determined by the Secretary of  
25          Labor, in accordance with subchapter IV of

1 chapter 31 of title 40, United States Code. For  
2 purposes of determining an increased credit  
3 amount under paragraph (1) for a taxable year,  
4 the requirement under clause (ii) of this para-  
5 graph is applied to such taxable year in which  
6 the alteration or repair of qualified facility oc-  
7 curs.

8 “(B) CORRECTION AND PENALTY RELATED  
9 TO FAILURE TO SATISFY WAGE REQUIRE-  
10 MENTS.—Rules similar to the rules of clauses  
11 (i) through (iv) of section 45(b)(7)(B) shall  
12 apply.

13 “(4) APPRENTICESHIP REQUIREMENTS.—Rules  
14 similar to the rules of section 45(b)(8) shall apply.

15 “(5) REGULATIONS AND GUIDANCE.—The Sec-  
16 retary shall issue such regulations or other guidance  
17 as the Secretary determines necessary or appropriate  
18 to carry out the purposes of this subsection, includ-  
19 ing regulations or other guidance which provides for  
20 requirements for recordkeeping or information re-  
21 porting for purposes of establishing the requirements  
22 of this subsection.

23 “(f) REGULATIONS.—Not later than 1 year after the  
24 date of enactment of this section, the Secretary shall issue

1 regulations or other guidance to carry out the purposes  
2 of this section, including regulations or other guidance—

3 “(1) for determining lifecycle greenhouse gas  
4 emissions, and

5 “(2) which require verification by unrelated  
6 third parties of the production and sale or use of  
7 qualified clean hydrogen with respect to which credit  
8 is otherwise allowed under this section.”.

9 (2) ELECTIVE PAYMENT OF CREDIT.—

10 (A) IN GENERAL.—Section 6417(b), as  
11 amended by the preceding provisions of this  
12 Act, is amended by adding at the end the fol-  
13 lowing new paragraph:

14 “(8) So much of the the credit for production  
15 of clean hydrogen determined under section 45X as  
16 is attributable to qualified clean hydrogen produc-  
17 tion facilities which are originally placed in service  
18 after December 31, 2011, and with respect to which  
19 an election is made under subsection (c)(3).”.

20 (B) ELECTION.—Section 6417(c)(3), as  
21 amended by the preceding provisions of this  
22 Act, is amended by adding at the end the fol-  
23 lowing new subparagraph:

24 “(D) CREDIT FOR PRODUCTION OF CLEAN  
25 HYDROGEN.—In the case of the credit described

1 in subsection (b)(8), any election under this  
2 subsection shall—

3 “(i) apply separately with respect to  
4 each qualified clean hydrogen production  
5 facility,

6 “(ii) be made for the taxable year in  
7 which the facility is placed in service (or  
8 within 90 days of date of enactment in the  
9 case of facilities placed in service before  
10 December 31, 2021),

11 “(iii) shall apply to such taxable year  
12 and all subsequent taxable years with re-  
13 spect to such facility.”.

14 (3) CREDIT REDUCED FOR TAX-EXEMPT  
15 BONDS.—Section 45X(d), as added by this section,  
16 is amended by adding at the end the following new  
17 paragraph:

18 “(3) CREDIT REDUCED FOR TAX-EXEMPT  
19 BONDS.—Rules similar to the rule under section  
20 45(b)(3) shall apply for purposes of this section.”.

21 (4) CONFORMING AMENDMENTS.—

22 (A) Section 38(b) is amended—

23 (i) in paragraph (34), by striking  
24 “plus” at the end,

1 (ii) in paragraph (35), by striking the  
2 period at the end and inserting “, plus”,  
3 and

4 (iii) by adding at the end the fol-  
5 lowing new paragraph:

6 “(36) the clean hydrogen production credit de-  
7 termined under section 45X(a).”.

8 (B) The table of sections for subpart D of  
9 part IV of subchapter A of chapter 1 amended  
10 by adding at the end the following new item:

“Sec. 45X. Credit for production of clean hydrogen.”.

11 (5) EFFECTIVE DATES.—

12 (A) The amendments made by paragraphs  
13 (1), (2), and (4) of this subsection shall apply  
14 to hydrogen produced after December 31, 2021.

15 (B) The amendment made by paragraph  
16 (3) shall apply to facilities the construction of  
17 which begins after December 31, 2021.

18 (b) CREDIT FOR ELECTRICITY PRODUCED FROM RE-  
19 NEWABLE RESOURCES ALLOWED IF ELECTRICITY IS  
20 USED TO PRODUCE CLEAN HYDROGEN.—

21 (1) IN GENERAL.—Section 45(e) is amended by  
22 adding at the end the following new paragraph:

23 “(13) SPECIAL RULE FOR ELECTRICITY USED  
24 AT A QUALIFIED CLEAN HYDROGEN PRODUCTION  
25 FACILITY.—Electricity produced by the taxpayer

1 shall be treated as sold by such taxpayer to an unre-  
2 lated person during the taxable year if such elec-  
3 tricity is used during such taxable year by the tax-  
4 payer or a person related to the taxpayer at a quali-  
5 fied clean hydrogen production facility (as defined in  
6 section 45X(c)(3)) to produce qualified clean hydro-  
7 gen (as defined in section 45X(c)(2)) during the 10  
8 year period after such facility is placed in service.  
9 The Secretary shall issue such regulations or other  
10 guidance as the Secretary determines appropriate to  
11 carry out the purposes of this paragraph, including  
12 regulations or other guidance to require verification  
13 by unrelated third parties of the production and use  
14 of electricity to which this paragraph applies.”.

15 (2) EFFECTIVE DATE.—The amendment made  
16 by this subsection shall apply to electricity produced  
17 after December 31, 2021.

18 (c) ELECTION TO TREAT CLEAN HYDROGEN PRO-  
19 Duction FACILITIES AS ENERGY PROPERTY.—

20 (1) IN GENERAL.—Section 48(a) is amended by  
21 adding at the end the following new paragraph:

22 “(16) ELECTION TO TREAT CLEAN HYDROGEN  
23 PRODUCTION FACILITIES AS ENERGY PROPERTY.—

24 “(A) IN GENERAL.—In the case of any  
25 qualified property (as defined in paragraph

1 (5)(D)) which is part of a specified clean hydro-  
2 gen production facility—

3 “(i) such property shall be treated as  
4 energy property for purposes of this sec-  
5 tion, and

6 “(ii) the energy percentage with re-  
7 spect to such property is—

8 “(I) in the case of a facility  
9 which is designed and reasonably ex-  
10 pected to produce qualified clean hy-  
11 drogen which is described in a sub-  
12 paragraph (A) of section 45X(b)(2),  
13 0.9 percent,

14 “(II) in the case of a facility  
15 which is designed and reasonably ex-  
16 pected to produce qualified clean hy-  
17 drogen which is described in a sub-  
18 paragraph (B) of such section, 1.2  
19 percent,

20 “(III) in the case of a facility  
21 which is designed and reasonably ex-  
22 pected to produce qualified clean hy-  
23 drogen which is described in a sub-  
24 paragraph (C) of such section, 1.5  
25 percent,



1           “(IV) in the case of a facility  
2           which is designed and reasonably ex-  
3           pected to produce qualified clean hy-  
4           drogen which is described in a sub-  
5           paragraph (D) of such section, 2 per-  
6           cent, and

7           “(V) in the case of a facility  
8           which is designed and reasonably ex-  
9           pected to produce qualified clean hy-  
10          drogen which is described in subpara-  
11          graph (E) of such section, 6 percent.

12           “(B) DENIAL OF PRODUCTION CREDIT.—  
13          No credit shall be allowed under section 45X or  
14          section 45Q for any taxable year with respect to  
15          any specified clean hydrogen production facility  
16          or any carbon capture equipment included at  
17          such facility.

18           “(C) SPECIFIED CLEAN HYDROGEN PRO-  
19          DUCTION FACILITY.—For purposes of this para-  
20          graph, the term ‘specified clean hydrogen pro-  
21          duction facility’ means any qualified clean hy-  
22          drogen production facility (as defined in section  
23          45X(c)(3)) or any portion of such facility—

24           “(i) which is placed in service after  
25          December 31, 2021, and

1 “(ii) with respect to which—

2 “(I) no credit has been allowed  
3 under section 45X or 45Q, and

4 “(II) the taxpayer makes an ir-  
5 revocable election to have this para-  
6 graph apply.

7 “(D) QUALIFIED CLEAN HYDROGEN.—For  
8 purposes of this paragraph, the term ‘qualified  
9 clean hydrogen’ has the meaning given such  
10 term by section 45X(c)(2).

11 “(E) REGULATIONS.—The Secretary shall  
12 issue such regulations or other guidance as the  
13 Secretary determines necessary or appropriate  
14 to carry out the purposes of this section, includ-  
15 ing regulations or other guidance which—

16 “(i) requires verification by one or  
17 more unrelated third parties that the facil-  
18 ity produces hydrogen which is consistent  
19 with the hydrogen that such facility was  
20 designed and expected to produce under  
21 subparagraph (A)(ii), and

22 “(ii) recaptures so much of any credit  
23 allowed under this section as exceeds the  
24 amount of the credit which would have  
25 been allowed if the expected production

1           were consistent with the actual verified  
2           production (or all of the credit so allowed  
3           in the absence of such verification).”.

4           (2) EFFECTIVE DATE.—The amendments made  
5           by this subsection shall apply to property placed in  
6           service after December 31, 2021 and, for any prop-  
7           erty the construction of which begins prior to Janu-  
8           ary 1, 2022, only to the extent of the basis thereof  
9           attributable to the construction, reconstruction, or  
10          erection after December 31, 2021.

11          (d) TERMINATION OF EXCISE TAX CREDIT FOR HY-  
12          DROGEN.—

13           (1) IN GENERAL.—Section 6426(d)(2) is  
14           amended by striking subparagraph (D) and by re-  
15           designating subparagraphs (E), (F), and (G) as sub-  
16           paragraphs (D), (E), and (F), respectively.

17           (2) CONFORMING AMENDMENT.—Section  
18           6426(e)(2) is amended by striking “(F)” and insert-  
19           ing “(E)”.

20           (3) EFFECTIVE DATE.—The amendments made  
21           by this subsection shall apply to fuel sold or used  
22           after December 31, 2021.

1       **PART 3—GREEN ENERGY AND EFFICIENCY**

2                   **INCENTIVES FOR INDIVIDUALS**

3       **SEC. 136301. EXTENSION, INCREASE, AND MODIFICATIONS**

4                   **OF NONBUSINESS ENERGY PROPERTY CRED-**

5                   **IT.**

6           (a) **EXTENSION OF CREDIT.**—Section 25C(g)(2) is  
7 amended by striking “December 31, 2021” and inserting  
8 “December 31, 2031”.

9           (b) **ALLOWANCE OF CREDIT.**—Section 25C(a) is  
10 amended to read as follows:

11           “(a) **ALLOWANCE OF CREDIT.**—In the case of an in-  
12 dividual, there shall be allowed as a credit against the tax  
13 imposed by this chapter for the taxable year an amount  
14 equal to 30 percent of the sum of—

15                   “(1) the amount paid or incurred by the tax-  
16 payer for qualified energy efficiency improvements  
17 installed during such taxable year, and

18                   “(2) the amount of the residential energy prop-  
19 erty expenditures paid or incurred by the taxpayer  
20 during such taxable year.”.

21           (c) **APPLICATION OF ANNUAL LIMITATION IN LIEU**  
22 **OF LIFETIME LIMITATION.**—Section 25C(b) is amended  
23 to read as follows:

24           “(b) **LIMITATIONS.**—

1           “(1) IN GENERAL.—The credit allowed under  
2 this section with respect to any taxpayer for any tax-  
3 able year shall not exceed \$1,200.

4           “(2) ENERGY PROPERTY.—The credit allowed  
5 under this subsection by reason of subsection (a)(1)  
6 with respect to any taxpayer for any taxable year  
7 shall not exceed, with respect to any item of quali-  
8 fied energy property, \$600.

9           “(3) WINDOWS.—The credit allowed under this  
10 section by reason of subsection (a)(1) with respect to  
11 any taxpayer for any taxable year shall not exceed,  
12 in the aggregate with respect to all exterior windows  
13 and skylights, \$600.

14           “(4) DOORS.—The credit allowed under this  
15 section by reason of subsection (a)(1) with respect to  
16 any taxpayer for any taxable year shall not exceed—

17                   “(A) \$250 in the case of any exterior door,  
18                   and

19                   “(B) \$500 in the aggregate with respect to  
20 all exterior doors.

21           “(5) CERTAIN PROPERTY EXCLUDED FROM  
22 LIMITATION.—Amounts paid or incurred for prop-  
23 erty described in clause (i) or (ii) of subsection  
24 (d)(2)(A) or subsection (d)(2)(B) shall not be sub-  
25 ject to the limitations in paragraphs (1) and (2) or

1 factored in for purposes of calculating the limitation  
2 under such paragraph.”.

3 (d) MODIFICATIONS RELATED TO QUALIFIED EN-  
4 ERGY EFFICIENCY IMPROVEMENTS.—

5 (1) STANDARDS FOR ENERGY EFFICIENT  
6 BUILDING ENVELOPE COMPONENTS.—Section  
7 25C(e)(2) is amended by striking “meets—” and all  
8 that follows through the period at the end and in-  
9 serting the following: “meets—

10 “(A) in the case of an exterior window or  
11 skylight, Energy Star most efficient certifi-  
12 cation requirements

13 “(B) in the case of any other component,  
14 the prescriptive criteria for such component es-  
15 tablished by the most recent International En-  
16 ergy Conservation Code standard in effect as of  
17 the beginning of the calendar year which is 2  
18 years prior to the calendar year in which such  
19 component is placed in service.”.

20 (2) ROOFS NOT TREATED AS BUILDING ENVE-  
21 LOPE COMPONENTS.—Section 25C(e)(3) is amended  
22 by adding “and” at the end of subparagraph (B), by  
23 striking “, and” at the end of subparagraph (C) and  
24 inserting a period, and by striking subparagraph  
25 (D).

1           (3) AIR SEALING INSULATION ADDED TO DEFINITION OF BUILDING ENVELOPE COMPONENT.—Section 25C(c)(3)(A) is amended by striking “material or system” and inserting “material or system, including air sealing material or system,”.

6           (e) MODIFICATION OF RESIDENTIAL ENERGY PROPERTY EXPENDITURES.—Section 25C(d) is amended to read as follows:

9           “(d) RESIDENTIAL ENERGY PROPERTY EXPENDITURES.—For purposes of this section—

11           “(1) IN GENERAL.—The term ‘residential energy property expenditures’ means expenditures made by the taxpayer for qualified energy property which is—

15           “(A) installed on or in connection with a dwelling unit located in the United States and used as a residence by the taxpayer, and

18           “(B) originally placed in service by the taxpayer.

20           Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

23           “(2) QUALIFIED ENERGY PROPERTY.—The term ‘qualified energy property’ means:

1           “(A) Any of the following which meet or  
2 exceed the highest efficiency tier (not including  
3 any advanced tier) established by the Consor-  
4 tium for Energy Efficiency which is in effect as  
5 of the beginning of the calendar year in which  
6 the property is placed in service:

7           “(i) An electric heat pump water heat-  
8 er.

9           “(ii) An electric heat pump.

10          “(iii) A central air conditioner.

11          “(iv) A natural gas, propane, or oil  
12 water heater.

13          “(v) A natural gas, propane, or oil  
14 furnace or hot water boiler.

15          “(B) A biomass stove—

16           “(i) which uses the burning of bio-  
17 mass fuel to heat a dwelling unit located in  
18 the United States and used as a residence  
19 by the taxpayer, or to heat water for use  
20 in such a dwelling unit, and

21           “(ii) which has a thermal efficiency  
22 rating of at least 75 percent (measured by  
23 the higher heating value of the fuel).

24          “(C) Any oil furnace or hot water boiler  
25 which—



1           “(i) is placed in service after Decem-  
2           ber 31, 2021 and before January 1, 2027  
3           and meets or exceeds 2021 Energy Star ef-  
4           ficiency criteria and is rated by the manu-  
5           facturer for use with eligible fuel blends of  
6           20 percent or more, or

7           “(ii) is placed in service after Decem-  
8           ber 31, 2026 and achieves an annual fuel  
9           utilization efficiency rate of not less than  
10          90 and is rated by the manufacturer for  
11          use with eligible fuel blends of 50 percent  
12          or more.

13          “(3) ELIGIBLE FUEL.—For purposes of para-  
14          graph (2), the term ‘eligible fuel’ means biodiesel  
15          and renewable diesel (within the meaning of section  
16          40A) and second generation biofuel (within the  
17          meaning of section 40).”.

18          (f) HOME ENERGY AUDITS.—

19               (1) IN GENERAL.—Section 25C(a) is amended  
20               by striking “and” at the end of paragraph (1), by  
21               striking the period at the end of paragraph (2) and  
22               inserting “, and”, and by adding at the end the fol-  
23               lowing new paragraph:

1           “(3) 30 percent of the amount paid or incurred  
2           by the taxpayer during the taxable year for home en-  
3           ergy audits.”.

4           (2) LIMITATION.—Section 25C(b), as amended  
5           by subsection (c), is amended adding at the end the  
6           following new paragraph:

7           “(5) HOME ENERGY AUDITS.—

8                   “(A) DOLLAR LIMITATION.—The amount  
9                   of the credit allowed under this section by rea-  
10                  son of subsection (a)(3) shall not exceed \$150.

11                  “(B) SUBSTANTIATION REQUIREMENT.—  
12                  No credit shall be allowed under this section by  
13                  reason of subsection (a)(3) unless the taxpayer  
14                  includes with the taxpayer’s return of tax such  
15                  information or documentation as the Secretary  
16                  may require.”.

17           (3) HOME ENERGY AUDITS.—

18                   (A) IN GENERAL.—Section 25C, as amend-  
19                   ed by subsection (a), is amended by redesignig-  
20                   nating subsections (e), (f), and (g), as sub-  
21                   sections (f), (g), and (h), respectively, and by  
22                   inserting after subsection (d) the following new  
23                   subsection:

24                   “(e) HOME ENERGY AUDITS.—For purposes of this  
25                  section, the term ‘home energy audit’ means an inspection

1 and written report with respect to a dwelling unit located  
2 in the United States and owned or used by the taxpayer  
3 as the taxpayer’s principal residence (within the meaning  
4 of section 121) which—

5 “(1) identifies the most significant and cost-ef-  
6 fective energy efficiency improvements with respect  
7 to such dwelling unit, including an estimate of the  
8 energy and cost savings with respect to each such  
9 improvement, and

10 “(2) is conducted and prepared by a home en-  
11 ergy auditor that meets the certification or other re-  
12 quirements specified by the Secretary (not later than  
13 365 days after the date of the enactment of this  
14 subsection) in regulations or other guidance.”.

15 (B) CONFORMING AMENDMENT.—Section  
16 1016(a)(33) is amended by striking “section  
17 25C(f)” and inserting “section 25C(g)”.

18 (4) LACK OF SUBSTANTIATION TREATED AS  
19 MATHEMATICAL OR CLERICAL ERROR.—Section  
20 6213(g)(2) is amended—

21 (A) in subparagraph (P), by striking  
22 “and” at the end,

23 (B) in subparagraph (Q), by striking the  
24 period at the end and inserting “, and”, and

25 (C) by adding at the end the following:

1           “(R) an omission of correct information or  
2           documentation required under section  
3           25C(b)(5)(B) (relating to home energy audits)  
4           to be included on a return.”.

5           (g) IDENTIFICATION NUMBER REQUIREMENT.—

6           (1) IN GENERAL.—Section 25C, as amended by  
7           subsections (a) and (f), is amended by redesignating  
8           subsection (h) as subsection (i) and by inserting  
9           after subsection (g) the following new subsection:

10          “(h) PRODUCT IDENTIFICATION NUMBER REQUIRE-  
11          MENT.—

12           “(1) IN GENERAL.—No credit shall be allowed  
13           under subsection (a) with respect to any item of  
14           specified property placed in service after December  
15           31, 2023, unless—

16           “(A) such item is produced by a qualified  
17           manufacturer, and

18           “(B) the taxpayer includes the qualified  
19           product identification number of such item on  
20           the return of tax for the taxable year.

21          “(2) QUALIFIED PRODUCT IDENTIFICATION  
22          NUMBER.—For purposes of this section, the term  
23          ‘qualified product identification number’ means, with  
24          respect to any item of specified property, the prod-  
25          uct identification number assigned to such item by

1 the qualified manufacturer pursuant to the method-  
2 ology referred to in paragraph (3).

3 “(3) QUALIFIED MANUFACTURER.—For pur-  
4 poses of this section, the term ‘qualified manufac-  
5 turer’ means any manufacturer of specified property  
6 which enters into an agreement with the Secretary  
7 which provides that such manufacturer will—

8 “(A) assign a product identification num-  
9 ber to each item of specified property produced  
10 by such manufacturer utilizing a methodology  
11 that will ensure that such number (including  
12 any alphanumeric) is unique to each such item  
13 (by utilizing numbers or letters which are  
14 unique to such manufacturer or by such other  
15 method as the Secretary may provide),

16 “(B) label such item with such number in  
17 such manner as the Secretary may provide, and

18 “(C) make periodic written reports to the  
19 Secretary (at such times and in such manner as  
20 the Secretary may provide) of the product iden-  
21 tification numbers so assigned and including  
22 such information as the Secretary may require  
23 with respect to the item of specified property to  
24 which such number was so assigned.

1           “(4) SPECIFIED PROPERTY.—For purposes of  
2 this subsection, the term ‘specified property’ means  
3 any qualified energy property and any property de-  
4 scribed in subparagraph (B) or (C) of subsection  
5 (e)(3).”.

6           (2) OMISSION OF CORRECT PRODUCT IDENTI-  
7 FICATION NUMBER TREATED AS MATHEMATICAL OR  
8 CLERICAL ERROR.—Section 6213(g)(2), as amended  
9 by the preceding provisions of this Act, is amend-  
10 ed—

11           (A) in subparagraph (Q), by striking  
12 “and” at the end,

13           (B) in subparagraph (R), by striking the  
14 period at the end and inserting “, and”, and

15           (C) by adding at the end the following:

16           “(S) an omission of a correct product iden-  
17 tification number required under section 25C(h)  
18 (relating to credit for nonbusiness energy prop-  
19 erty) to be included on a return.”.

20 (h) EFFECTIVE DATES.—

21           (1) IN GENERAL.—Except as otherwise pro-  
22 vided by this subsection, the amendments made by  
23 this section shall apply to property placed in service  
24 after December 31, 2021.

1           (2) HOME ENERGY AUDITS.—The amendments  
2           made by subsection (f) shall apply to amounts paid  
3           or incurred after December 31, 2021.

4           (3) IDENTIFICATION NUMBER REQUIREMENT.—  
5           The amendments made subsection (g) shall apply to  
6           property placed in service after December 31, 2023.

7 **SEC. 136302. RESIDENTIAL ENERGY EFFICIENT PROPERTY.**

8           (a) EXTENSION OF CREDIT.—

9           (1) IN GENERAL.—Section 25D(h) is amended  
10          by striking “December 31, 2023” and inserting  
11          “December 31, 2033”.

12          (2) APPLICATION OF PHASEOUT.—Section  
13          25D(g) is amended—

14                (A) by striking “before January 1, 2023”  
15                in paragraph (2) and inserting “before January  
16                1, 2022”,

17                (B) by striking “and” at the end of para-  
18                graph (2),

19                (C) by redesignating paragraph (3) as  
20                paragraph (5) and by inserting after paragraph  
21                (2) the following new paragraphs:

22                        “(3) in the case of property placed in service  
23                        after December 31, 2021, and before January 1,  
24                        2032, 30 percent,

1           “(4) in the case of property placed in service  
2 after December 31, 2031, and before January 1,  
3 2033, 26 percent, and”, and

4           (D) by striking “December 31, 2022, and  
5 before January 1, 2024” in paragraph (5) (as  
6 so redesignated) and inserting “December 31,  
7 2032, and before January 1, 2034”.

8           (b) RESIDENTIAL ENERGY EFFICIENT PROPERTY  
9 CREDIT FOR BATTERY STORAGE TECHNOLOGY.—

10           (1) IN GENERAL.—Section 25D(a) is amended  
11 by striking “and” at the end of paragraph (5) and  
12 by inserting after paragraph (6) the following new  
13 paragraph:

14           “(7) the qualified battery storage technology ex-  
15 penditures,”.

16           (2) QUALIFIED BATTERY STORAGE TECH-  
17 NOLOGY EXPENDITURE.—Section 25D(d) is amend-  
18 ed by adding at the end the following new para-  
19 graph:

20           “(7) QUALIFIED BATTERY STORAGE TECH-  
21 NOLOGY EXPENDITURE.—The term ‘qualified bat-  
22 tery storage technology expenditure’ means an ex-  
23 penditure for battery storage technology which—



1           “(A) is installed in connection with a  
2           dwelling unit located in the United States and  
3           used as a residence by the taxpayer, and

4           “(B) has a capacity of not less than 3 kilo-  
5           watt hours.”.

6           (c) CREDIT MADE REFUNDABLE; INSTALLER RE-  
7           QUIREMENTS; TREATMENT OF CERTAIN POSSESSIONS.—  
8           Section 25D is amended by redesignating subsection (h)  
9           as subsection (k) and by inserting after subsection (g) the  
10          following new subsections:

11          “(h) CREDIT MADE REFUNDABLE FOR TAXABLE  
12          YEARS AFTER 2023.—In the case of any taxable year be-  
13          ginning after December 31, 2023, the credit allowed under  
14          subsection (a) (excluding any credit carried forward from  
15          a previous taxable year) shall be treated as a credit al-  
16          lowed under subpart C (and not allowed under this sub-  
17          part).

18          “(i) REQUIREMENT FOR QUALIFIED INSTALLER.—

19                  “(1) IN GENERAL.—No credit shall be allowed  
20          under this section with respect to any property de-  
21          scribed in subsection (a) placed in service after De-  
22          cember 31, 2023 unless—

23                          “(A) such property is installed by a quali-  
24                          fied installer, and

1           “(B) the taxpayer includes the qualified in-  
2           stallation identification number described in  
3           paragraph (3) on the return of tax for the tax-  
4           able year.

5           “(2) QUALIFIED INSTALLER.—

6           “(A) IN GENERAL.—For purposes of this  
7           section, the term ‘qualified installer’ means an  
8           installer who enters into an agreement with the  
9           Secretary which provides that such installer  
10          will, with respect to expenditures described in  
11          subsection (a) in connection with the residence  
12          of a taxpayer—

13                 “(i) provide the taxpayer with a quali-  
14                 fied installation identification number and  
15                 a written receipt of the purchase and in-  
16                 stallation of such property in a manner  
17                 prescribed by the Secretary, and

18                 “(ii) make periodic written reports to  
19                 the Secretary (in such manner as the Sec-  
20                 retary may provide) of installation identi-  
21                 fication numbers assigned by the installer  
22                 corresponding to such expenditures, includ-  
23                 ing such information as the Secretary may  
24                 require with respect to such expenditures.

1           “(B) INSTALLER DEEMED TO MEET RE-  
2           QUIREMENT.—For purposes of subparagraph  
3           (A), to the extent provided by the Secretary, an  
4           installer may be deemed to meet the require-  
5           ment under clause (ii) of such subparagraph on  
6           the basis of information available to the Sec-  
7           retary which the Secretary determines is rea-  
8           sonably reliable for purposes of determining the  
9           amount of qualified expenditures under sub-  
10          section (a) made by a taxpayer in connection  
11          with a residence of such taxpayer.

12          “(3) QUALIFIED INSTALLATION IDENTIFICA-  
13          TION NUMBER.—For purposes of this section, the  
14          term ‘qualified installation identification number’  
15          means a unique identification number with respect  
16          to expenditures described in subsection (a) in con-  
17          nection with a residence of a taxpayer that is in-  
18          stalled by a qualified installer.

19          “(4) REGISTRATION.—The Secretary may re-  
20          quire such information or registration of a qualified  
21          installer as the Secretary deems necessary or appro-  
22          priate for purposes of preventing duplication, fraud,  
23          or improper claims with respect to property de-  
24          scribed in subsection (a). Under regulations or other  
25          guidance prescribed by the Secretary, the registra-

1 tion of any person under this section may be denied,  
2 revoked, or suspended if the Secretary determines  
3 that such denial, revocation, or suspension is nec-  
4 essary to prevent duplication, fraud, or improper  
5 claims with respect to property described in sub-  
6 section (a).

7 “(j) TREATMENT OF CERTAIN POSSESSIONS.—

8 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR  
9 CODE TAX SYSTEMS.—The Secretary shall pay to  
10 each possession of the United States which has a  
11 mirror code tax system amounts equal to the loss (if  
12 any) to that possession by reason of the application  
13 of the provisions of this section. Such amounts shall  
14 be determined by the Secretary based on information  
15 provided by the government of the respective posses-  
16 sion.

17 “(2) PAYMENTS TO OTHER POSSESSIONS.—The  
18 Secretary shall pay to each possession of the United  
19 States which does not have a mirror code tax system  
20 amounts estimated by the Secretary as being equal  
21 to the aggregate benefits (if any) that would have  
22 been provided to residents of such possession by rea-  
23 son of the provisions of this section if a mirror code  
24 tax system had been in effect in such possession.  
25 The preceding sentence shall not apply unless the re-

1       pective possession has a plan which has been ap-  
2       proved by the Secretary under which such possession  
3       will promptly distribute such payments to its resi-  
4       dents.

5               “(3) MIRROR CODE TAX SYSTEM; TREATMENT  
6       OF PAYMENTS.—Rules similar to the rules of para-  
7       graphs (3), (4), and (5) of section 21(h) shall apply  
8       for purposes of this section.”.

9       (d) CERTAIN EXPENDITURES DISALLOWED.—Sec-  
10      tion 25D is amended—

11              (1) in subsection (a), by adding “and” at the  
12              end of paragraph (4), by striking the comma at the  
13              end of paragraph (5) and inserting a period, and by  
14              striking paragraph (6), and

15              (2) in subsection (d), by striking paragraph (6).

16       (e) CARRYFORWARD OF UNUSED CREDIT DIS-  
17      ALLOWED.—Section 25D is amended by striking sub-  
18      section (c).

19       (f) CONFORMING AMENDMENT.—Section 6213(g)(2),  
20      as amended by the preceding provisions of this Act, is  
21      amended—

22              (1) in subparagraph (T), by striking “and” at  
23              the end,

24              (2) in subparagraph (U), by striking the period  
25              at the end and inserting “, and”, and

1 (3) by adding at the end the following:

2 “(V) an omission of a correct qualified in-  
3 stallation identification number required under  
4 section 25D (relating to credit for residential  
5 energy efficient property) to be included on a  
6 return.”.

7 (g) EFFECTIVE DATES.—

8 (1) The amendments made by subsections (a),  
9 (b), (d), and (f) shall apply to expenditures made  
10 after December 31, 2021.

11 (2) The amendments made by subsections (c)  
12 and (e) shall apply to expenditures made after De-  
13 cember 31, 2022.

14 **SEC. 136303. ENERGY EFFICIENT COMMERCIAL BUILDINGS**  
15 **DEDUCTION.**

16 (a) PLACED IN SERVICE REQUIREMENT.—Section  
17 179D(c)(2) is amended to read as follows:

18 “(2) REFERENCE STANDARD 90.1.—The term  
19 ‘Reference Standard 90.1’ means, with respect to  
20 any property, the more recent of—

21 “(A) Standard 90.1-2007 published by the  
22 American Society of Heating, Refrigerating,  
23 and Air Conditioning Engineers and the Illu-  
24 minating Engineering Society of North Amer-  
25 ica, or

1           “(B) the most recent Standard 90.1 pub-  
2           lished by the American Society of Heating, Re-  
3           frigerating, and Air Conditioning Engineers and  
4           the Illuminating Engineering Society of North  
5           America for which the Department of Energy  
6           has issued a final determination and which has  
7           been affirmed by the Secretary for purposes of  
8           this section not later than the date that is 4  
9           years before the date such property is placed in  
10          service.”.

11          (b) TEMPORARY INCREASE IN DEDUCTION, ETC.—  
12 Section 179D is amended by adding at the end the fol-  
13 lowing:

14          “(i) TEMPORARY RULES.—

15               “(1) PERIOD OF APPLICATION.—The provisions  
16               of this subsection shall apply only to taxable years  
17               beginning after December 31, 2021, and before Jan-  
18               uary 1, 2032.

19               “(2) MODIFICATION OF EFFICIENCY STAND-  
20               ARD.—Subsection (c)(1)(D) shall be applied by sub-  
21               stituting ‘25’ for ‘50’.

22               “(3) MAXIMUM AMOUNT OF DEDUCTION.—

23                       “(A) IN GENERAL.—The deduction under  
24                       subsection (a) with respect to any building for

1 any taxable year shall not exceed the excess (if  
2 any) of—

3 “(i) the product of—

4 “(I) the applicable dollar value,  
5 and

6 “(II) the square footage of the  
7 building, over

8 “(ii) the aggregate amount of the de-  
9 ductions under subsection (a) and para-  
10 graph (6) with respect to the building for  
11 the 3 taxable years immediately preceding  
12 such taxable year (or, in the case of any  
13 such deduction allowable to a person other  
14 than the taxpayer, for any taxable year  
15 ending during the 4-taxable-year period  
16 ending with such taxable year).

17 “(B) APPLICABLE DOLLAR VALUE.—For  
18 purposes of paragraph (3)(A)(i), the applicable  
19 dollar value shall be an amount equal to \$0.50  
20 increased (but not above \$1.00) by \$0.02 for  
21 each percentage point by which the total annual  
22 energy and power costs for the building are cer-  
23 tified to be reduced by a percentage greater  
24 than 25 percent.



1           “(C) APPLICATION OF INFLATION ADJUST-  
2           MENT.—Subsection (g) shall be applied—

3                   “(i) by substituting ‘2022’ for ‘2020’,

4                   “(ii) by substituting ‘subsection  
5                   (i)(3)(B)’ for ‘subsection (b) or subsection  
6                   (d)(1)(A)’, and

7                   “(iii) by substituting ‘2021’ for  
8                   ‘2019’.

9           “(D) LIMITATION TO APPLY IN LIEU OF  
10           CURRENT LIMITATION AND PARTIAL ALLOW-  
11           ANCE.—Subsections (b) and (d)(1) shall not  
12           apply.

13           “(4) INCREASED CREDIT AMOUNT FOR CERTAIN  
14           PROPERTY.—

15                   “(A) IN GENERAL.—In the case of any  
16                   property which satisfies the requirements of  
17                   subparagraph (B), paragraph (3)(B) shall be  
18                   applied by substituting ‘\$2.50’ for ‘\$0.50’,  
19                   ‘\$.10’ for ‘\$.02’, and ‘\$5.00’ for ‘\$1.00’.

20                   “(B) PROJECT REQUIREMENTS.—A project  
21                   meets the requirements of this subparagraph if  
22                   it is one of the following:

23                           “(i) A building or qualified retrofit  
24                           plan the construction of which begins prior  
25                           to 60 days after the Secretary publishes

1 guidance with respect to the requirements  
2 of paragraphs (5) and (6).

3 “(ii) A building or qualified retrofit  
4 plan the construction of which satisfies the  
5 requirements of paragraphs (5) and (6).

6 “(5) PREVAILING WAGE REQUIREMENTS.—

7 “(A) IN GENERAL.—The requirements de-  
8 scribed in this subparagraph with respect to  
9 any project are that the taxpayer shall ensure  
10 that any laborers and mechanics employed by  
11 contractors and subcontractors in the construc-  
12 tion of any property or with respect to building  
13 modifications made as part of a qualified ret-  
14 rofit plan shall be paid wages at rates not less  
15 than the prevailing rates for construction, alter-  
16 ation, or repair of a similar character in the lo-  
17 cality as most recently determined by the Sec-  
18 retary of Labor, in accordance with subchapter  
19 IV of chapter 31 of title 40, United States  
20 Code.

21 “(B) CORRECTION AND PENALTY RELATED  
22 TO FAILURE TO SATISFY WAGE REQUIRE-  
23 MENTS.—Rules similar to the rules of clauses  
24 (i) through (iv) of section 45(b)(7)(B) shall  
25 apply.

1           “(6) APPRENTICESHIP REQUIREMENTS.—Rules  
2 similar to the rules of section 45(b)(8) shall apply.

3           “(7) ALLOCATION OF DEDUCTION BY CERTAIN  
4 TAX-EXEMPT ENTITIES.—

5           “(A) IN GENERAL.—A specified tax-ex-  
6 empt entity shall be treated in the same manner  
7 as a Federal, State, or local government for  
8 purposes of applying subsection (d)(4).

9           “(B) SPECIFIED TAX-EXEMPT ENTITY.—  
10 For purposes of this paragraph, the term ‘spec-  
11 ified tax-exempt entity’ means—

12           “(i) the United States, any State or  
13 political subdivision thereof, any possession  
14 of the United States, or any agency or in-  
15 strumentality of any of the foregoing,

16           “(ii) an Indian tribal government (as  
17 defined in section 48(e)(4)(F)(ii)) or Alas-  
18 ka Native Corporation (as defined in sec-  
19 tion 3 of the Alaska Native Claims Settle-  
20 ment Act (43 U.S.C. 1602(m)), and

21           “(iii) any organization exempt from  
22 tax imposed by this chapter.

23           “(8) ALTERNATIVE DEDUCTION FOR ENERGY  
24 EFFICIENT RETROFIT BUILDING PROPERTY.—

1           “(A) IN GENERAL.—In the case of a tax-  
2           payer which elects (at such time and in such  
3           manner as the Secretary may provide) the ap-  
4           plication of this paragraph with respect to any  
5           qualified building, there shall be allowed as a  
6           deduction for the taxable year which includes  
7           the date of the qualifying final certification with  
8           respect to the qualified retrofit plan of such  
9           building, an amount equal to the lesser of—

10                   “(i) the excess described in paragraph  
11                   (3) (determined by substituting ‘energy  
12                   usage intensity’ for ‘total annual energy  
13                   and power costs’ in subparagraph (B)  
14                   thereof), or

15                   “(ii) the aggregate adjusted basis (de-  
16                   termined after taking into account all ad-  
17                   justments with respect to such taxable year  
18                   other than the reduction under subsection  
19                   (e)) of energy efficient retrofit building  
20                   property placed in service by the taxpayer  
21                   pursuant to such qualified retrofit plan.

22           “(B) QUALIFIED RETROFIT PLAN.—For  
23           purposes of this paragraph, the term ‘qualified  
24           retrofit plan’ means a written plan prepared by  
25           a qualified professional which specifies modi-

1           fications to a building which, in the aggregate,  
2           are expected to reduce such building’s energy  
3           usage intensity by 25 percent or more in com-  
4           parison to the baseline energy usage intensity of  
5           such building. Such plan shall provide for a  
6           qualified professional to—

7                   “(i) as of any date during the 1-year  
8                   period ending on the date of the first cer-  
9                   tification described in clause (ii), certify  
10                  the energy usage intensity of such building  
11                  as of such date,

12                  “(ii) certify the status of property in-  
13                  stalled pursuant to such plan as meeting  
14                  the requirements of clauses (ii) and (iii)  
15                  subparagraph (C), and

16                  “(iii) as of any date that is more than  
17                  1 year after completion of the plan, certify  
18                  the energy usage intensity of such building  
19                  as of such date.

20                  “(C)   ENERGY   EFFICIENT   RETROFIT  
21                  BUILDING   PROPERTY.—For purposes of this  
22                  paragraph, the term ‘energy efficient retrofit  
23                  building property’ means property—

1 “(i) with respect to which depreciation  
2 (or amortization in lieu of depreciation) is  
3 allowable,

4 “(ii) which is installed on or in any  
5 qualified building,

6 “(iii) which is installed as part of—

7 “(I) the interior lighting systems,

8 “(II) the heating, cooling, ven-  
9 tilation, and hot water systems, or

10 “(III) the building envelope, and

11 “(iv) which is certified in accordance  
12 with subparagraph (B)(ii) as meeting the  
13 requirements of clauses (ii) and (iii).

14 “(D) QUALIFIED BUILDING.—For pur-  
15 poses of this paragraph, the term ‘qualified  
16 building’ means any building which—

17 “(i) is located in the United States,  
18 and

19 “(ii) was originally placed in service  
20 not less than 5 years before the establish-  
21 ment of the qualified retrofit plan with re-  
22 spect to such building.

23 “(E) QUALIFYING FINAL CERTIFI-  
24 CATION.—For purposes of this paragraph, the  
25 term ‘qualifying final certification’ means, with

1 respect to any qualified retrofit plan, the certifi-  
2 cation described in subparagraph (B)(iii) if the  
3 energy usage intensity certified in such certifi-  
4 cation is not more than 75 percent of the base-  
5 line energy usage intensity of the building.

6 “(F) BASELINE ENERGY USAGE INTEN-  
7 SITY.—

8 “(i) IN GENERAL.—The term ‘baseline  
9 energy usage intensity’ means the energy  
10 usage intensity certified under subpara-  
11 graph (B)(i), as adjusted to take into ac-  
12 count weather as compared to the energy  
13 usage intensity determined under subpara-  
14 graph (B)(iii).

15 “(ii) DETERMINATION OF ADJUST-  
16 MENT.—For purposes of clause (i), the ad-  
17 justments described in such clause shall be  
18 determined in such manner as the Sec-  
19 retary may provide.

20 “(G) OTHER DEFINITIONS.—For purposes  
21 of this paragraph—

22 “(i) ENERGY USAGE INTENSITY.—The  
23 term ‘energy usage intensity’ means the  
24 annualized, measured site energy usage in-  
25 tensity determined in accordance with such

1 regulations or other guidance as the Sec-  
2 retary may provide and measured in Brit-  
3 ish thermal units.

4 “(ii) QUALIFIED PROFESSIONAL.—

5 The term ‘qualified professional’ means an  
6 individual who is a licensed architect or a  
7 licenced engineer and meets such other re-  
8 quirements as the Secretary may provide.

9 “(H) COORDINATION WITH DEDUCTION

10 OTHERWISE ALLOWED UNDER SUBSECTION

11 (a).—

12 “(i) IN GENERAL.—In the case of any

13 building with respect to which an election  
14 is made under subparagraph (A), the term  
15 ‘energy efficient commercial building prop-  
16 erty’ shall not include any energy efficient  
17 retrofit building property with respect to  
18 which a deduction is allowable under this  
19 paragraph.

20 “(ii) CERTAIN RULES NOT APPLICA-

21 BLE.—

22 “(I) IN GENERAL.—Except as

23 provided in subclause (II), subsection  
24 (d) shall not apply for purposes of  
25 this paragraph.



1                   “(II) ALLOCATION OF DEDUC-  
2                   TION BY CERTAIN TAX-EXEMPT ENTI-  
3                   TIES.—Rules similar to subsection  
4                   (d)(4) (determined after application of  
5                   paragraph (5)) shall apply for pur-  
6                   poses of this paragraph.”.

7           (c) APPLICATION TO REAL ESTATE INVESTMENT  
8 TRUST EARNINGS AND PROFITS.—Section 312(k)(3)(B)  
9 is amended—

10           (1) by striking “for purposes of computing the  
11           earnings and profits of a corporation” and inserting  
12           the following:

13                   “(i) IN GENERAL.—For purposes of  
14                   computing the earnings and profits of a  
15                   corporation, except as provided in clause  
16                   (ii)”, and

17           (2) by adding at the end the following new  
18           clause:

19                   “(ii) SPECIAL RULE.—In the case of a  
20                   corporation that is a real estate investment  
21                   trust, any amount deductible under section  
22                   179D shall be allowed in the year in which  
23                   the property giving rise to such deduction  
24                   is placed in service.”.

1           (d)           CONFORMING           AMENDMENT.—Section  
2 179D(d)(2) is amended by striking “not later than the  
3 date that is 2 years before the date that construction of  
4 such property begins” and inserting “not later than the  
5 date that is 4 years before the date such property is placed  
6 in service”.

7           (e) EFFECTIVE DATE.—

8                   (1) IN GENERAL.—Except as otherwise pro-  
9 vided in this subsection, the amendment made by  
10 this section shall apply to taxable years beginning  
11 after December 31, 2021.

12                   (2) ALTERNATIVE DEDUCTION FOR ENERGY EF-  
13 FICIENT RETROFIT BUILDING PROPERTY.—Para-  
14 graph (8) of section 179D(i) of the Internal Revenue  
15 Code of 1986 (as added by this section), and any  
16 other provision of such section solely for purposes of  
17 applying such paragraph, shall apply to property  
18 placed in service after December 31, 2021 (in tax-  
19 able years ending after such date) if such property  
20 is placed in service pursuant to qualified retrofit  
21 plan (within the meaning of such section) estab-  
22 lished after such date.

1 **SEC. 136304. EXTENSION, INCREASE, AND MODIFICATIONS**  
2 **OF NEW ENERGY EFFICIENT HOME CREDIT.**

3 (a) EXTENSION OF CREDIT.—Section 45L(g) is  
4 amended by striking “December 31, 2021” and inserting  
5 “December 31, 2031”.

6 (b) INCREASE IN CREDIT AMOUNTS.—Section  
7 45L(a)(2) is amended to read as follows:

8 “(2) APPLICABLE AMOUNT.—For purposes of  
9 paragraph (1), the applicable amount is an amount  
10 equal to—

11 “(A) in the case of a dwelling unit which  
12 is eligible to participate in the Energy Star  
13 Residential New Construction Program or the  
14 Energy Star Manufactured New Homes pro-  
15 gram—

16 “(i) that is described in subsection  
17 (c)(1)(A) (and not described in subsection  
18 (c)(1)(B)), \$2,500, and

19 “(ii) that is described in subsection  
20 (c)(1)(B), \$5000, and

21 “(B) in the case of a dwelling unit which  
22 is part of a building eligible to participate in  
23 the Energy Star Multifamily New Construction  
24 Program—

1                   “(i) that is described in subsection  
2                   (c)(1)(A) (and not described in subsection  
3                   (c)(1)(B)), \$500, and

4                   “(ii) that is described in subsection  
5                   (c)(1)(B), \$1000.”.

6           (c) MODIFICATION OF ENERGY SAVING REQUIRE-  
7 MENTS.—Section 45L(c) is amended to read as follows:

8           “(c) ENERGY SAVING REQUIREMENTS.—

9                   “(1) IN GENERAL.—A dwelling unit meets the  
10 energy saving requirements of this subsection if—

11                           “(A) such dwelling unit meets the require-  
12                           ments of paragraph (2) or (3) (whichever is ap-  
13                           plicable), or

14                           “(B) such dwelling unit is certified as a  
15                           zero energy ready home under the zero energy  
16                           ready home program of the Department of En-  
17                           ergy (or any successor program determined by  
18                           the Secretary) as in effect on January 1, 2022.

19                   “(2) SINGLE-FAMILY HOME REQUIREMENTS.—  
20 A dwelling unit meets the requirements of this para-  
21 graph if—

22                           “(A) such dwelling unit meets—

23                                   “(i) in the case of a dwelling unit ac-  
24                                   quired before January 1, 2025, the Energy

1 Star Single-Family New Homes National  
2 Program Requirements 3.1, and

3 “(ii) in the case of a dwelling unit ac-  
4 quired after December 31, 2024, the En-  
5 ergy Star Single-Family New Homes Na-  
6 tional Program Requirements 3.2,

7 “(B) such dwelling unit meets the most re-  
8 cent Energy Star Single-Family New Homes  
9 Program Requirements applicable to the loca-  
10 tion of such dwelling unit (as in effect on the  
11 latter of January 1, 2022 or January 1 of two  
12 calendar years prior to the date the dwelling  
13 unit was acquired), or

14 “(C) such dwelling unit meets the most re-  
15 cent Energy Star Manufactured Home National  
16 program requirements as in effect on the latter  
17 of January 1, 2022 or January 1 of two cal-  
18 endar years prior to the date such dwelling unit  
19 is acquired.

20 “(3) MULTI-FAMILY HOME REQUIREMENTS.—A  
21 dwelling unit meets the requirements of this para-  
22 graph if—

23 “(A) such dwelling unit meets the most re-  
24 cent Energy Star Multifamily New Construction  
25 National Program Requirements (as in effect

1 on either January 1, 2022 or January 1 of  
2 three calendar years prior to the date the dwell-  
3 ing was acquired, whichever is later), and

4 “(B) such dwelling unit meets the most re-  
5 cent Energy Star Multifamily New Construction  
6 Regional Program Requirements applicable to  
7 the location of such dwelling unit (as in effect  
8 on either January 1, 2022 or January 1 of  
9 three calendar years prior to the date the dwell-  
10 ing was acquired, whichever is later).”.

11 (d) PREVAILING WAGE REQUIREMENT.—Section  
12 45L is amended by redesignating subsection (g) as sub-  
13 section (h) and by inserting after subsection (f) the fol-  
14 lowing new subsection:

15 “(g) PREVAILING WAGE REQUIREMENT.—

16 “(1) IN GENERAL.—In the case of a qualifying  
17 residence described in subsection (b)(2)(B) meeting  
18 the prevailing wage requirements of paragraph (2),  
19 the credit amount allowed with respect to such resi-  
20 dence shall be—

21 “(A) \$2,500 in the case of a residence de-  
22 scribed in subparagraph (A) of subsection  
23 (c)(1) (and not described in subparagraph (B)  
24 of such subsection), and

1           “(B) \$5,000 in the case of a residence de-  
2           scribed in (c)(1)(B).

3           “(2) PREVAILING WAGE REQUIREMENTS.—

4           “(A) IN GENERAL.—The requirements de-  
5           scribed in this paragraph with respect to any  
6           qualified residence are that the taxpayer shall  
7           ensure that any laborers and mechanics em-  
8           ployed by contractors and subcontractors in the  
9           construction of such residence shall be paid  
10          wages at rates not less than the prevailing rates  
11          for construction, alteration, or repair of a simi-  
12          lar character in the locality as most recently de-  
13          termined by the Secretary of Labor, in accord-  
14          ance with subchapter IV of chapter 31 of title  
15          40, United States Code.

16          “(B) CORRECTION AND PENALTY RELATED  
17          TO FAILURE TO SATISFY WAGE REQUIRE-  
18          MENTS.—Rules similar to the rules of clauses  
19          (i) through (iv) of section 45(b)(7)(B) shall  
20          apply.

21          “(3) REGULATIONS AND GUIDANCE.—The Sec-  
22          retary shall issue such regulations or other guidance  
23          as the Secretary determines necessary or appropriate  
24          to carry out the purposes of this subsection, includ-  
25          ing regulations or other guidance which provides for

1 requirements for recordkeeping or information re-  
2 porting for purposes of establishing the requirements  
3 of this subsection.”.

4 (e) EFFECTIVE DATES.—The amendments made by  
5 this section shall apply to dwelling units acquired after  
6 December 31, 2021.

7 **SEC. 136305. MODIFICATIONS TO INCOME EXCLUSION FOR**  
8 **CONSERVATION SUBSIDIES.**

9 (a) IN GENERAL.—Section 136(a) is amended—

10 (1) by striking “any subsidy provided” and in-  
11 sserting “any subsidy—

12 “(1) provided”,

13 (2) by striking the period at the end and insert-  
14 ing a comma, and

15 (3) by adding at the end the following new  
16 paragraphs:

17 “(2) provided (directly or indirectly) by a public  
18 utility to a customer, or by a State or local govern-  
19 ment to a resident of such State or locality, for the  
20 purchase or installation of any water conservation or  
21 efficiency measure,

22 “(3) provided (directly or indirectly) by a storm  
23 water management provider to a customer, or by a  
24 State or local government to a resident of such State



1 or locality, for the purchase or installation of any  
2 storm water management measure, or

3 “(4) provided (directly or indirectly) by a State  
4 or local government to a resident of such State or  
5 locality for the purchase or installation of any waste-  
6 water management measure, but only if such meas-  
7 ure is with respect to the taxpayer’s principal resi-  
8 dence.”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) DEFINITION OF WATER CONSERVATION OR  
11 EFFICIENCY MEASURE AND STORM WATER MANAGE-  
12 MENT MEASURE.—Section 136(c) is amended—

13 (A) by striking “ENERGY CONSERVATION  
14 MEASURE” in the heading thereof and inserting  
15 “DEFINITIONS”,

16 (B) by striking “IN GENERAL” in the  
17 heading of paragraph (1) and inserting “EN-  
18 ERGY CONSERVATION MEASURE”, and

19 (C) by redesignating paragraph (2) as  
20 paragraph (5) and by inserting after paragraph  
21 (1) the following:

22 “(2) WATER CONSERVATION OR EFFICIENCY  
23 MEASURE.—For purposes of this section, the term  
24 ‘water conservation or efficiency measure’ means any  
25 evaluation of water use, or any installation or modi-

1       fication of property, the primary purpose of which is  
2       to reduce consumption of water or to improve the  
3       management of water demand with respect to one or  
4       more dwelling units.

5               “(3) STORM WATER MANAGEMENT MEASURE.—  
6       For purposes of this section, the term ‘storm water  
7       management measure’ means any installation or  
8       modification of property primarily designed to re-  
9       duce or manage amounts of storm water with re-  
10      spect to one or more dwelling units.

11              “(4) WASTEWATER MANAGEMENT MEASURE.—  
12      For purposes of this section, the term ‘wastewater  
13      management measure’ means any installation or  
14      modification of property primarily designed to man-  
15      age wastewater (including septic tanks and cess-  
16      pools) with respect to one or more dwelling units.”.

17              (2) DEFINITION OF PUBLIC UTILITY.—Section  
18      136(c)(5) (as redesignated by paragraph (1)(C)) is  
19      amended by striking subparagraph (B) and inserting  
20      the following:

21              “(B) PUBLIC UTILITY.—The term ‘public  
22      utility’ means a person engaged in the sale of  
23      electricity, natural gas, or water to residential,  
24      commercial, or industrial customers for use by  
25      such customers.

1           “(C) STORM WATER MANAGEMENT PRO-  
2           VIDER.—The term ‘storm water management  
3           provider’ means a person engaged in the provi-  
4           sion of storm water management measures to  
5           the public.

6           “(D) PERSON.—For purposes of subpara-  
7           graphs (B) and (C), the term ‘person’ includes  
8           the Federal Government, a State or local gov-  
9           ernment or any political subdivision thereof, or  
10          any instrumentality of any of the foregoing.”.

11          (3) CLERICAL AMENDMENTS.—

12           (A) The heading for section 136 is amend-  
13          ed—

14                   (i) by inserting “**AND WATER**” after  
15                   “**ENERGY**”, and

16                   (ii) by striking “**PROVIDED BY PUB-  
17                   LIC UTILITIES**”.

18           (B) The item relating to section 136 in the  
19          table of sections of part III of subchapter B of  
20          chapter 1 is amended—

21                   (i) by inserting “and water” after  
22                   “energy”, and

23                   (ii) by striking “provided by public  
24                   utilities”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts received after Decem-  
3 ber 31, 2018.

4 (d) NO INFERENCE.—Nothing in this Act or the  
5 amendments made by this Act shall be construed to create  
6 any inference with respect to the proper tax treatment of  
7 any subsidy received directly or indirectly from a public  
8 utility, a storm water management provider, or a State  
9 or local government for any water conservation measure  
10 or storm water management measure before January 1,  
11 2019.

12 **SEC. 136306. CREDIT FOR QUALIFIED WILDFIRE MITIGA-**  
13 **TION EXPENDITURES.**

14 (a) IN GENERAL.—Subpart B of part IV of sub-  
15 chapter A of chapter 1 is amended by inserting after sec-  
16 tion 27 the following new section:

17 **“SEC. 28. QUALIFIED WILDFIRE MITIGATION EXPENDI-**  
18 **TURES.**

19 “(a) IN GENERAL.—There shall be allowed as a cred-  
20 it against the tax imposed by this chapter for the taxable  
21 year an amount equal to 30 percent of the qualified wild-  
22 fire mitigation expenditures paid or incurred by the tax-  
23 payer during such taxable year with respect to real prop-  
24 erty owned or leased by the taxpayer.

1       “(b) QUALIFIED WILDFIRE MITIGATION EXPENDI-  
2 TURES.—For purposes of this section—

3           “(1) IN GENERAL.—The term ‘qualified wildfire  
4 mitigation expenditures’ means any specified wildfire  
5 mitigation expenditure made pursuant to a qualified  
6 State wildfire mitigation program of a State which  
7 requires expenditures for wildfire mitigation to be  
8 paid both by the taxpayer and such State. Such  
9 term shall not include any item of expenditure un-  
10 less the ratio of the State’s expenditure for such  
11 item to the sum of the State’s and taxpayer’s ex-  
12 penditures for such item is not less than 25 percent.

13           “(2) SPECIFIED WILDFIRE MITIGATION EX-  
14 PENDITURE.—The term ‘specified wildfire mitigation  
15 expenditure’ means, with respect to any real prop-  
16 erty owned or leased by the taxpayer, any amount  
17 paid or incurred to reduce the risk of wildfire by re-  
18 moving accumulations of vegetation (including estab-  
19 lishing, expanding, or maintaining fuel breaks to  
20 serve as fire breaks) on such real property.

21           “(3) QUALIFIED STATE WILDFIRE MITIGATION  
22 PROGRAM.—The term ‘qualified State wildfire miti-  
23 gation program’ means any program of a State the  
24 primary purpose of which is to mitigate the risk of  
25 wildfires in such State.

1           “(4) TREATMENT OF REIMBURSEMENTS.—Any  
2 amount originally paid or incurred by the taxpayer  
3 which is reimbursed by a State under a qualified  
4 wildfire mitigation program of such State shall be  
5 treated as paid by such State (and not by such tax-  
6 payer).

7           “(c) APPLICATION WITH OTHER CREDITS.—

8           “(1) BUSINESS CREDIT TREATED AS PART OF  
9 GENERAL BUSINESS CREDIT.—So much of the credit  
10 which would be allowed under subsection (a) for any  
11 taxable year (determined without regard to this sub-  
12 section) that is attributable to expenditures made in  
13 the ordinary course of the taxpayer’s trade or busi-  
14 ness (or, in the case of expenditures made by a  
15 State, would have been expenditures made in the or-  
16 dinary course of the taxpayer’s trade or business if  
17 made by the taxpayer) shall be treated as a credit  
18 listed in section 38(b) for taxable year (and not al-  
19 lowed under subsection (a)).

20           “(2) PERSONAL CREDIT.—For purposes of this  
21 title, the credit allowed under subsection (a) for any  
22 taxable year (determined after application of para-  
23 graph (1)) shall be treated as a credit allowable  
24 under subpart A for such taxable year.

1       “(d) REDUCTION OF CREDIT PERCENTAGE WHERE  
2 TAXPAYER EXPENDITURES LESS THAN 30 PERCENT.—

3           “(1) IN GENERAL.—If the expenditure percent-  
4 age with respect to any item of qualified wildfire  
5 mitigation expenditure is less than 30 percent, sub-  
6 section (a) shall be applied by substituting ‘the ex-  
7 penditure percentage’ for ‘30 percent’ with respect  
8 to such item of expenditure.

9           “(2) EXPENDITURE PERCENTAGE.—For pur-  
10 poses of this section, the term ‘expenditure percent-  
11 age’ means, with respect to any item of qualified  
12 wildfire mitigation expenditure any portion of which  
13 is paid or incurred by a State, the ratio (expressed  
14 as a percentage) of—

15           “(A) the taxpayer’s expenditure for such  
16 item, divided by

17           “(B) the sum of the taxpayer’s and such  
18 State’s expenditures for such item.

19       “(e) SPECIAL RULES.—

20           “(1) TREATMENT OF EXPENDITURES RELATED  
21 TO MARKETABLE TIMBER.—An expenditure shall not  
22 be taken into account for purposes of this section  
23 (whether made by the taxpayer or a State pursuant  
24 to a qualified State wildfire mitigation program of  
25 such State) if such expenditure is properly allocable

1 to timber which is sold or exchanged by the tax-  
2 payer. The preceding sentence shall not apply to the  
3 extent that such amount exceeds the gain on such  
4 sale or exchange.

5 “(2) BASIS REDUCTION.—For purposes of this  
6 subtitle, if the basis of any property would (but for  
7 this paragraph) be determined by taking into ac-  
8 count any qualified wildfire mitigation expenditure,  
9 the basis of such property shall be reduced by the  
10 amount of the credit allowed under subsection (a)  
11 with respect to such expenditure (determined with-  
12 out regard to subsection (c)).

13 “(3) DENIAL OF DOUBLE BENEFIT.—The  
14 amount of any deduction or other credit allowable  
15 under this chapter for any expenditure for which a  
16 credit is allowable under subsection (a) shall be re-  
17 duced by the amount of credit allowed under such  
18 subsection for such expenditure (determined without  
19 regard to subsection (c)).”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 38(b), as amended by the preceding  
22 provisions of this Act, is amended by striking “plus”  
23 at the end of paragraph (35), by striking the period  
24 at the end of paragraph (36) and inserting “, plus”,



1 and by adding at the end the following new para-  
2 graph:

3 “(37) the portion of the qualified wildfire miti-  
4 gation expenditures credit to which section 28(e)(1)  
5 applies.”.

6 (2) Section 1016(a) is amended by redesignig-  
7 nating paragraphs (35) through (38) as paragraphs  
8 (36) through (39), respectively, and by inserting  
9 after paragraph (34) the following new paragraph:

10 “(35) to the extent provided in section  
11 28(e)(2),”.

12 (3) The table of sections for subpart B of part  
13 IV of subchapter A of chapter 1 is amended by in-  
14 serting after the item relating to section 27 the fol-  
15 lowing new item:

“Sec. 28. Qualified wildfire mitigation expenditures.”.

16 (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to expenditures paid or incurred  
18 after the date of the enactment of this Act, in taxable  
19 years ending after such date.

1           **PART 4—GREENING THE FLEET AND**  
2                           **ALTERNATIVE VEHICLES**

3   **SEC. 136401. REFUNDABLE NEW QUALIFIED PLUG-IN ELEC-**  
4                           **TRIC DRIVE MOTOR VEHICLE CREDIT FOR IN-**  
5                           **DIVIDUALS.**

6           (a) IN GENERAL.—Subpart C of part IV of sub-  
7 chapter A of chapter 1 is amended by inserting after sec-  
8 tion 36B the following new section:

9   **“SEC. 36C. NEW QUALIFIED PLUG-IN ELECTRIC DRIVE**  
10                           **MOTOR VEHICLES.**

11           “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
12 dividual, there shall be allowed as a credit against the tax  
13 imposed by this subtitle for the taxable year an amount  
14 equal to the credit amount determined under subsection  
15 (b) with respect to a new qualified plug-in electric drive  
16 motor vehicle placed in service by the taxpayer during the  
17 taxable year.

18           “(b) CREDIT AMOUNT.—

19           “(1) IN GENERAL.—The amount determined  
20 under this subsection with respect to any new quali-  
21 fied plug-in electric drive motor vehicle is the sum  
22 of the amounts determined under paragraphs (2)  
23 through (5) with respect to such vehicle (not to ex-  
24 ceed 50 percent of the purchase price of such vehi-  
25 cle).

1           “(2) BASE AMOUNT.—The amount determined  
2 under this paragraph is \$4,000.

3           “(3) BATTERY CAPACITY.—In the case of a new  
4 qualified plug-in electric drive motor vehicle, the  
5 amount determined under this paragraph is \$3,500  
6 if—

7                   “(A) in the case of a vehicle placed in serv-  
8 ice before January 1, 2027, such vehicle draws  
9 propulsion energy from a battery with not less  
10 than 40 kilowatt hours of capacity and has a  
11 gasoline tank capacity not greater than 2.5 gal-  
12 lons, and

13                   “(B) in the case of a vehicle placed in serv-  
14 ice after December 31, 2026, such vehicle  
15 draws propulsion energy from a battery with  
16 not less than 50 kilowatt hours of capacity and  
17 has a gasoline tank capacity not greater than  
18 2.5 gallons.

19           “(4) DOMESTIC ASSEMBLY.—In the case of a  
20 new qualified plug-in electric drive motor vehicle  
21 which satisfies the domestic assembly qualifications,  
22 the amount determined under this paragraph is  
23 \$4,500.

24           “(5) DOMESTIC CONTENT.—In the case of a  
25 new qualified plug-in electric drive motor vehicle

1 which satisfies domestic content qualifications, the  
2 amount determined under this paragraph is \$500.

3 “(c) VEHICLE LIMITATION.—The number of new  
4 qualified plug-in electric drive motor vehicles taken in ac-  
5 count under subsection (a) shall not exceed 1 per taxpayer  
6 per taxable year.

7 “(d) LIMITATION BASED ON MODIFIED ADJUSTED  
8 GROSS INCOME.—

9 “(1) IN GENERAL.—The amount of the credit  
10 allowable under subsection (a) for any taxable year  
11 shall be reduced (but not below zero) by \$200 for  
12 each \$1,000 (or fraction thereof) by which—

13 “(A) the lesser of—

14 “(i) the taxpayer’s modified adjusted  
15 gross income for such taxable year, or

16 “(ii) the taxpayer’s modified adjusted  
17 gross income for the preceding taxable  
18 year, exceeds

19 “(B) the threshold amount.

20 For purposes of the preceding sentence, the term  
21 ‘modified adjusted gross income’ means adjusted  
22 gross income increased by any amount excluded  
23 from gross income under section 911, 931, or 933.

24 “(2) THRESHOLD AMOUNT.—For purposes of  
25 paragraph (1), the term ‘threshold amount’ means—

1           “(A) \$500,000 in the case of a joint return  
2           or surviving spouse (half such amount in the  
3           case of a married individual filing a separate re-  
4           turn),

5           “(B) \$375,000 in the case of a head of  
6           household, and

7           “(C) \$250,000 in any other case.

8           “(e) MANUFACTURER’S SUGGESTED RETAIL PRICE  
9           LIMITATION.—

10           “(1) IN GENERAL.—No credit shall be allowed  
11           under subsection (a) for a vehicle with a manufac-  
12           turer’s suggested retail price in excess of the appli-  
13           cable limitation.

14           “(2) APPLICABLE LIMITATION.—For purposes  
15           of paragraph (1), the applicable limitation for each  
16           vehicle classification is as follows:

17           “(A) VANS.—In the case of a van,  
18           \$80,000.

19           “(B) SPORT UTILITY VEHICLES.—In the  
20           case of a sport utility vehicle, \$80,000.

21           “(C) PICKUP TRUCKS.—In the case of a  
22           pickup truck, \$80,000.

23           “(D) OTHER.—In the case of any other ve-  
24           hicle, \$55,000.

1           “(3) REGULATIONS AND GUIDANCE.—For pur-  
2           poses of this subsection, the Secretary shall pre-  
3           scribe such regulations or other guidance as the Sec-  
4           retary determines necessary or appropriate for deter-  
5           mining vehicle classifications using criteria similar to  
6           that employed by the Environmental Protection  
7           Agency and the Department of the Energy to deter-  
8           mine size and class of vehicles.”

9           “(f) NEW QUALIFIED PLUG-IN ELECTRIC DRIVE  
10          MOTOR VEHICLE.—For purposes of this section—

11           “(1) IN GENERAL.—The term ‘new qualified  
12           plug-in electric drive motor vehicle’ means a motor  
13           vehicle—

14           “(A) the original use of which commences  
15           with the taxpayer,

16           “(B) which is acquired for use by the tax-  
17           payer and not for resale,

18           “(C) which is made by a qualified manu-  
19           facturer,

20           “(D) which is treated as a motor vehicle  
21           for purposes of title II of the Clean Air Act,

22           “(E) which has a gross vehicle weight rat-  
23           ing of less than 14,000 pounds,

1           “(F) which is propelled to a significant ex-  
2           tent by an electric motor which draws electricity  
3           from a battery which—

4                   “(i) has a capacity of not less than 10  
5                   kilowatt hours, and

6                   “(ii) is capable of being recharged  
7                   from an external source of electricity,

8           “(G) with respect to which, in the case of  
9           a vehicle placed in service after December 31,  
10          2026, final assembly is within the United  
11          States,

12           “(H) is not of a character subject to an al-  
13          lowance for depreciation, and

14           “(I) for which the person who sells or  
15          leases any new qualified plug-in electric drive  
16          motor vehicle to the taxpayer furnishes a report  
17          to the taxpayer and to the Secretary, at such  
18          time and in such manner as the Secretary shall  
19          provide, containing—

20                   “(i) the name and taxpayer identifica-  
21                   tion number of the taxpayer,

22                   “(ii) the vehicle identification number  
23                   of the vehicle, unless, in accordance with  
24                   any applicable rules promulgated by the

1 Secretary of Transportation, the vehicle is  
2 not assigned such a number,

3 “(iii) the battery capacity of the vehi-  
4 cle,

5 “(iv) in the case of any new qualified  
6 plug-in electric drive motor vehicle,  
7 verification that original use of the vehicle  
8 commences with the taxpayer,

9 “(v) the maximum credit under this  
10 section allowable to the taxpayer with re-  
11 spect to the vehicle, and

12 “(vi) in the case of a taxpayer who  
13 makes an election under subsection  
14 (k)(1)—

15 “(I) the modified adjusted gross  
16 income of such taxpayer in the pre-  
17 vious taxable year, as described in  
18 subsection (k)(6)(A), and

19 “(II) any amount described in  
20 subsection (k)(2)(C) which has been  
21 provided to such taxpayer.

22 “(2) MOTOR VEHICLE.—The term ‘motor vehi-  
23 cle’ means any vehicle which is manufactured pri-  
24 marily for use on public streets, roads, and highways



1 (not including a vehicle operated exclusively on a rail  
2 or rails) and which has at least 4 wheels.

3 “(3) QUALIFIED MANUFACTURER.—The term  
4 ‘qualified manufacturer’ means any manufacturer  
5 (within the meaning of the regulations prescribed by  
6 the Administrator of the Environmental Protection  
7 Agency for purposes of the administration of title II  
8 of the Clean Air Act (42 U.S.C. 7521 et seq.)) which  
9 enters into a written agreement with the Secretary  
10 under which such manufacturer agrees—

11 “(A) to ensure that each vehicle manufac-  
12 tured by such manufacturer after the later of  
13 the date on which such agreement takes effect  
14 or December 31, 2021, and that meets the re-  
15 quirements of subsection (d), subparagraphs  
16 (D), (E), and (F) of paragraph (1), and para-  
17 graph (6) of subsection (f) is labeled with a  
18 unique vehicle identification number, and

19 “(B) to make periodic written reports to  
20 the Secretary (at such times and in such man-  
21 ner as the Secretary may provide) providing  
22 such vehicle identification numbers and such  
23 other information related to such vehicle as the  
24 Secretary may require.

1           “(4) BATTERY CAPACITY.—The term ‘capacity’  
2 means, with respect to any battery, the quantity of  
3 electricity which the battery is capable of storing, ex-  
4 pressed in kilowatt hours, as measured from a 100  
5 percent state of charge to a 0 percent state of  
6 charge.

7           “(g) SPECIAL RULES.—

8           “(1) BASIS REDUCTION.—For purposes of this  
9 subtitle, the basis of any property for which a credit  
10 is allowable under subsection (a) shall be reduced by  
11 the amount of such credit so allowed.

12           “(2) NO DOUBLE BENEFIT.—The amount of  
13 any deduction or other credit allowable under this  
14 chapter for a vehicle for which a credit is allowable  
15 under subsection (a) shall be reduced by the amount  
16 of credit allowed under such subsection for such ve-  
17 hicle.

18           “(3) PROPERTY USED OUTSIDE UNITED STATES  
19 NOT QUALIFIED.—No credit shall be allowable under  
20 subsection (a) with respect to any property referred  
21 to in section 50(b)(1).

22           “(4) RECAPTURE.—The Secretary shall, by reg-  
23 ulations or other guidance, provide for recapturing  
24 the benefit of any credit allowable under subsection

1 (a) with respect to any property which ceases to be  
2 property eligible for such credit.

3 “(5) ELECTION NOT TO TAKE CREDIT.—No  
4 credit shall be allowed under subsection (a) for any  
5 vehicle if the taxpayer elects to not have this section  
6 apply to such vehicle.

7 “(6) INTERACTION WITH AIR QUALITY AND  
8 MOTOR VEHICLE SAFETY STANDARDS.—A vehicle  
9 shall not be considered eligible for a credit under  
10 this section unless such vehicle is in compliance  
11 with—

12 “(A) the applicable provisions of the Clean  
13 Air Act for the applicable make and model year  
14 of the vehicle (or applicable air quality provi-  
15 sions of State law in the case of a State which  
16 has adopted such provision under a waiver  
17 under section 209(b) of the Clean Air Act), and

18 “(B) the motor vehicle safety provisions of  
19 sections 30101 through 30169 of title 49,  
20 United States Code.

21 “(h) CREDIT ALLOWED FOR 2 AND 3-WHEELED  
22 PLUG-IN ELECTRIC VEHICLES.—

23 “(1) IN GENERAL.—In the case of a qualified  
24 2- or 3-wheeled plug-in electric vehicle—

1           “(A) there shall be allowed as a credit  
2           against the tax imposed by this subtitle for the  
3           taxable year an amount equal to the sum of the  
4           applicable amount with respect to each such  
5           qualified 2- or 3-wheeled plug-in electric vehicle  
6           placed in service by the taxpayer during the  
7           taxable year, and

8           “(B) the amount of the credit allowed  
9           under subparagraph (A) shall be treated as a  
10          credit allowed under subsection (a).

11          “(2) APPLICABLE AMOUNT.—For purposes of  
12          paragraph (1), the applicable amount is an amount  
13          equal to the lesser of—

14                 “(A) 30 percent of the cost of the qualified  
15                 2- or 3-wheeled plug-in electric vehicle, or

16                 “(B) \$7,500.

17          “(3) QUALIFIED 2- OR 3-WHEELED PLUG-IN  
18          ELECTRIC VEHICLE.—The term ‘qualified 2- or 3-  
19          wheeled plug-in electric vehicle’ means any vehicle  
20          which—

21                 “(A) has 2 or 3 wheels,

22                 “(B) meets the requirements of—

23                         “(i) subparagraphs (A), (B), (C), (E),  
24                         (F), (G), and (I) of subsection (e)(1) (de-  
25                         termined by substituting ‘2.5 kilowatt

1 hours' for '10 kilowatt hours' in subpara-  
2 graph (F)(i)),

3 “(ii) paragraphs (3) and (4) of sub-  
4 section (e), and

5 “(iii) subsections (f), (h), (i), and (k),

6 “(C) is manufactured primarily for use on  
7 public streets, roads, and highways, and

8 “(D) is capable of achieving a speed of 45  
9 miles per hour or greater.

10 “(i) VIN NUMBER REQUIREMENT.—No credit shall  
11 be allowed under this section with respect to any vehicle  
12 unless the taxpayer includes the vehicle identification  
13 number of such vehicle on the return of tax for the taxable  
14 year.

15 “(j) TREATMENT OF CERTAIN POSSESSIONS.—

16 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR  
17 CODE TAX SYSTEMS.—The Secretary shall pay to  
18 each possession of the United States which has a  
19 mirror code tax system amounts equal to the loss (if  
20 any) to that possession by reason of the application  
21 of the provisions of this section (determined without  
22 regard to this subsection). Such amounts shall be  
23 determined by the Secretary based on information  
24 provided by the government of the respective posses-  
25 sion.

1           “(2) PAYMENTS TO OTHER POSSESSIONS.—The  
2           Secretary shall pay to each possession of the United  
3           States which does not have a mirror code tax system  
4           amounts estimated by the Secretary as being equal  
5           to the aggregate benefits (if any) that would have  
6           been provided to residents of such possession by rea-  
7           son of the provisions of this section if a mirror code  
8           tax system had been in effect in such possession.  
9           The preceding sentence shall not apply unless the re-  
10          spective possession has a plan which has been ap-  
11          proved by the Secretary under which such possession  
12          will promptly distribute such payments to its resi-  
13          dents.

14           “(3) MIRROR CODE TAX SYSTEM; TREATMENT  
15          OF PAYMENTS.—Rules similar to the rules of para-  
16          graphs (3), (4), and (5) of section 21(h) shall apply  
17          for purposes of this section.

18           “(k) ASSEMBLY AND CONTENT QUALIFICATIONS.—  
19          For purposes of this section—

20           “(1) DOMESTIC ASSEMBLY QUALIFICATIONS.—  
21          The term ‘domestic assembly qualifications’ means,  
22          with respect to any new qualified plug-in electric ve-  
23          hicle, that the final assembly of such vehicle occurs  
24          at a plant, factory, or other place which is located  
25          in the United States and operating under a collective

1 bargaining agreement negotiated by an employee or-  
2 ganization (as defined in section 412(c)(4)), deter-  
3 mined in a manner consistent with section  
4 7701(a)(46).

5 “(2) DOMESTIC CONTENT QUALIFICATIONS.—  
6 The term ‘domestic content qualifications’ means,  
7 with respect to any model of a new qualified plug-  
8 in electric vehicle, that vehicles of that model are  
9 powered by battery cells which are manufactured in  
10 the United States as certified by the manufacturer  
11 at such time and in such form and manner as the  
12 Secretary may prescribe.

13 “(3) FINAL ASSEMBLY.—The term ‘final assem-  
14 bly’ means the process by which a manufacturer pro-  
15 duces a new qualified plug-in electric drive motor ve-  
16 hicle at, or through the use of, a plant, factory, or  
17 other place from which the vehicle is delivered to a  
18 dealer or importer with all component parts nec-  
19 essary for the mechanical operation of the vehicle in-  
20 cluded with the vehicle, whether or not the compo-  
21 nent parts are permanently installed in or on the ve-  
22 hicle.

23 “(1) TERMINATION.—No credit shall be allowed under  
24 this section with respect to any vehicle acquired after De-  
25 cember 31, 2031.”

1 (b) TRANSFER OF CREDIT.—

2 (1) IN GENERAL.—Section 36C, as added by  
3 subsection (a), is amended by redesignating sub-  
4 section (k) as subsection (l) and by inserting after  
5 subsection (j) following new subsection:

6 “(k) TRANSFER OF CREDIT.—

7 “(1) IN GENERAL.—Subject to such regulations  
8 or other guidance as the Secretary determines nec-  
9 essary or appropriate, if the taxpayer who acquires  
10 a new plug-in electric drive motor vehicle elects the  
11 application of this subsection with respect to such  
12 vehicle, the credit which would (but for this sub-  
13 section) be allowed to such taxpayer with respect to  
14 such vehicle shall be allowed to the eligible entity  
15 specified in such election (and not to such taxpayer).

16 “(2) ELIGIBLE ENTITY.—For purposes of this  
17 paragraph, the term ‘eligible entity’ means, with re-  
18 spect to the vehicle for which the credit is allowed  
19 under subsection (a), the dealer which sold such ve-  
20 hicle to the taxpayer and has—

21 “(A) subject to paragraph (4), registered  
22 with the Secretary for purposes of this para-  
23 graph, at such time, and in such form and  
24 manner, as the Secretary may prescribe,



1           “(B) prior to the election described in  
2 paragraph (1) and not later than at the time of  
3 such sale, disclosed to the taxpayer purchasing  
4 such vehicle—

5                   “(i) the manufacturer’s suggested re-  
6 tail price,

7                   “(ii) the value of the credit allowed or  
8 other incentive available for the purchase  
9 of such vehicle,

10                   “(iii) all fees associated with the pur-  
11 chase of such vehicle, and

12                   “(iv) the amount provided by the deal-  
13 er to such taxpayer as a condition of the  
14 election described in paragraph (1),

15           “(C) made payment to such taxpayer  
16 (whether in cash or in the form of a partial  
17 payment or down payment for the purchase of  
18 such vehicle) in an amount equal to the credit  
19 otherwise allowable to such taxpayer, and

20           “(D) with respect to any incentive other-  
21 wise available for the purchase of a vehicle for  
22 which a credit is allowed under this section, in-  
23 cluding any incentive in the form of a rebate or  
24 discount provided by the dealer or manufac-  
25 turer, ensured that—

1           “(i) the availability or use of such in-  
2           centive shall not limit the ability of a tax-  
3           payer to make an election described in  
4           paragraph (1), and

5           “(ii) such election shall not limit the  
6           value or use of such incentive.

7           “(3) TIMING.—An election described in para-  
8           graph (1) shall be made by the taxpayer not later  
9           than the date on which the vehicle for which the  
10          credit is allowed under subsection (a) is purchased.

11          “(4) REVOCATION OF REGISTRATION.—Upon  
12          determination by the Secretary that a dealer has  
13          failed to comply with the requirements described in  
14          paragraph (2), the Secretary may revoke the reg-  
15          istration (as described in subparagraph (A) of such  
16          paragraph) of such dealer.

17          “(5) TAX TREATMENT OF PAYMENTS.—With  
18          respect to any payment described in paragraph  
19          (2)(C), such payment—

20                 “(A) shall not be includible in the gross in-  
21                 come of the taxpayer, and

22                 “(B) with respect to the dealer, shall not  
23                 be deductible under this title.

1           “(6) APPLICATION OF CERTAIN OTHER RE-  
2           QUIREMENTS.—In the case of any election under  
3           paragraph (1) with respect to any vehicle—

4                   “(A) the amount of the reduction under  
5                   subsection (c) shall be determined with respect  
6                   to the modified adjusted gross income of the  
7                   taxpayer for the taxable year preceding the tax-  
8                   able year in which such vehicle was acquired  
9                   (and not with respect to such income for the  
10                  taxable year in which such vehicle was ac-  
11                  quired),

12                  “(B) the requirements of paragraphs (1)  
13                  and (2) of subsection (f) shall apply to the tax-  
14                  payer who acquired the vehicle in the same  
15                  manner as if the credit determined under this  
16                  section with respect to such vehicle were al-  
17                  lowed to such taxpayer,

18                  “(C) subsection (f)(5) shall not apply, and

19                  “(D) the requirement of subsection (h)  
20                  shall be treated as satisfied if the eligible entity  
21                  provides the vehicle identification number of  
22                  such vehicle to the Secretary in such manner as  
23                  the Secretary may provide.

24           “(7) ADVANCE PAYMENT TO REGISTERED  
25           DEALERS.—

1           “(A) IN GENERAL.—The Secretary shall  
2           establish a program to make advance payments  
3           to any eligible entity in an amount equal to the  
4           cumulative amount of the credits allowed under  
5           subsection (a) with respect to any vehicles sold  
6           by such entity for which an election described  
7           in paragraph (1) has been made.

8           “(B) EXCESSIVE PAYMENTS.—Rules simi-  
9           lar to the rules of section 6417(c)(7) shall apply  
10          for purposes of this paragraph.

11          “(8) DEALER.—For purposes of this sub-  
12          section, the term ‘dealer’ means a person licensed by  
13          a State, the District of Columbia, the Common-  
14          wealth of Puerto Rico, any other territory or posses-  
15          sion of the United States, an Indian tribal govern-  
16          ment (as defined in section 48(e)(4)(F)(ii)), or any  
17          Alaska Native Corporation (as defined in section 3  
18          of the Alaska Native Claims Settlement Act (43  
19          U.S.C. 1602(m)) to engage in the sale of vehicles.”.

20          (2) CONFORMING AMENDMENT.—Section  
21          36C(g)(3)(iii), as added by subsection (a), is amend-  
22          ed by striking “, and (k)” and inserting “(k), and  
23          (l)”.

24          (c) REPEAL OF NONREFUNDABLE NEW QUALIFIED  
25 PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE CREDIT.—

1 Subpart B of part IV of subchapter A of chapter 1 is  
2 amended by striking section 30D (and by striking the item  
3 relating to such section in the table of sections of such  
4 subpart).

5 (d) CONFORMING AMENDMENTS.—

6 (1) Section 1016(a)(37) is amended by striking  
7 “section 30D(f)(1)” and inserting “section  
8 36C(f)(1)”.

9 (2) Section 6211(b)(4)(A) is amended by insert-  
10 ing “36C,” after “36B,”.

11 (3) Section 6213(g)(2), as amended by the pre-  
12 ceding provisions of this Act, is amended—

13 (A) in subparagraph (R), by striking  
14 “and” at the end,

15 (B) in subparagraph (S), by striking the  
16 period at the end and inserting “, and”, and

17 (C) by adding at the end the following:

18 “(T) an omission of a correct vehicle iden-  
19 tification number required under section 36C(f)  
20 (relating to credit for new qualified plug-in elec-  
21 tric drive motor vehicles) to be included on a re-  
22 turn.”.

23 (4) Section 6501(m) is amended by striking  
24 “30D(e)(4)” and inserting “36C(f)(5)”.

1           (5) Section 166(b)(5)(A)(ii) of title 23, United  
2 States Code, is amended by striking “section  
3 30D(d)(1)” and inserting “section 36C(e)(1)”.

4           (6) Section 1324(b)(2) of title 31, United  
5 States Code, is amended by inserting “36C,” after  
6 “36B,”.

7           (7) The table of sections for subpart C of part  
8 IV of subchapter A of chapter 1 is amended by in-  
9 serting after the item relating to section 36B the fol-  
10 lowing new item:

“Sec. 36C. New qualified plug-in electric drive motor vehicles.”.

11       (e) EFFECTIVE DATES.—

12           (1) The amendments made by subsections (a),  
13 (c), and (d) of this section shall apply to vehicles ac-  
14 quired after December 31, 2021.

15           (2) The amendments made by subsection (b)  
16 shall apply to vehicles acquired after December 31,  
17 2022.

18 **SEC. 136402. CREDIT FOR PREVIOUSLY-OWNED QUALIFIED**  
19 **PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.**

20       (a) IN GENERAL.—Subpart C of part IV of sub-  
21 chapter A of chapter 1, as amended by the preceding pro-  
22 visions of this Act, is amended by inserting after section  
23 36C the following new section:

1 **“SEC. 36D. PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELEC-**  
2 **TRIC DRIVE MOTOR VEHICLES.**

3 “(a) ALLOWANCE OF CREDIT.—In the case of a  
4 qualified buyer who during a taxable year places in service  
5 a previously-owned qualified plug-in electric drive motor  
6 vehicle, there shall be allowed as a credit against the tax  
7 imposed by this subtitle for the taxable year an amount  
8 equal to the sum of—

9 “(1) \$2,000, plus

10 “(2) the supplemental credit amount.

11 “(b) SUPPLEMENTAL CREDIT AMOUNT.—For pur-  
12 poses of subsection (a), the term ‘supplemental credit  
13 amount’ means—

14 “(1) \$2,000, if—

15 “(A) in the case of a vehicle placed in serv-  
16 ice before January 1, 2027, such vehicle draws  
17 propulsion energy from a battery with not less  
18 than 40 kilowatt hours of capacity and has a  
19 gasoline tank capacity not greater than 2.5 gal-  
20 lons, and

21 “(B) in the case of a vehicle placed in serv-  
22 ice after December 31, 2026, such vehicle  
23 draws propulsion energy from a battery with  
24 not less than 50 kilowatt hours of capacity and  
25 has a gasoline tank capacity not greater than  
26 2.5 gallons, and

1           “(2) \$0 in any other case.

2           “(c) LIMITATIONS.—

3           “(1) SALE PRICE.—The credit allowed under  
4 subsection (a) with respect to sale of a vehicle shall  
5 not exceed 50 percent of the sale price.

6           “(2) LIMITATION BASED ON MODIFIED AD-  
7 JUSTED GROSS INCOME.—The amount which would  
8 (but for this paragraph) be allowed as a credit under  
9 subsection (a) shall be reduced (but not below zero)  
10 by \$200 for each \$1,000 (or fraction thereof) by  
11 which the lesser of—

12                   “(A) the taxpayer’s modified adjusted  
13 gross income for such taxable year, or

14                   “(B) the taxpayer’s modified adjusted  
15 gross income for the preceding taxable year, ex-  
16 ceeds—

17                           “(i) \$150,000 in the case of a joint  
18 return or a surviving spouse (as defined in  
19 section 2(a)),

20                           “(ii) \$112,500 in the case of a head  
21 of household (as defined in section 2(b)),  
22 and

23                           “(iii) \$75,000 in the case of a tax-  
24 payer not described in paragraph (1) or  
25 (2).



1 “(d) DEFINITIONS.—For purposes of this section—

2 “(1) PREVIOUSLY-OWNED QUALIFIED PLUG-IN  
3 ELECTRIC DRIVE MOTOR VEHICLE.—The term ‘pre-  
4 viously-owned qualified plug-in electric drive motor  
5 vehicle’ means, with respect to a taxpayer, a motor  
6 vehicle—

7 “(A) the model year of which is at least 2  
8 years earlier than the calendar year in which  
9 the taxpayer acquires such vehicle,

10 “(B) the original use of which commences  
11 with a person other than the taxpayer,

12 “(C) which is acquired by the taxpayer in  
13 a qualified sale, and

14 “(D) which meets the requirements of sub-  
15 paragraphs (C), (D), (E), (F), (G), (H), and (I)  
16 of section 36C(e)(1) (determined by applying  
17 ‘previously-owned qualified plug-in electric drive  
18 motor vehicle’ for ‘new qualified plug-in electric  
19 drive motor vehicle’), or which is a new quali-  
20 fied fuel cell motor vehicle (as defined in sub-  
21 paragraphs (A) and (B) of section 30B(b)(3))  
22 which has a gross vehicle weight rating of less  
23 than 14,000 pounds.

24 “(2) QUALIFIED SALE.—The term ‘qualified  
25 sale’ means a sale of a motor vehicle—

1           “(A) by a seller who holds such vehicle in  
2 inventory (within the meaning of section 471)  
3 for sale or lease,

4           “(B) for a sale price not to exceed  
5 \$25,000, and

6           “(C) which is the first transfer since the  
7 date of the enactment of this section to a per-  
8 son other than the person with whom the origi-  
9 nal use of such vehicle commenced.

10           “(3) QUALIFIED BUYER.—The term ‘qualified  
11 buyer’ means, with respect to a sale of a motor vehi-  
12 cle, a taxpayer—

13           “(A) who is an individual,

14           “(B) who purchases such vehicle for use  
15 and not for resale,

16           “(C) with respect to whom no deduction is  
17 allowable with respect to another taxpayer  
18 under section 151,

19           “(D) who has not been allowed a credit  
20 under this section for any sale during the 3-  
21 year period ending on the date of the sale of  
22 such vehicle, and

23           “(E) who possesses a certificate issued by  
24 the seller that certifies—

1           “(i) that the vehicle is a previously-  
2           owned qualified plug-in electric drive motor  
3           vehicle,

4           “(ii) the vehicle identification number  
5           of such vehicle,

6           “(iii) the capacity of the battery at  
7           time of sale, and

8           “(iv) such other information as the  
9           Secretary may require.

10           “(4) MOTOR VEHICLE; CAPACITY.—The terms  
11           ‘motor vehicle’ and ‘capacity’ have the meaning  
12           given such terms in paragraphs (2) and (4) of sec-  
13           tion 36C(e), respectively.

14           “(e) VIN NUMBER REQUIREMENT.—No credit shall  
15           be allowed under subsection (a) with respect to any vehicle  
16           unless the taxpayer includes the vehicle identification  
17           number of such vehicle on the return of tax for the taxable  
18           year.

19           “(f) APPLICATION OF CERTAIN RULES.—For pur-  
20           poses of this section, rules similar to the rules of para-  
21           graphs (1), (2), (4), (5), and (6) of section 36C(f) shall  
22           apply for purposes of this section.

23           “(g) CERTIFICATE SUBMISSION REQUIREMENT.—  
24           The Secretary may require that the issuer of the certifi-  
25           cate described in subsection (c)(3)(E) submit such certifi-

1 cate to the Secretary at the time and in the manner re-  
2 quired by the Secretary.

3 “(h) TREATMENT OF CERTAIN POSSESSIONS.—

4 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR  
5 CODE TAX SYSTEMS.—The Secretary shall pay to  
6 each possession of the United States which has a  
7 mirror code tax system amounts equal to the loss (if  
8 any) to that possession by reason of the application  
9 of the provisions of this section. Such amounts shall  
10 be determined by the Secretary based on information  
11 provided by the government of the respective posses-  
12 sion.

13 “(2) PAYMENTS TO OTHER POSSESSIONS.—The  
14 Secretary shall pay to each possession of the United  
15 States which does not have a mirror code tax system  
16 amounts estimated by the Secretary as being equal  
17 to the aggregate benefits (if any) that would have  
18 been provided to residents of such possession by rea-  
19 son of the provisions of this section if a mirror code  
20 tax system had been in effect in such possession.  
21 The preceding sentence shall not apply unless the re-  
22 spective possession has a plan which has been ap-  
23 proved by the Secretary under which such possession  
24 will promptly distribute such payments to its resi-  
25 dents.

1           “(3) MIRROR CODE TAX SYSTEM; TREATMENT  
2           OF PAYMENTS.—Rules similar to the rules of para-  
3           graphs (3), (4), and (5) of section 21(h) shall apply  
4           for purposes of this section.

5           “(i) TRANSFER OF CREDIT.—Rules similar to the  
6           rules of section 36C(k) shall apply.

7           “(j) TERMINATION.—No credit shall be allowed  
8           under this section with respect to any vehicle acquired  
9           after December 31, 2031.”.

10          (b) CONFORMING AMENDMENTS.—

11           (1) Section 6211(b)(4)(A), as amended by the  
12           preceding provisions of this Act, is amended by in-  
13           serting “36D,” after “36C,”.

14           (2) Section 6213(g)(2), as amended by the pre-  
15           ceding provisions of this Act, is amended—

16           (A) in subparagraph (S), by striking  
17           “and” at the end,

18           (B) in subparagraph (T), by striking the  
19           period at the end and inserting “, and”, and

20           (C) by adding at the end the following:

21           “(U) an omission of a correct vehicle iden-  
22           tification number required under section  
23           36D(d) (relating to credit for previously-owned  
24           qualified plug-in electric drive motor vehicles) to  
25           be included on a return.”.



1 “(b) PER VEHICLE AMOUNT.—

2 “(1) IN GENERAL.—The amount determined  
3 under this subsection with respect to any qualified  
4 commercial electric vehicle shall be equal to the less-  
5 er of—

6 “(A) 15 percent of the basis of such vehi-  
7 cle (30 percent in the case of a vehicle not pow-  
8 ered by a gasoline or diesel internal combustion  
9 engine), or

10 “(B) the incremental cost of such vehicle.

11 “(2) INCREMENTAL COST.—For purposes of  
12 paragraph (1)(B), the incremental cost of any quali-  
13 fied commercial electric vehicle is an amount equal  
14 to the excess of the purchase price for such vehicle  
15 over such price of a comparable vehicle.

16 “(3) COMPARABLE VEHICLE.—For purposes of  
17 this paragraph, the term ‘comparable vehicle’ means,  
18 with respect to any qualified commercial electric ve-  
19 hicle, any vehicle which is powered solely by a gaso-  
20 line or diesel internal combustion engine and which  
21 is comparable in size and use to such vehicle.

22 “(4) VEHICLES FOR LEASE TO INDIVIDUALS.—

23 “(A) IN GENERAL.—In the case of a com-  
24 mercial electric vehicle which is acquired by the  
25 taxpayer for the purpose of leasing such vehicle

1 to any individual, the amount determined under  
2 this subsection with respect to such vehicle  
3 shall, at the election of such taxpayer, be equal  
4 to the amount of the credit that would other-  
5 wise be allowed under section 36C(a) with re-  
6 spect to such vehicle, as determined as if such  
7 vehicle—

8 “(i) is a new qualified plug-in electric  
9 drive motor vehicle, and

10 “(ii) has been acquired and placed in  
11 service by an individual.

12 “(B) ELECTION REQUIREMENTS.—

13 “(i) IN GENERAL.—An election under  
14 subparagraph (A) shall be made at such  
15 time and in such manner as the Secretary  
16 prescribes by regulations or other guid-  
17 ance.

18 “(ii) DISCLOSURE REQUIREMENT.—  
19 For purposes of any regulations or other  
20 guidance prescribed under clause (i), the  
21 Secretary shall require that, as a condition  
22 of an election under subparagraph (A), the  
23 taxpayer making such election shall be re-  
24 quired to disclose to the lessee of the com-



1           merchial electric vehicle the value of the  
2           credit allowed under this section.

3           “(c) QUALIFIED COMMERCIAL ELECTRIC VEHI-  
4 CLE.—For purposes of this section, the term ‘qualified  
5 commercial electric vehicle’ means any vehicle which—

6           “(1) meets the requirements of subparagraphs  
7 (A) and (C) of section 36C(e)(1) without regard to  
8 any gross vehicle weight rating or the requirements  
9 of section 36C(d), and is acquired for use or lease  
10 by the taxpayer and not for resale,

11           “(2) either—

12           “(A) meets the requirements of subpara-  
13 graph (D) of section 36C(e)(1) and is manufac-  
14 tured primarily for use on public streets, roads,  
15 and highways (not including a vehicle operated  
16 exclusively on a rail or rails), or

17           “(B) is mobile machinery, as defined in  
18 section 4053(8) (including vehicles that are not  
19 designed to perform a function of transporting  
20 a load over the public highways),

21           “(3) either—

22           “(A) is propelled to a significant extent by  
23 an electric motor which draws electricity from a  
24 battery which has a capacity of not less than 15  
25 kilowatt hours and is capable of being re-

1 charged from an external source of electricity,  
2 or

3 “(B) is a new qualified fuel cell motor ve-  
4 hicle described in subparagraphs (A) and (B) of  
5 section 30B(b)(3), and

6 “(4) is of a character subject to the allowance  
7 for depreciation.

8 “(d) SPECIAL RULES.—

9 “(1) IN GENERAL.—Subject to paragraph (2),  
10 rules similar to the rules under subsection (f) of sec-  
11 tion 36C shall apply for purposes of this section.

12 “(2) RECAPTURE.—The Secretary shall, by reg-  
13 ulations or other guidance, provide for recapturing  
14 the benefit of any credit allowed under subsection  
15 (a) with respect to any property which ceases to be  
16 property eligible for such credit, including regula-  
17 tions or other guidance which, in the case of any  
18 commercial electric vehicle for which an election was  
19 made under subsection (b)(4)—

20 “(A) recaptures the credit allowed under  
21 subsection (a) if—

22 “(i) such vehicle was not leased to an  
23 individual, or

1           “(ii) the taxpayer failed to comply  
2           with the requirements described in sub-  
3           section (b)(4)(B)(ii), and

4           “(B) in the case of a commercial electric  
5           vehicle which is leased by an individual whose  
6           modified adjusted gross income exceeds the  
7           threshold amount under section 36C(c)(2), re-  
8           captures so much of the credit allowed under  
9           subsection (a) as exceeds the amount of the  
10          credit which would have otherwise been allow-  
11          able under such subsection if, for purposes of  
12          subsection (b)(4)(A), the amount of the credit  
13          that would otherwise be allowed under section  
14          36C(a) with respect to such vehicle had been  
15          determined as if such vehicle was acquired and  
16          placed in service by such individual and subject  
17          to reduction under section 36C(c).

18          “(3) VEHICLES PLACED IN SERVICE BY TAX-  
19          EXEMPT ENTITIES.—Subsection (c)(4) shall not  
20          apply to any vehicle which is not subject to a lease  
21          and which is placed in service by a tax-exempt entity  
22          described in clause (i), (ii), or (iv) of section  
23          168(h)(2)(A).

24          “(e) VIN NUMBER REQUIREMENT.—No credit shall  
25          be determined under subsection (a) with respect to any

1 vehicle unless the taxpayer includes the vehicle identifica-  
2 tion number of such vehicle on the return of tax for the  
3 taxable year.

4 “(f) TERMINATION.—No credit shall be determined  
5 under this section with respect to any vehicle acquired  
6 after December 31, 2031.”.

7 (b) ELECTIVE PAYMENT OF CREDIT IN CASE OF  
8 CERTAIN TAX-EXEMPT ENTITIES.—Section 6417(b), as  
9 amended by the preceding provisions of this Act, is amend-  
10 ed by adding at the end the following new paragraph:

11 “(9) In the case of a tax-exempt entity de-  
12 scribed in clause (i), (ii), or (iv) of section  
13 168(h)(2)(A), the credit for qualified commercial ve-  
14 hicles determined under section 45Y by reason of  
15 subsection (d)(2) thereof.”.

16 (c) CONFORMING AMENDMENTS.—

17 (1) Section 38(b) is amended by striking para-  
18 graph (30) and inserting the following:

19 “(30) the qualified commercial electric vehicle  
20 credit determined under section 45Y,”.

21 (2) Section 6213(g)(2), as amended by the pre-  
22 ceding provisions of this Act, is amended—

23 (A) in subparagraph (T), by striking  
24 “and” at the end,

1 (B) in subparagraph (U), by striking the  
2 period at the end and inserting “, and”, and

3 (C) by adding at the end the following:

4 “(V) an omission of a correct vehicle iden-  
5 tification number required under section 45Y(e)  
6 (relating to commercial electric vehicle credit)  
7 to be included on a return.”.

8 (3) The table of sections for subpart D of part  
9 IV of subchapter A of chapter 1 is amended by add-  
10 ing at the end the following new item:

“Sec. 45Y. Qualified commercial electric vehicle credit.”.

11 (d) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to vehicles acquired after Decem-  
13 ber 31, 2021.

14 **SEC. 136404. QUALIFIED FUEL CELL MOTOR VEHICLES.**

15 (a) IN GENERAL.—Section 30B(k)(1) is amended by  
16 striking “December 31, 2021” and inserting “December  
17 31, 2031”.

18 (b) NEW QUALIFIED FUEL CELL MOTOR VEHI-  
19 CLE.—Section 30B(b) is amended by striking “and” at  
20 the end of subparagraph (D), by striking the period at  
21 the end of subparagraph (E) and inserting “, and”, and  
22 by adding at the end the following new subparagraph:

23 “(F) which is not property of a character  
24 subject to an allowance for depreciation.”.

1 (c) CONFORMING AMENDMENT.—Section 30B(g) is  
2 amended to read as follows:

3 “(g) PERSONAL CREDIT.—For purposes of this title,  
4 the credit allowed under subsection (a) for any taxable  
5 year (determined after application of paragraph (1)) shall  
6 be treated as a credit allowable under subpart A for such  
7 taxable year.”.

8 (d) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to property placed in service after  
10 December 31, 2021.

11 **SEC. 136405. ALTERNATIVE FUEL REFUELING PROPERTY**  
12 **CREDIT.**

13 (a) IN GENERAL.—Section 30C(g) is amended by  
14 striking “December 31, 2021” and inserting “December  
15 31, 2031”.

16 (b) ADDITIONAL CREDIT FOR CERTAIN ELECTRIC  
17 CHARGING PROPERTY.—

18 (1) IN GENERAL.—Section 30C(a) is amend-  
19 ed—

20 (A) by striking “equal to 30 percent” and  
21 inserting the following: “equal to the sum of—  
22 “(1) 30 percent (6 percent in the case of prop-  
23 erty of a character subject to depreciation)”.

24 (B) by striking the period at the end and  
25 inserting “, plus”, and

1 (C) by adding at the end the following new  
2 paragraph:

3 “(2) 4 percent of so much of such cost as ex-  
4 ceeds the limitation under subsection (b)(1) that  
5 does not exceed the amount of cost attributable to  
6 qualified alternative fuel vehicle refueling property  
7 (determined without regard to subsection (c)(1) and  
8 as if only electricity, and fuel at least 85 percent of  
9 the volume of which consists of hydrogen, were  
10 treated as clean-burning fuels for purposes of section  
11 179A(d)) which—

12 “(A) is intended for general public use  
13 with no associated fee or payment arrangement,

14 “(B) is intended for general public use and  
15 accepts payment via a credit card reader, in-  
16 cluding a credit card reader that uses  
17 contactless technology, or

18 “(C) is intended for use exclusively by  
19 commercial or governmental vehicles.”.

20 (2) CONFORMING AMENDMENT.—Section  
21 30C(b) is amended—

22 (A) by striking “The credit allowed under  
23 subsection (a)” and inserting “The amount of  
24 cost taken into account under subsection  
25 (a)(1)”,

1 (B) by striking “\$30,000” and inserting  
2 “\$100,000”, and

3 (C) by striking “\$1,000” and inserting  
4 “\$3,333.33”.

5 (3) BIDIRECTIONAL CHARGING EQUIPMENT IN-  
6 CLUDED AS QUALIFIED ALTERNATIVE FUEL VEHI-  
7 CLE REFUELING PROPERTY.—Section 30C(c) is  
8 amended to read as follows:

9 “(c) QUALIFIED ALTERNATIVE FUEL VEHICLE RE-  
10 FUELING PROPERTY.—For purposes of this section—

11 “(1) IN GENERAL.—The term ‘qualified alter-  
12 native fuel vehicle refueling property’ has the same  
13 meaning as the term ‘qualified clean-fuel vehicle re-  
14 fueling property’ would have under section 179A  
15 if—

16 “(A) paragraph (1) of section 179A(d) did  
17 not apply to property installed on property  
18 which is used as the principal residence (within  
19 the meaning of section 121) of the taxpayer,  
20 and

21 “(B) only the following were treated as  
22 clean-burning fuels for purposes of section  
23 179A(d):

24 “(i) Any fuel at least 85 percent of  
25 the volume of which consists of one or



1 more of the following: ethanol, natural gas,  
2 compressed natural gas, liquified natural  
3 gas, liquefied petroleum gas, or hydrogen.

4 “(ii) Any mixture—

5 “(I) which consists of two or  
6 more of the following: biodiesel (as de-  
7 fined in section 40A(d)(1)), diesel fuel  
8 (as defined in section 4083(a)(3)), or  
9 kerosene, and

10 “(II) at least 20 percent of the  
11 volume of which consists of biodiesel  
12 (as so defined) determined without re-  
13 gard to any kerosene in such mixture.

14 “(iii) Electricity.

15 “(2) BIDIRECTIONAL CHARGING EQUIPMENT.—

16 Property shall not fail to be treated as qualified al-  
17 ternative fuel vehicle refueling property solely be-  
18 cause such property—

19 “(A) is capable of charging the battery of  
20 a motor vehicle propelled by electricity, and

21 “(B) allows discharging electricity from  
22 such battery to an electric load external to such  
23 motor vehicle.”.

24 (c) CERTAIN ELECTRIC CHARGING STATIONS IN-  
25 CLUDED AS QUALIFIED ALTERNATIVE FUEL VEHICLE

1 REFUELING PROPERTY.—Section 30C is amended by re-  
2 designating subsections (f) and (g) as subsections (g) and  
3 (h), respectively, and by inserting after subsection (e) the  
4 following:

5 “(f) SPECIAL RULE FOR ELECTRIC CHARGING STA-  
6 TIONS FOR CERTAIN VEHICLES WITH 2 OR 3 WHEELS.—

7 For purposes of this section—

8 “(1) IN GENERAL.—The term ‘qualified alter-  
9 native fuel vehicle refueling property’ includes any  
10 property described in subsection (c) for the re-  
11 charging of a motor vehicle described in paragraph  
12 (2) that is propelled by electricity, but only if the  
13 property—

14 “(A) meets the requirements of subsection  
15 (a)(2), and

16 “(B) is of a character subject to deprecia-  
17 tion.

18 “(2) MOTOR VEHICLE.—A motor vehicle is de-  
19 scribed in this paragraph if the motor vehicle—

20 “(A) is manufactured primarily for use on  
21 public streets, roads, or highways (not including  
22 a vehicle operated exclusively on a rail or rails),  
23 and

24 “(B) has at least 2, but not more than 3,  
25 wheels.”.

1 (d) WAGE AND APPRENTICESHIP REQUIREMENTS.—  
2 Section 30C, as amended by this section, is further  
3 amended by redesignating subsections (g) and (h) as sub-  
4 sections (h) and (i) and by inserting after subsection (f)  
5 the following new subsection:

6 “(g) WAGE AND APPRENTICESHIP REQUIRE-  
7 MENTS.—

8 “(1) INCREASED CREDIT AMOUNT.—

9 “(A) IN GENERAL.—In the case of any  
10 qualified alternative fuel vehicle refueling  
11 project which satisfies the requirements of sub-  
12 paragraph (C), the amount of the credit deter-  
13 mined under subsection (a) for property of a  
14 character subject to an allowance for deprecia-  
15 tion shall be equal to such amount multiplied by  
16 5 (determined without regard to this sentence).

17 “(B) QUALIFIED ALTERNATIVE FUEL VE-  
18 HICLE REFUELING PROJECT.—For purposes of  
19 this subsection, the term ‘qualified alternative  
20 fuel vehicle refueling project’ means a project  
21 consisting of multiple properties that are part  
22 of a single project. The requirements of this  
23 paragraph shall be applied to such project.

1           “(C) PROJECT REQUIREMENTS.—A project  
2           meets the requirements of this subparagraph if  
3           it is one of the following:

4                   “(i) A project the construction of  
5                   which begins prior to the date that is 60  
6                   days after the Secretary publishes guid-  
7                   ance with respect to the requirements of  
8                   paragraphs (2) and (3).

9                   “(ii) A project which satisfies the re-  
10                  quirements of paragraphs (2) and (3).

11          “(2) PREVAILING WAGE REQUIREMENTS.—

12                  “(A) IN GENERAL.—The requirements de-  
13                  scribed in this subparagraph with respect to  
14                  any qualified alternative fuel vehicle refueling  
15                  project are that the taxpayer shall ensure that  
16                  any laborers and mechanics employed by con-  
17                  tractors and subcontractors in the construction  
18                  of such property shall be paid wages at rates  
19                  not less than the prevailing rates for construc-  
20                  tion, alteration, or repair of a similar character  
21                  in the locality as most recently determined by  
22                  the Secretary of Labor, in accordance with sub-  
23                  chapter IV of chapter 31 of title 40, United  
24                  States Code.

1           “(B) CORRECTION AND PENALTY RELATED  
2           TO FAILURE TO SATISFY WAGE REQUIRE-  
3           MENTS.—Rules similar to the rules of clauses  
4           (i) through (iv) of section 45(b)(7)(B) shall  
5           apply.

6           “(3) APPRENTICESHIP REQUIREMENTS.—Rules  
7           similar to the rules of section 45(b)(8) shall apply.

8           “(4) REGULATIONS AND GUIDANCE.—The Sec-  
9           retary shall issue such regulations or other guidance  
10          as the Secretary determines necessary or appropriate  
11          to carry out the purposes of this subsection, includ-  
12          ing regulations or other guidance which provides for  
13          requirements for recordkeeping or information re-  
14          porting for purposes of establishing the requirements  
15          of this subsection.”.

16          (e) EFFECTIVE DATE.—The amendment made by  
17          this section shall apply to property placed in service after  
18          December 31, 2021.

19       **SEC. 136406. REINSTATEMENT AND EXPANSION OF EM-**  
20                               **PLOYER-PROVIDED FRINGE BENEFITS FOR**  
21                               **BICYCLE COMMUTING.**

22          (a) REPEAL OF SUSPENSION OF EXCLUSION FOR  
23          QUALIFIED BICYCLE COMMUTING BENEFITS.—Section  
24          132(f) is amended by striking paragraph (8).

1 (b) EXPANSION OF BICYCLE COMMUTING BENE-  
2 FITS.—Section 132(f)(5)(F) is amended to read as fol-  
3 lows:

4 “(F) DEFINITIONS RELATED TO BICYCLE  
5 COMMUTING BENEFITS.—

6 “(i) QUALIFIED BICYCLE COMMUTING  
7 BENEFIT.—The term ‘qualified bicycle  
8 commuting benefit’ means, with respect to  
9 any calendar year—

10 “(I) any employer reimbursement  
11 during the 15-month period beginning  
12 with the first day of such calendar  
13 year for reasonable expenses incurred  
14 by the employee during such calendar  
15 year for the purchase (including asso-  
16 ciated finance charges), lease, rental  
17 (including a bikeshare), improvement,  
18 repair, or storage of qualified com-  
19 muting property, or

20 “(II) the direct or indirect provi-  
21 sion by the employer to the employee  
22 during such calendar year of the use  
23 (including a bikeshare), improvement,  
24 repair, or storage of qualified com-  
25 muting property,

1 if the employee regularly uses such quali-  
2 fied commuting property for travel between  
3 the employee's residence, place of employ-  
4 ment, a qualified parking facility, or a  
5 mass transit facility that connects the em-  
6 ployee to their residence or place of em-  
7 ployment.

8 “(ii) QUALIFIED COMMUTING PROP-  
9 erty.—The term ‘qualified commuting  
10 property’ means—

11 “(I) any bicycle (other than a bi-  
12 cycle equipped with any motor),

13 “(II) any electric bicycle which  
14 meets the requirements of section  
15 36E(c)(5),

16 “(III) any 2- or 3-wheel scooter  
17 (other than a scooter equipped with  
18 any motor), and

19 “(IV) any 2- or 3-wheel scooter  
20 propelled by an electric motor if such  
21 motor does not provide assistance if  
22 the speed of such scooter exceeds 20  
23 miles per hour (or if the speed of such  
24 scooter is not capable of exceeding 20  
25 miles per hour) and the weight of

1                   such scooter does not exceed 100  
2                   pounds.

3                   “(iii) BIKESHARE.—The term  
4                   ‘bikeshare’ means a rental operation at  
5                   which qualified commuting property is  
6                   made available to customers to pick up and  
7                   drop off for point-to-point use within a de-  
8                   fined geographic area.”.

9           (c) LIMITATION ON EXCLUSION.—Section  
10 132(f)(2)(C) is amended to read as follows:

11                   “(C) 30 percent of the dollar amount in ef-  
12                   fect under subparagraph (B) per month in the  
13                   case of any qualified bicycle commuting ben-  
14                   efit.”.

15           (d) NO CONSTRUCTIVE RECEIPT.—Section 132(f)(4)  
16 is amended by striking “(other than a qualified bicycle  
17 commuting reimbursement)”.

18           (e) CONFORMING AMENDMENTS.—

19                   (1) Section 132(f)(1)(D) is amended by striking  
20                   “reimbursement” and inserting “benefit”.

21                   (2) Section 274(l) is amended by striking para-  
22                   graph (2).

23           (f) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to taxable years beginning after  
25 December 31, 2021.



1 **SEC. 136407. CREDIT FOR CERTAIN NEW ELECTRIC BICY-**  
2 **CLES.**

3 (a) IN GENERAL.—Subpart C of part IV of sub-  
4 chapter A of chapter 1, as amended by the preceding pro-  
5 visions of this Act, is amended by inserting after section  
6 36D the following new section:

7 **“SEC. 36E. ELECTRIC BICYCLES.**

8 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
9 lowed as a credit against the tax imposed by this chapter  
10 for the taxable year an amount equal to 30 percent of the  
11 cost of each qualified electric bicycle placed in service by  
12 the taxpayer during such taxable year.

13 “(b) LIMITATIONS.—

14 “(1) LIMITATION ON COST PER ELECTRIC BICY-  
15 CLE TAKEN INTO ACCOUNT.—The amount taken  
16 into account under subsection (a) as the cost of any  
17 qualified electric bicycle shall not exceed \$3,000.

18 “(2) BICYCLE LIMITATION WITH RESPECT TO  
19 CREDIT.—

20 “(A) LIMITATION ON NUMBER OF PER-  
21 SONAL-USE BICYCLES.—In the case of any tax-  
22 payer for any taxable year, the number of per-  
23 sonal-use bicycles taken into account under sub-  
24 section (a) shall not exceed the excess (if any)  
25 of—

1           “(i) 1 (2 in the case of a joint return),  
2           reduced by

3           “(ii) the aggregate number of bicycles  
4           taken into account by the taxpayer under  
5           subsection (a) for the 2 preceding taxable  
6           years.

7           “(B) PHASEOUT BASED ON MODIFIED AD-  
8           JUSTED GROSS INCOME.—The credit allowed  
9           under subsection (a) shall be reduced by \$200  
10          for each \$1,000 (or fraction thereof) by which  
11          the taxpayer’s modified adjusted gross income  
12          exceeds—

13               “(i) \$150,000 in the case of a joint  
14               return or a surviving spouse (as defined in  
15               section 2(a)),

16               “(ii) \$112,500 in the case of a head  
17               of household (as defined in section 2(b)),  
18               and

19               “(iii) \$75,000 in the case of a tax-  
20               payer not described in clause (i) or (ii).

21           “(C) MODIFIED ADJUSTED GROSS IN-  
22           COME.—For purposes of subparagraph (B), the  
23           term ‘modified adjusted gross income’ means  
24           adjusted gross income increased by any amount

1 excluded from gross income under section 911,  
2 931, or 933.

3 “(D) SPECIAL RULE FOR MODIFIED AD-  
4 JUSTED GROSS INCOME TAKEN INTO AC-  
5 COUNT.—The modified adjusted gross income  
6 of the taxpayer that is taken into account for  
7 purposes of this paragraph shall be the lesser  
8 of—

9 “(i) the modified adjusted gross in-  
10 come for the taxable year in which the  
11 credit is claimed, or

12 “(ii) the modified adjusted gross in-  
13 come for the immediately preceding taxable  
14 year.

15 “(c) QUALIFIED ELECTRIC BICYCLE.—For purposes  
16 of this section, the term ‘qualified electric bicycle’ means  
17 a bicycle—

18 “(1) the original use of which commences with  
19 the taxpayer,

20 “(2) which is acquired for use by the taxpayer  
21 and not for resale,

22 “(3) which is made by a qualified manufacturer  
23 and is labeled with the qualified vehicle identification  
24 number assigned to such bicycle by such manufac-  
25 turer,

1           “(4) with respect to which the aggregate  
2 amount paid for such acquisition does not exceed  
3 \$4,000, and

4           “(5) which is equipped with—

5                   “(A) fully operable pedals,

6                   “(B) a saddle or seat for the rider, and

7                   “(C) an electric motor of less than 750  
8 watts which is designed to provided assistance  
9 in propelling the bicycle and—

10                   “(i) does not provide such assistance  
11 if the bicycle is moving in excess of 20  
12 miler per hour, or

13                   “(ii) if such motor only provides such  
14 assistance when the rider is pedaling, does  
15 not provide such assistance if the bicycle is  
16 moving in excess of 28 miles per hour.

17           “(d) VIN NUMBER REQUIREMENT.—

18                   “(1) IN GENERAL.—No credit shall be allowed  
19 under subsection (a) with respect to any qualified  
20 electric bicycle unless the taxpayer includes the  
21 qualified vehicle identification number of such bicy-  
22 cle on the return of tax for the taxable year.

23                   “(2) QUALIFIED VEHICLE IDENTIFICATION  
24 NUMBER.—For purposes of this section, the term  
25 ‘qualified vehicle identification number’ means, with

1 respect to any bicycle, the vehicle identification num-  
2 ber assigned to such bicycle by a qualified manufac-  
3 turer pursuant to the methodology referred to in  
4 paragraph (3).

5 “(3) QUALIFIED MANUFACTURER.—For pur-  
6 poses of this section, the term ‘qualified manufac-  
7 turer’ means any manufacturer of qualified electric  
8 bicycles which enters into an agreement with the  
9 Secretary which provides that such manufacturer  
10 will—

11 “(A) assign a vehicle identification number  
12 to each qualified electric bicycle produced by  
13 such manufacturer utilizing a methodology that  
14 will ensure that such number (including any al-  
15 phanumeric) is unique to such bicycle (by uti-  
16 lizing numbers or letters which are unique to  
17 such manufacturer or by such other method as  
18 the Secretary may provide),

19 “(B) label such bicycle with such number  
20 in such manner as the Secretary may provide,  
21 and

22 “(C) make periodic written reports to the  
23 Secretary (at such times and in such manner as  
24 the Secretary may provide) of the vehicle identi-  
25 fication numbers so assigned and including

1           such information as the Secretary may require  
2           with respect to the qualified electric bicycle to  
3           which such number was so assigned.

4           “(e) SPECIAL RULES.—

5           “(1) BASIS REDUCTION.—For purposes of this  
6           subtitle, the basis of any property for which a credit  
7           is allowable under subsection (a) shall be reduced by  
8           the amount of such credit so allowed.

9           “(2) NO DOUBLE BENEFIT.—The amount of  
10          any deduction or other credit allowable under this  
11          chapter for a qualified electric bicycle for which a  
12          credit is allowable under subsection (a) shall be re-  
13          duced by the amount of credit allowed under such  
14          subsection for such bicycle.

15          “(3) PROPERTY USED OUTSIDE UNITED STATES  
16          NOT QUALIFIED.—No credit shall be allowable under  
17          subsection (a) with respect to any property referred  
18          to in section 50(b)(1).

19          “(4) RECAPTURE.—The Secretary shall, by reg-  
20          ulations or other guidance, provide for recapturing  
21          the benefit of any credit allowable under subsection  
22          (a) with respect to any property which ceases to be  
23          property eligible for such credit.

24          “(5) ELECTION NOT TO TAKE CREDIT.—No  
25          credit shall be allowed under subsection (a) for any

1 bicycle if the taxpayer elects to not have this section  
2 apply to such bicycle.

3 “(f) TREATMENT OF CERTAIN POSSESSIONS.—

4 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR  
5 CODE TAX SYSTEMS.—The Secretary shall pay to  
6 each possession of the United States which has a  
7 mirror code tax system amounts equal to the loss (if  
8 any) to that possession by reason of the application  
9 of the provisions of this section (determined without  
10 regard to this subsection). Such amounts shall be  
11 determined by the Secretary based on information  
12 provided by the government of the respective posses-  
13 sion.

14 “(2) PAYMENTS TO OTHER POSSESSIONS.—The  
15 Secretary shall pay to each possession of the United  
16 States which does not have a mirror code tax system  
17 amounts estimated by the Secretary as being equal  
18 to the aggregate benefits (if any) that would have  
19 been provided to residents of such possession by rea-  
20 son of the provisions of this section if a mirror code  
21 tax system had been in effect in such possession.  
22 The preceding sentence shall not apply unless the re-  
23 spective possession has a plan which has been ap-  
24 proved by the Secretary under which such possession

1 will promptly distribute such payments to its resi-  
2 dents.

3 “(3) MIRROR CODE TAX SYSTEM; TREATMENT  
4 OF PAYMENTS.—Rules similar to the rules of para-  
5 graphs (3), (4), and (5) of section 21(h) shall apply  
6 for purposes of this section.

7 “(g) TRANSFER OF CREDIT.—

8 “(1) IN GENERAL.—Subject to such regulations  
9 or other guidance as the Secretary determines nec-  
10 essary or appropriate, if the taxpayer who acquires  
11 a qualified electric bicycle after December 31, 2022  
12 elects the application of this subsection with respect  
13 to such qualified electric bicycle, the credit which  
14 would (but for this subsection) be allowed to such  
15 taxpayer with respect to such qualified electric bicy-  
16 cle shall be allowed to the eligible entity specified in  
17 such election (and not to such taxpayer).

18 “(2) ELIGIBLE ENTITY.—For purposes of this  
19 paragraph, the term ‘eligible entity’ means, with re-  
20 spect to the qualified electric bicycle for which the  
21 credit is allowed under subsection (a), the retailer  
22 which sold such qualified electric bicycle to the tax-  
23 payer and has—

24 “(A) subject to paragraph (4), registered  
25 with the Secretary for purposes of this para-



1 graph, at such time, and in such form and  
2 manner, as the Secretary may prescribe,

3 “(B) prior to the election described in  
4 paragraph (1) and no later than at the time of  
5 such sale, disclosed to the taxpayer purchasing  
6 such qualified electric bicycle—

7 “(i) the retail price,

8 “(ii) the value of the credit allowed or  
9 other incentive available for the purchase  
10 of such qualified electric bicycle,

11 “(iii) all fees associated with the pur-  
12 chase of such qualified electric bicycle, and

13 “(iv) the amount provided by the re-  
14 tailer to such taxpayer as a condition of  
15 the election described in paragraph (1),

16 “(C) made payment to such taxpayer  
17 (whether in cash or in the form of a partial  
18 payment or down payment for the purchase of  
19 such qualified electric bicycle) in an amount  
20 equal to the credit otherwise allowable to such  
21 taxpayer, and

22 “(D) with respect to any incentive other-  
23 wise available for the purchase of a qualified  
24 electric bicycle for which a credit is allowed  
25 under this section, including any incentive in

1 the form of a rebate or discount provided by the  
2 retailer or manufacturer, ensured that—

3 “(i) the availability or use of such in-  
4 centive shall not limit the ability of a tax-  
5 payer to make an election described in  
6 paragraph (1), and

7 “(ii) such election shall not limit the  
8 value or use of such incentive.

9 “(3) TIMING.—An election described in para-  
10 graph (1) shall be made by the taxpayer not later  
11 than the date on which the qualified electric bicycle  
12 for which the credit is allowed under subsection (a)  
13 is purchased.

14 “(4) REVOCATION OF REGISTRATION.—Upon  
15 determination by the Secretary that a retailer has  
16 failed to comply with the requirements described in  
17 paragraph (2), the Secretary may revoke the reg-  
18 istration (as described in subparagraph (A) of such  
19 paragraph) of such retailer.

20 “(5) TAX TREATMENT OF PAYMENTS.—With  
21 respect to any payment described in paragraph  
22 (2)(C), such payment—

23 “(A) shall not be includible in the gross in-  
24 come of the taxpayer, and

1           “(B) with respect to the retailer, shall not  
2           be deductible under this title.

3           “(6) APPLICATION OF CERTAIN OTHER RE-  
4           QUIREMENTS.—In the case of any election under  
5           paragraph (1) with respect to any qualified electric  
6           bicycle—

7           “(A) the amount of the reduction under  
8           subsection (b) shall be determined with respect  
9           to the modified adjusted gross income of the  
10          taxpayer for the taxable year preceding the tax-  
11          able year in which such qualified electric bicycle  
12          was acquired (and not with respect to such in-  
13          come for the taxable year in which such quali-  
14          fied electric bicycle was acquired),

15          “(B) the requirements of paragraphs (1)  
16          and (2) of subsection (e) shall apply to the tax-  
17          payer who acquired the qualified electric bicycle  
18          in the same manner as if the credit determined  
19          under this section with respect to such qualified  
20          electric bicycle were allowed to such taxpayer,  
21          and

22          “(C) subsection (e)(5) shall not apply.

23          “(7) ADVANCE PAYMENT TO REGISTERED RE-  
24          TAILERS.—

1           “(A) IN GENERAL.—The Secretary shall  
2           establish a program to make advance payments  
3           to any eligible entity in an amount equal to the  
4           cumulative amount of the credits allowed under  
5           subsection (a) with respect to any qualified elec-  
6           tric bicycles sold by such entity for which an  
7           election described in paragraph (1) has been  
8           made.

9           “(B) EXCESSIVE PAYMENTS.—Rules simi-  
10          lar to the rules of section 6417(c)(7) shall apply  
11          for purposes of this paragraph.

12          “(8) RETAILER.—For purposes of this sub-  
13          section, the term ‘retailer’ means a person engaged  
14          in the trade or business of selling qualified electric  
15          bicycles in a State, the District of Columbia, the  
16          Commonwealth of Puerto Rico, any other territory  
17          or possession of the United States, an Indian tribal  
18          government (as defined in section 48(e)(4)(F)(ii)),  
19          or any Alaska Native Corporation (as defined in sec-  
20          tion 3 of the Alaska Native Claims Settlement Act  
21          (43 U.S.C. 1602(m)).

22          “(h) TERMINATION.—This section shall not apply to  
23          bicycles placed in service after December 31, 2025.”.

24          (b) CONFORMING AMENDMENTS.—

1           (1) Section 1016(a) is amended by striking  
2           “and” at the end of paragraph (38), by striking the  
3           period at the end of paragraph (39) and inserting “,  
4           and”, and by adding at the end the following new  
5           paragraph:

6           “(40) to the extent provided in section  
7           36E(f)(1).”.

8           (2) Section 6211(b)(4)(A) of such Code is  
9           amended by inserting “36E by reason of subsection  
10          (c)(2) thereof,” before “32,”.

11          (3) Section 6213(g)(2), as amended by the pre-  
12          ceding provisions of this Act, is amended—

13               (A) in subparagraph (U), by striking  
14               “and” at the end,

15               (B) in subparagraph (V), by striking the  
16               period at the end and inserting “, and”, and

17               (C) by adding at the end the following:

18               “(W) an omission of a correct vehicle iden-  
19               tification number required under section 36E(d)  
20               (relating to electric bicycles credit) to be in-  
21               cluded on a return.”.

22          (4) Section 6501(m) is amended by inserting  
23          “36E(f)(4),” after “35(g)(11),”.

1           (5) Section 1324(b)(2) of title 31, United  
2 States Code, is amended by inserting “36E,” after  
3 “36D,”.

4           (c) CLERICAL AMENDMENT.—The table of sections  
5 for subpart B of part IV of subchapter A of chapter 1  
6 is amended by adding at the end the following new item:  
“Sec. 36E. Electric bicycles.”.

7           (d) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to property placed in service after  
9 December 31, 2021, in taxable years ending after such  
10 date.

11           **PART 5—INVESTMENT IN THE GREEN**

12           **WORKFORCE AND MANUFACTURING**

13           **SEC. 136501. EXTENSION OF THE ADVANCED ENERGY**  
14           **PROJECT CREDIT.**

15           (a) EXTENSION OF CREDIT.—Section 48C is amend-  
16 ed by redesignating subsection (e) as subsection (f) and  
17 by inserting after subsection (d) the following new sub-  
18 section:

19           “(e) ADDITIONAL ALLOCATIONS.—

20           “(1) IN GENERAL.—Not later than 270 days  
21 after the date of enactment of this subsection, the  
22 Secretary shall establish a program to consider and  
23 award certifications for qualified investments eligible  
24 for credits under this section to qualifying advanced  
25 energy project sponsors.

1 “(2) ANNUAL LIMITATION.—

2 “(A) IN GENERAL.—The amount of credits  
3 that may be allocated under this subsection  
4 during any calendar year shall not exceed the  
5 annual credit limitation with respect to such  
6 year.

7 “(B) ANNUAL CREDIT LIMITATION.—

8 “(i) IN GENERAL.—For purposes of  
9 this subsection, the term ‘annual credit  
10 limitation’ means \$5,000,000,000 for each  
11 of calendar years 2022 through 2023,  
12 \$1,875,000,000 for each of calendar years  
13 2024 through 2031, and zero thereafter.

14 “(ii) AMOUNT SET ASIDE FOR AUTO-  
15 MOTIVE COMMUNITIES.—

16 “(I) IN GENERAL.—For purposes  
17 of clause (i), \$800,000,000 of the an-  
18 nual credit limitation for each of cal-  
19 endar years 2022 through 2023 and  
20 \$300,000,000 for each of calendar  
21 years 2024 through 2031 shall be al-  
22 located to qualified investments lo-  
23 cated within automotive communities.

24 “(II) AUTOMOTIVE COMMU-  
25 NITIES.—For purposes of this clause,

1 the term ‘automotive communities’  
2 means a census tract and any directly  
3 adjoining census tract, including a no-  
4 population census tract, that has ex-  
5 perience major job losses in the auto-  
6 motive manufacturing sector since  
7 January 1, 1994, as determined by  
8 the Secretary.

9 “(iii) AMOUNT SET ASIDE FOR EN-  
10 ERGY COMMUNITIES.—For purposes of  
11 clause (i), \$800,000,000 of the annual  
12 credit limitation for each of calendar years  
13 2022 through 2023 and \$300,000,000 for  
14 each of calendar years 2024 through 2031  
15 shall be allocated to qualified investments  
16 located within energy communities (as de-  
17 fined in section 45(b)(11)(B)).

18 “(C) CARRYOVER OF UNUSED LIMITA-  
19 TION.—If the annual credit limitation for any  
20 calendar year exceeds the aggregate amount  
21 designated for such year under this subsection,  
22 such limitation for the succeeding calendar year  
23 shall be increased by the amount of such excess.  
24 No amount may be carried under the preceding  
25 sentence to any calendar year after 2036.



1           “(3) CERTIFICATIONS.—

2                   “(A) APPLICATION REQUIREMENT.—Each  
3 applicant for certification under this subsection  
4 shall submit an application at such time and  
5 containing such information as the Secretary  
6 may require.

7                   “(B) TIME TO MEET CRITERIA FOR CER-  
8 TIFICATION.—Each applicant for certification  
9 shall have 2 years from the date of acceptance  
10 by the Secretary of the application during  
11 which to provide to the Secretary evidence that  
12 the requirements of the certification have been  
13 met.

14                   “(C) PERIOD OF ISSUANCE.—An applicant  
15 which receives a certification shall have 2 years  
16 from the date of issuance of the certification in  
17 order to place the project in service and to no-  
18 tify the Secretary that such project has been so  
19 placed in service, and if such project is not  
20 placed in service (and the Secretary so notified)  
21 by that time period, then the certification shall  
22 no longer be valid. If any certification is re-  
23 voked under this subparagraph, the amount of  
24 the annual credit limitation under paragraph  
25 (2) for the calendar year in which such certifi-

1 cation is revoked shall be increased by the  
2 amount of the credit with respect to such re-  
3 voked certification.

4 “(4) SELECTION CRITERIA.—Selection criteria  
5 similar to those in subsection (d)(3) shall apply, ex-  
6 cept that in determining designations under this  
7 subsection, the Secretary shall—

8 “(A) in addition to the factors described in  
9 subsection (d)(3)(B), take into consideration  
10 which projects—

11 “(i) will provide the greatest net im-  
12 pact in avoiding or reducing anthropogenic  
13 emissions of greenhouse gases, as deter-  
14 mined by the Secretary,

15 “(ii) will provide the greatest domestic  
16 job creation (both direct and indirect) dur-  
17 ing the credit period,

18 “(iii) will provide the greatest job cre-  
19 ation within the vicinity of the project, par-  
20 ticularly with respect to—

21 “(I) low-income communities (as  
22 described in section 45D(e)), and

23 “(II) dislocated workers who  
24 were previously employed in manufac-

1 turing, coal power plants, or coal min-  
2 ing, and

3 “(iv) will provide the greatest job cre-  
4 ation in areas with a population that is at  
5 risk of experiencing higher or more adverse  
6 human health or environmental effects and  
7 a significant portion of such population is  
8 comprised of communities of color, low-in-  
9 come communities, Tribal and Indigenous  
10 communities, or individuals formerly em-  
11 ployed in the fossil fuel industry, and

12 “(B) give the highest priority to projects  
13 which—

14 “(i) manufacture (other than pri-  
15 marily assembly of components) property  
16 described in a subclause of subsection  
17 (c)(1)(A)(i) (or components thereof), and

18 “(ii) have the greatest potential for  
19 commercial deployment of new applica-  
20 tions.

21 “(5) DISCLOSURE OF ALLOCATIONS.—The Sec-  
22 retary shall, upon allocating a credit under this sub-  
23 section, publicly disclose the identity of the appli-  
24 cant, the amount of the credit with respect to such

1 applicant, and the project location for which such  
2 credit was allocated.

3 “(6) CREDIT CONDITIONED UPON WAGE AND  
4 APPRENTICESHIP REQUIREMENTS.—

5 “(A) BASE RATE.—For purposes of alloca-  
6 tions under this subsection, the amount of the  
7 credit determined under subsection (a) shall be  
8 determined by substituting ‘6 percent’ for ‘30  
9 percent’.

10 “(B) ALTERNATIVE RATE.—In the case of  
11 any project which satisfies the requirements of  
12 paragraphs (7) and (8), the amount of the cred-  
13 it determined under subsection (a) (after appli-  
14 cation of subparagraph (A)) shall be equal to  
15 such amount multiplied by 5.

16 “(7) PREVAILING WAGE REQUIREMENTS.—

17 “(A) IN GENERAL.—The requirements de-  
18 scribed in this paragraph with respect to a  
19 project are that the taxpayer shall ensure that  
20 any laborers and mechanics employed by con-  
21 tractors and subcontractors in the re-equipping,  
22 expansion, or establishment of a manufacturing  
23 facility shall be paid wages at rates not less  
24 than the prevailing rates for construction, alter-  
25 ation, or repair of a similar character in the lo-

1           cality as most recently determined by the Sec-  
2           retary of Labor, in accordance with subchapter  
3           IV of chapter 31 of title 40, United States  
4           Code.

5           “(B) CORRECTION AND PENALTY RELATED  
6           TO FAILURE TO SATISFY WAGE REQUIRE-  
7           MENTS.—In the case of any taxpayer which  
8           fails to satisfy the requirement under subpara-  
9           graph (A) with respect to any project—

10           “(i) rules similar to the rules of  
11           clauses (i) through (iv) of section  
12           45(b)(7)(B) shall apply, and

13           “(ii) if the failure to satisfy the re-  
14           quirement under subparagraph (A) is not  
15           corrected pursuant to the rules described  
16           in clause (i), the certification with respect  
17           to the re-equipping, expansion, or estab-  
18           lishment of a manufacturing facility shall  
19           no longer be valid.

20           “(8) APPRENTICESHIP REQUIREMENTS.—Rules  
21           similar to the rules of section 45(b)(8) shall apply.”.

22           (b) MODIFICATION OF QUALIFYING ADVANCED EN-  
23           ERGY PROJECTS.—

1           (1) INCLUSION OF WATER AS A RENEWABLE  
2 RESOURCE.—Section 48C(c)(1)(A)(i)(I) is amended  
3 by inserting “water,” after “sun,”.

4           (2) ENERGY STORAGE SYSTEMS.—Section  
5 48C(c)(1)(A)(i)(II) is amended by striking “an en-  
6 ergy storage system for use with electric or hybrid-  
7 electric motor vehicles” and inserting “energy stor-  
8 age systems and components”.

9           (3) MODIFICATION OF QUALIFYING ELECTRIC  
10 GRID PROPERTY.—Section 48C(c)(1)(A)(i)(III) is  
11 amended to read as follows:

12   “(III) electric grid modernization  
13   equipment or components,”.

14           (4) USE OF CAPTURED CARBON.—Section  
15 48C(c)(1)(A)(i)(IV) is amended by striking “seques-  
16 ter” and insert “use or sequester”.

17           (5) ELECTRIC VEHICLES AND BICYCLES.—Sec-  
18 tion 48C(c)(1)(A)(i)(VI) is amended—

19   (A) by striking “new qualified plug-in elec-  
20 tric drive motor vehicles (as defined by section  
21 30D)” and inserting “vehicles described in sec-  
22 tions 36C and 45Y, and bicycles described in  
23 section 36E”, and

1 (B) and striking “and power control units”  
2 and inserting “power control units, and equip-  
3 ment used for charging or refueling”.

4 (6) PROPERTY FOR PRODUCTION OF HYDRO-  
5 GEN.—Section 48C(e)(1)(A)(i) is amended by strik-  
6 ing “or” at the end of subclause (VI), by redesign-  
7 ating subclause (VII) as subclause (VIII), and by in-  
8 serting after subclause (VI) the following new sub-  
9 clause:

10 “(VII) property designed to be  
11 used to produce qualified clean hydro-  
12 gen (as defined in section 45X), or”.

13 (7) RECYCLING OF ADVANCED ENERGY PROP-  
14 erty.—Section 48C(e)(1) is amended by adding at  
15 the end the following new subparagraph:

16 “(C) SPECIAL RULE FOR CERTAIN RECY-  
17 cling facilities.—A facility which recycles  
18 batteries or similar energy storage property de-  
19 scribed in subparagraph (A)(i) shall be treated  
20 as part of a manufacturing facility described in  
21 such subparagraph.”.

22 (c) DENIAL OF DOUBLE BENEFIT.—48C(f), as re-  
23 designated by this section, is amended by striking “or  
24 48B” and inserting “48B, 48F, 45Q, or 45X”.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on January 1, 2022.

3 **SEC. 136502. LABOR COSTS OF INSTALLING MECHANICAL**  
4 **INSULATION PROPERTY.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-  
6 chapter A of chapter 1, as amended by the preceding pro-  
7 visions of this Act, is further amended by adding at the  
8 end the following new section:

9 **“SEC. 45Z. LABOR COSTS OF INSTALLING MECHANICAL IN-**  
10 **SULATION PROPERTY.**

11 “(a) IN GENERAL.—For purposes of section 38, the  
12 mechanical insulation labor costs credit determined under  
13 this section for any taxable year is an amount equal to  
14 2 percent of the mechanical insulation labor costs paid or  
15 incurred by the taxpayer during such taxable year.

16 “(b) MECHANICAL INSULATION LABOR COSTS.—For  
17 purposes of this section—

18 “(1) IN GENERAL.—The term ‘mechanical insu-  
19 lation labor costs’ means the labor cost of installing  
20 mechanical insulation property with respect to a me-  
21 chanical system referred to in paragraph (2)(A)  
22 which was originally placed in service not less than  
23 1 year before the date on which such mechanical in-  
24 sulation property is installed.



1           “(2) MECHANICAL INSULATION PROPERTY.—

2           The term ‘mechanical insulation property’ means in-  
3           sulation materials, and facings and accessory prod-  
4           ucts installed in connection to such insulation mate-  
5           rials—

6                   “(A) placed in service in connection with a  
7           mechanical system which—

8                           “(i) is located in the United States,

9                           “(ii) is of a character subject to an al-  
10           lowance for depreciation, and

11                           “(iii) meets the requirements of sec-  
12           tion 434.403 of title 10, Code of Federal  
13           Regulations (as in effect on the date of en-  
14           actment of this section), and

15                   “(B) which result in a reduction in energy  
16           loss from the mechanical system which is great-  
17           er than the expected reduction from the instal-  
18           lation of insulation materials which meet the  
19           minimum requirements of Reference Standard  
20           90.1 (as defined in section 179D(c)(2)).

21           “(c) WAGE AND APPRENTICESHIP REQUIRE-  
22   MENTS.—

23                   “(1) IN GENERAL.—In the case of any project  
24           which meets the prevailing wage and apprenticeship  
25           requirements of this subsection, the amount of credit

1 determined under subsection (a) shall be multiplied  
2 by 5.

3 “(2) WAGE REQUIREMENTS.—Rules similar to  
4 the rules of section 45(b)(7)(A) and clauses (i)  
5 through (iv) of section 45(b)(7)(B) shall apply.

6 “(3) APPRENTICESHIP REQUIREMENTS.—Rules  
7 similar to the rules of section 45(b)(8) shall apply.

8 “(d) TERMINATION.—This section shall not apply to  
9 mechanical insulation labor costs paid or incurred after  
10 December 31, 2025.”

11 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-  
12 NESS CREDIT.—Section 38(b), as amended by the pre-  
13 ceding provisions of this Act, is further amended by strik-  
14 ing “plus” at the end of paragraph (36), by striking the  
15 period at the end of paragraph (37) and inserting “, plus”,  
16 and by adding at the end the following new paragraph:

17 “(38) the mechanical insulation labor costs  
18 credit determined under section 45Z(a).”

19 (c) CONFORMING AMENDMENTS.—

20 (1) Section 280C is amended by adding at the  
21 end the following new subsection:

22 “(i) MECHANICAL INSULATION LABOR COSTS CRED-  
23 IT.—

24 “(1) IN GENERAL.—No deduction shall be al-  
25 lowed for that portion of the mechanical insulation

1 labor costs (as defined in section 45Z(b)) otherwise  
2 allowable as deduction for the taxable year which is  
3 equal to the amount of the credit determined for  
4 such taxable year under section 45Z(a).

5 “(2) SIMILAR RULE WHERE TAXPAYER CAP-  
6 ITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

7 “(A) the amount of the credit determined  
8 for the taxable year under section 45Z(a), ex-  
9 ceeds

10 “(B) the amount of allowable as a deduc-  
11 tion for such taxable year for mechanical insu-  
12 lation labor costs (determined without regard to  
13 paragraph (1)),

14 the amount chargeable to capital account for the  
15 taxable year for such costs shall be reduced by the  
16 amount of such excess.”.

17 (2) The table of sections for subpart D of part  
18 IV of subchapter A of chapter 1, as amended by the  
19 preceding provisions of this Act, is further amended  
20 by adding at the end the following new item:

“Sec. 45Z. Labor costs of installing mechanical insulation property.”.

21 (d) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to amounts paid or incurred after  
23 December 31, 2021, in taxable years ending after such  
24 date.

1 **SEC. 136503. ADVANCED MANUFACTURING INVESTMENT**  
2 **CREDIT.**

3 (a) IN GENERAL.—Subpart E of part IV of sub-  
4 chapter A of chapter 1 is amended by inserting after sec-  
5 tion 48D the following new section:

6 **“SEC. 48E. ADVANCED MANUFACTURING INVESTMENT**  
7 **CREDIT.**

8 “(a) ESTABLISHMENT OF CREDIT.—

9 “(1) IN GENERAL.—For purposes of section 46,  
10 the advanced manufacturing investment credit for  
11 any taxable year is an amount equal to the applica-  
12 ble percentage of the qualified investment for such  
13 taxable year with respect to any advanced manufac-  
14 turing facility.

15 “(2) APPLICABLE PERCENTAGE.—

16 “(A) BASE AMOUNT.—In the case of any  
17 advanced manufacturing facility which does not  
18 satisfy the requirements described in clauses (i)  
19 and (ii) of subparagraph (B), the applicable  
20 percentage shall be 5 percent.

21 “(B) ALTERNATIVE AMOUNT.—In the case  
22 of any advanced manufacturing facility which—

23 “(i) subject to subparagraph (B) of  
24 subsection (c)(2), satisfies the require-  
25 ments under subparagraph (A) of such  
26 subsection, and

1                   “(ii) with respect to the construction  
2                   of such facility, satisfies the apprenticeship  
3                   requirements under subsection (c)(3),  
4                   the applicable percentage shall be 25 percent.

5                   “(b) QUALIFIED INVESTMENT.—

6                   “(1) IN GENERAL.—For purposes of subsection  
7                   (a)(1), the qualified investment with respect to any  
8                   advanced manufacturing facility for any taxable year  
9                   is the basis of any qualified property placed in serv-  
10                  ice by the taxpayer during such taxable year which  
11                  is part of an advanced manufacturing facility.

12                  “(2) QUALIFIED PROPERTY.—

13                  “(A) IN GENERAL.—For purposes of this  
14                  subsection, the term ‘qualified property’ means  
15                  property—

16                         “(i) which is tangible property,

17                         “(ii) with respect to which deprecia-  
18                         tion (or amortization in lieu of deprecia-  
19                         tion) is allowable,

20                         “(iii) which is—

21                                 “(I) constructed, reconstructed,  
22                                 or erected by the taxpayer, or

23                                 “(II) acquired by the taxpayer if  
24                                 the original use of such property com-  
25                                 mences with the taxpayer, and

1                   “(iv) which is integral to the operation  
2                   of the advanced manufacturing facility.

3                   “(B) BUILDINGS AND STRUCTURAL COM-  
4                   PONENTS.—

5                   “(i) IN GENERAL.—The term ‘quali-  
6                   fied property’ includes any building or its  
7                   structural components which otherwise sat-  
8                   isfy the requirements under subparagraph  
9                   (A).

10                  “(ii) EXCEPTION.—Clause (i) shall  
11                  not apply with respect to a building or por-  
12                  tion of a building used for offices, adminis-  
13                  trative services or other functions unre-  
14                  lated to manufacturing.

15                  “(3) ADVANCED MANUFACTURING FACILITY.—  
16                  For purposes of this subpart, the term ‘advanced  
17                  manufacturing facility’ means a facility for which  
18                  the primary purpose is the manufacturing of semi-  
19                  conductors or semiconductor tooling equipment.

20                  “(4) COORDINATION WITH REHABILITATION  
21                  CREDIT.—The qualified investment with respect to  
22                  any advanced manufacturing facility for any taxable  
23                  year shall not include that portion of the basis of  
24                  any property which is attributable to qualified reha-

1        bilitation expenditures (as defined in section  
2        47(c)(2)).

3        “(c) SPECIAL RULES.—

4                “(1) CERTAIN PROGRESS EXPENDITURE RULES  
5        MADE APPLICABLE.—Rules similar to the rules of  
6        subsections (c)(4) and (d) of section 46 (as in effect  
7        on the day before the date of the enactment of the  
8        Revenue Reconciliation Act of 1990) shall apply for  
9        purposes of subsection (a).

10               “(2) WAGE REQUIREMENTS.—

11                        “(A) IN GENERAL.—The requirements de-  
12        scribed in this subparagraph with respect to  
13        any facility are that the taxpayer shall ensure  
14        that any laborers and mechanics employed by  
15        contractors and subcontractors in—

16                                “(i) the construction of such facility,  
17                                and

18                                “(ii) for any year during the 5-year  
19        period beginning on the date the facility is  
20        originally placed in service, the alteration  
21        or repair of such facility,

22        shall be paid wages at rates not less than the  
23        prevailing rates for construction, alteration, or  
24        repair of a similar character in the locality as  
25        most recently determined by the Secretary of

1 Labor, in accordance with subchapter IV of  
2 chapter 31 of title 40, United States Code.

3 “(B) CORRECTION AND PENALTY RELATED  
4 TO FAILURE TO SATISFY WAGE REQUIRE-  
5 MENTS.—Rules similar to the rules of clauses  
6 (i) through (iv) of section 45(b)(7)(B) shall  
7 apply.

8 “(C) RECAPTURE.—The Secretary shall,  
9 by regulations or other guidance, provide for re-  
10 capturing the benefit of any increase in the  
11 credit allowed under paragraph (2)(B) of sub-  
12 section (a), with respect to any project which  
13 does not satisfy the requirements under sub-  
14 paragraph (A) (after application of subpara-  
15 graph (B)) for the period described in clause  
16 (ii) of subparagraph (A) (but which does not  
17 cease to be investment credit property within  
18 the meaning of section 50(a)). The period and  
19 percentage of such recapture shall be deter-  
20 mined under rules similar to the rules of section  
21 50(a).

22 “(3) APPRENTICESHIP REQUIREMENTS.—Rules  
23 similar to the rules of section 45(b)(8) shall apply.

24 “(4) REGULATIONS AND GUIDANCE.—The Sec-  
25 retary shall issue such regulations or other guidance



1 as the Secretary determines necessary or appropriate  
2 to carry out the purposes of this section, including  
3 regulations or other guidance which provides for re-  
4 quirements for recordkeeping or information report-  
5 ing for purposes of establishing the requirements of  
6 this section.

7 “(d) TERMINATION OF CREDIT.—The credit allowed  
8 under this section shall not apply to facilities or property  
9 the construction of which begins after December 31,  
10 2025.”.

11 (b) ELECTIVE PAYMENT OF CREDIT.—Section  
12 6417(b), as amended by the preceding provisions of this  
13 Act, is amended by adding at the end the following new  
14 paragraph:

15 “(10) The advanced manufacturing investment  
16 credit determined under section 48E.”.

17 (c) CONFORMING AMENDMENTS.—

18 (1) Section 46 is amended—

19 (A) by striking “and” at the end of para-  
20 graph (6),

21 (B) by striking the period at the end of  
22 paragraph (7) and inserting “, and”, and

23 (C) by adding at the end the following new  
24 paragraph:

1           “(8) the advanced manufacturing investment  
2 credit.”.

3           (2) Section 49(a)(1)(C) is amended—

4                 (A) by striking “and” at the end of clause  
5 (vi),

6                 (B) by striking the period at the end of  
7 clause (vii) and inserting “, and”, and

8                 (C) by adding at the end the following new  
9 clause:

10                         “(viii) the basis of any qualified prop-  
11 erty (as defined in section 48E(b)(2))  
12 which is part of an advanced manufac-  
13 turing facility.”.

14           (3) Section 50(a)(2)(E) is amended by striking  
15 “or 48D(e)” and inserting “48D(e), or 48E(c)(1)”.

16           (4) The table of sections for subpart E of part  
17 IV of subchapter A of chapter 1 is amended by in-  
18 serting after the item relating to section 48D the  
19 following new item:

“48E. Advanced manufacturing investment credit.”.

20           (d) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to property placed in service after  
22 December 31, 2021 and, for any property the construction  
23 of which begins prior to January 1, 2022, only to the ex-  
24 tent of the basis thereof attributable to the construction,  
25 reconstruction, or erection after December 31, 2021.

1 **SEC. 136504. ADVANCED MANUFACTURING PRODUCTION**  
2 **CREDIT.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-  
4 chapter A of chapter 1 is amended by adding at the end  
5 the following new section:

6 **“SEC. 45AA. ADVANCED MANUFACTURING PRODUCTION**  
7 **CREDIT.**

8 “(a) IN GENERAL.—

9 “(1) ALLOWANCE OF CREDIT.—For purposes of  
10 section 38, the advanced manufacturing production  
11 credit for any taxable year is an amount equal to the  
12 sum of the credit amounts determined under sub-  
13 section (b) with respect to each eligible component  
14 which is—

15 “(A) produced by such taxpayer, and

16 “(B) during the taxable year, sold by the  
17 taxpayer to an unrelated person.

18 “(2) PRODUCTION AND SALE MUST BE IN  
19 TRADE OR BUSINESS.—Any eligible component pro-  
20 duced and sold by the taxpayer shall be taken into  
21 account only if the production and sale described in  
22 paragraph (1) is in a trade or business of the tax-  
23 payer.

24 “(3) UNRELATED PERSON.—For purposes of  
25 this subsection, a taxpayer shall be treated as selling  
26 components to an unrelated person if such compo-

1       nent is sold to such person by a person related to  
2       the taxpayer.

3       “(b) CREDIT AMOUNT.—

4               “(1) IN GENERAL.—Subject to paragraph (3),  
5       the amount determined under this subsection with  
6       respect to any eligible component, including any eli-  
7       gible component it incorporates, shall be equal to—

8               “(A) in the case of a thin photovoltaic cell  
9       or a crystalline photovoltaic cell, an amount  
10       equal to the product of—

11               “(i) 4 cents, multiplied by

12               “(ii) the capacity of such cell (ex-  
13       pressed on a per direct current watt basis),

14               “(B) in the case of a photovoltaic wafer,  
15       \$12 per square meter,

16               “(C) in the case of solar grade polysilicon,  
17       \$3 per kilogram,

18               “(D) in the case of a solar module, an  
19       amount equal to the product of—

20               “(i) 7 cents, multiplied by

21               “(ii) the capacity of such module (ex-  
22       pressed on a per direct current watt basis),

23       and

24               “(E) in the case of a wind energy compo-  
25       nent, an amount equal to the product of—

1                   “(i) the applicable amount with re-  
2                   spect to such component, multiplied by

3                   “(ii) the total rated capacity (ex-  
4                   pressed on a per watt basis) of the com-  
5                   pleted wind turbine for which such compo-  
6                   nent is designed.

7                   “(2) APPLICABLE AMOUNT.—For purposes of  
8                   paragraph (1)(E), the applicable amount with re-  
9                   spect to any wind energy component shall be—

10                   “(A) in the case of a blade, 2 cents,

11                   “(B) in the case of a nacelle, 5 cents,

12                   “(C) in the case of a tower, 3 cents, and

13                   “(D) in the case of an offshore wind foun-  
14                   dation—

15                   “(i) which uses a fixed platform, 2  
16                   cents, or

17                   “(ii) which uses a floating platform, 4  
18                   cents.

19                   “(3) PHASE OUT.—

20                   “(A) IN GENERAL.—In the case of any eli-  
21                   gible component sold after December 31, 2026,  
22                   the amount determined under this subsection  
23                   with respect to such component shall be equal  
24                   to the product of—

1           “(i) the amount determined under  
2 paragraph (1) with respect to such compo-  
3 nent, as determined without regard to this  
4 paragraph, multiplied by

5           “(ii) the phase out percentage under  
6 subparagraph (B).

7           “(B) PHASE OUT PERCENTAGE.—The  
8 phase out percentage under this subparagraph  
9 is equal to—

10           “(i) in the case of an eligible compo-  
11 nent sold during calendar year 2027, 75  
12 percent,

13           “(ii) in the case of an eligible compo-  
14 nent sold during calendar year 2028, 50  
15 percent,

16           “(iii) in the case of an eligible compo-  
17 nent sold during calendar year 2029, 25  
18 percent,

19           “(iv) in the case of an eligible compo-  
20 nent sold after December 31, 2029, 0 per-  
21 cent.

22           “(c) DEFINITIONS.—For purposes of this section—

23           “(1) ELIGIBLE COMPONENT.—

24           “(A) IN GENERAL.—The term ‘eligible  
25 component’ means—

1 “(i) any solar energy component, and

2 “(ii) any wind energy component.

3 “(B) APPLICATION WITH OTHER CRED-  
4 ITS.—The term ‘eligible component’ shall not  
5 include any property which is produced at a fa-  
6 cility if the basis of any property which is part  
7 of such facility is taken into account for pur-  
8 poses of the credit allowed under section 48C or  
9 48E after the date of the enactment of this sec-  
10 tion.

11 “(2) SOLAR ENERGY COMPONENT.—

12 “(A) IN GENERAL.—The term ‘solar en-  
13 ergy component’ means any of the following:

14 “(i) Solar modules.

15 “(ii) Photovoltaic cells.

16 “(iii) Photovoltaic wafers.

17 “(iv) Solar grade polysilicon.

18 “(B) ASSOCIATED DEFINITIONS.—

19 “(i) PHOTOVOLTAIC CELL.—The term  
20 ‘photovoltaic cell’ means the smallest semi-  
21 conductor element of a solar module which  
22 performs the immediate conversion of light  
23 into electricity.

24 “(ii) PHOTOVOLTAIC WAFER.—The  
25 term ‘photovoltaic wafer’ means a thin

1 slice, sheet, or layer of semiconductor ma-  
2 terial of at least 240 square centimeters  
3 produced by a single manufacturer—

4 “(I) either—

5 “(aa) directly from molten  
6 or evaporated solar grade  
7 polysilicon or deposition of solar  
8 grade thin film semiconductor  
9 photon absorber layer, or

10 “(bb) through formation of  
11 an ingot from molten polysilicon  
12 and subsequent slicing, and

13 “(II) which comprises the sub-  
14 strate or absorber layer of one or  
15 more photovoltaic cells.

16 “(iii) SOLAR GRADE POLYSILICON.—

17 The term ‘solar grade polysilicon’ means  
18 silicon which is—

19 “(I) suitable for use in photo-  
20 voltaic manufacturing, and

21 “(II) purified to a minimum pu-  
22 rity of 99.999999 percent silicon by  
23 mass.

24 “(iv) SOLAR MODULE.—The term  
25 ‘solar module’ means the connection and



1 lamination of photovoltaic cells into an en-  
2 vironmentally protected final assembly  
3 which is—

4 “(I) suitable to generate elec-  
5 tricity when exposed to sunlight, and

6 “(II) ready for installation with-  
7 out an additional manufacturing proc-  
8 ess.

9 “(3) WIND ENERGY COMPONENT.—

10 “(A) IN GENERAL.—The term ‘wind en-  
11 ergy component’ means any of the following:

12 “(i) Blades.

13 “(ii) Nacelles.

14 “(iii) Towers.

15 “(iv) Offshore wind foundations.

16 “(B) ASSOCIATED DEFINITIONS.—

17 “(i) BLADE.—The term ‘blade’ means  
18 an airfoil-shaped blade which is responsible  
19 for converting wind energy to low-speed ro-  
20 tational energy.

21 “(ii) OFFSHORE WIND FOUNDA-  
22 TION.—The term ‘offshore wind founda-  
23 tion’ means the component which secures  
24 an offshore wind tower and any above-

1 water turbine components to the seafloor  
2 using—

3 “(I) fixed platforms, such as off-  
4 shore wind monopiles, jackets, or  
5 gravity-based foundations, or

6 “(II) floating platforms and asso-  
7 ciated mooring systems.

8 “(iii) NACELLE.—The term ‘nacelle’  
9 means the assembly of the drivetrain and  
10 other tower-top components of a wind tur-  
11 bine (with the exception of the blades and  
12 the hub) within their cover housing.

13 “(iv) TOWER.—The term ‘tower’  
14 means a tubular or lattice structure which  
15 supports the nacelle and rotor of a wind  
16 turbine.

17 “(d) SPECIAL RULES.—In this section—

18 “(1) RELATED PERSONS.—Persons shall be  
19 treated as related to each other if such persons  
20 would be treated as a single employer under the reg-  
21 ulations prescribed under section 52(b).

22 “(2) ONLY PRODUCTION IN THE UNITED  
23 STATES TAKEN INTO ACCOUNT.—Sales shall be  
24 taken into account under this section only with re-

1 spect to eligible components the production of which  
2 is within—

3 “(A) the United States (within the mean-  
4 ing of section 638(1)), or

5 “(B) a possession of the United States  
6 (within the meaning of section 638(2)).

7 “(3) PASS-THRU IN THE CASE OF ESTATES AND  
8 TRUSTS.—Under regulations prescribed by the Sec-  
9 retary, rules similar to the rules of subsection (d) of  
10 section 52 shall apply.

11 “(4) CREDIT EQUAL TO 10 PERCENT OF THE  
12 CREDIT AMOUNT FOR UNION FACILITIES.—In the  
13 case of a facility operating under a collective bar-  
14 gaining agreement negotiated by an employee orga-  
15 nization (as defined in section 412(c)(4)), deter-  
16 mined in a manner consistent with section  
17 7701(a)(46), for purposes of determining the  
18 amount of the credit under subsection (a) with re-  
19 spect to eligible components produced by such facil-  
20 ity, the applicable amount under subsection (b) of  
21 such subsection shall be increased by an amount  
22 equal to 10 percent of the amount otherwise in ef-  
23 fect under such subsection.

24 “(5) SALE OF INTEGRATED COMPONENTS.—  
25 For purposes of this section, a person shall be treat-

1 ed as having sold an eligible component if such com-  
2 ponent is integrated, incorporated, or assembled into  
3 another eligible component which is sold to an unre-  
4 lated person.”.

5 (b) ELECTIVE PAYMENT OF CREDIT.—Section  
6 6417(b), as amended by the preceding provisions of this  
7 Act, is amended by adding at the end the following new  
8 paragraph:

9 “(11) The credit for advanced manufacturing  
10 production under section 45AA.”.

11 (c) CONFORMING AMENDMENTS.—

12 (1) Section 38(b) of the Internal Revenue Code  
13 of 1986 is amended—

14 (A) in paragraph (37), by striking “plus”  
15 at the end,

16 (B) in paragraph (38), by striking the pe-  
17 riod at the end and inserting “, plus”, and

18 (C) by adding at the end the following new  
19 paragraph:

20 “(39) the advanced manufacturing production  
21 credit determined under section 45AA(a).”.

22 (2) The table of sections for subpart D of part  
23 IV of subchapter A of chapter 1 is amended by add-  
24 ing at the end the following new item:

“Sec. 45AA. Advanced manufacturing production credit.”.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to components produced and sold  
3 after December 31, 2021.

4 **PART 6—ENVIRONMENTAL JUSTICE**

5 **SEC. 136601. QUALIFIED ENVIRONMENTAL JUSTICE PRO-**  
6 **GRAM CREDIT.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-  
8 chapter A of chapter 1, as amended by the preceding pro-  
9 visions of this Act, is amended by inserting after section  
10 36F the following new section:

11 **“SEC. 36G. QUALIFIED ENVIRONMENTAL JUSTICE PRO-**  
12 **GRAMS.**

13 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-  
14 gible educational institution, there shall be allowed as a  
15 credit against the tax imposed by this subtitle for any tax-  
16 able year an amount equal to the applicable percentage  
17 of the amounts paid or incurred by such taxpayer during  
18 such taxable year which are necessary for a qualified envi-  
19 ronmental justice program.

20 “(b) QUALIFIED ENVIRONMENTAL JUSTICE PRO-  
21 GRAM.—For purposes of this section—

22 “(1) IN GENERAL.—The term ‘qualified envi-  
23 ronmental justice program’ means a program con-  
24 ducted by one or more eligible educational institu-  
25 tions that is designed to address, or improve data

1 about, qualified environmental stressors for the pri-  
2 mary purpose of improving, or facilitating the im-  
3 provement of, health and economic outcomes of indi-  
4 viduals residing in low-income areas or areas that  
5 experience, or are at risk of experiencing, multiple  
6 exposures to qualified environmental stressors.

7 “(2) QUALIFIED ENVIRONMENTAL STRESSOR.—  
8 The term ‘qualified environmental stressor’ means,  
9 with respect to an area, a contamination of the air,  
10 water, soil, or food with respect to such area or a  
11 change relative to historical norms of the weather  
12 conditions of such area, including—

13 “(A) toxic pollutants (such as lead, pes-  
14 ticides, or fine particulate matter) in air, soil,  
15 food, or water,

16 “(B) high rates of asthma prevalence and  
17 incidence, and

18 “(C) such other adverse human health or  
19 environmental effects as are identified by the  
20 Secretary.

21 “(c) ELIGIBLE EDUCATIONAL INSTITUTION.—For  
22 purposes of this section, the term ‘eligible educational in-  
23 stitution’ means an institution of higher education (as  
24 such term is defined in section 101 or 102(c) of the High-

1 er Education Act of 1965) that is eligible to participate  
2 in a program under title IV of such Act.

3 “(d) APPLICABLE PERCENTAGE.—For purposes of  
4 this section, the term ‘applicable percentage’ means—

5 “(1) in the case of a program involving material  
6 participation of faculty and students of an institu-  
7 tion described in section 371(a) of the Higher Edu-  
8 cation Act of 1965, 30 percent, and

9 “(2) in all other cases, 20 percent.

10 “(e) CREDIT ALLOCATION.—

11 “(1) ALLOCATION.—

12 “(A) IN GENERAL.—The Secretary shall  
13 allocate credit dollar amounts under this section  
14 to eligible educational institutions, for qualified  
15 environmental justice programs, that—

16 “(i) submit applications at such time  
17 and in such manner as the Secretary may  
18 provide, and

19 “(ii) are selected by the Secretary  
20 under subparagraph (B).

21 “(B) SELECTION CRITERIA.—The Sec-  
22 retary shall select applications on the basis of  
23 the following criteria:

24 “(i) The extent of participation of fac-  
25 ulty and students of an institution de-

1 scribed in section 371(a) of the Higher  
2 Education Act of 1965.

3 “(ii) The extent of the expected effect  
4 on the health or economic outcomes of in-  
5 dividuals residing in areas within the  
6 United States that are low-income areas or  
7 areas that experience, or are at risk of ex-  
8 perencing, multiple exposures to qualified  
9 environmental stressors.

10 “(iii) The creation or significant ex-  
11 pansion of qualified environmental justice  
12 programs.

13 “(2) LIMITATIONS.—

14 “(A) IN GENERAL.—The amount of the  
15 credit determined under this section for any  
16 taxable year to any eligible educational institu-  
17 tion for any qualified environmental justice pro-  
18 gram shall not exceed the excess of—

19 “(i) the credit dollar amount allocated  
20 to such institution for such program under  
21 this subsection, over

22 “(ii) the credits previously claimed by  
23 such institution for such program under  
24 this section.



1           “(B) FIVE-YEAR LIMITATION.—No  
2 amounts paid or incurred after the 5-year pe-  
3 riod beginning on the date a credit dollar  
4 amount is allocated to an eligible educational  
5 institution for a qualified environmental justice  
6 program shall be taken into account under sub-  
7 section (a) with respect to such institution for  
8 such program.

9           “(C) ALLOCATION LIMITATION.—The total  
10 amount of credits that may be allocated under  
11 the program shall not exceed—

12                   “(i) \$1,000,000,000 for each of tax-  
13 able years 2022 through 2031, and

14                   “(ii) \$0 for each subsequent year.

15           “(D) CARRYOVER OF UNUSED LIMITA-  
16 TION.—If the annual credit limitation for any  
17 calendar year exceeds the aggregate amount  
18 designated for such year under this subsection,  
19 such limitation for the succeeding calendar year  
20 shall be increased by the amount of such excess.  
21 No amount may be carried under the preceding  
22 sentence to any calendar year after 2036.

23           “(f) REQUIREMENTS.—

24                   “(1) IN GENERAL.—An eligible educational in-  
25 stitution that has been allocated credit dollar

1 amounts under this section for a qualified environ-  
2 mental justice project for a taxable year shall—

3 “(A) make publicly available the applica-  
4 tion submitted to the Secretary under sub-  
5 section (e) with respect to such project, and

6 “(B) submit an annual report to the Sec-  
7 retary that describes the amounts paid or in-  
8 curred for, and expected impact of, such  
9 project.

10 “(2) FAILURE TO COMPLY.—In the case of an  
11 eligible education institution that has failed to com-  
12 ply with the requirements of this subsection, the  
13 credit dollar amount allocated to such institution  
14 under this section is deemed to be \$0.

15 “(g) PUBLIC DISCLOSURE.—The Secretary, upon  
16 making an allocation of credit dollar amounts under this  
17 section, shall publicly disclose—

18 “(1) the identity of the eligible educational in-  
19 stitution receiving the allocation, and

20 “(2) the amount of such allocation.”.

21 (c) CONFORMING AMENDMENTS.—

22 (1) Section 6211(b)(4)(A), as amended by the  
23 preceding provisions of this Act, is amended by in-  
24 serting “36G,” after “36F,”.



1 (B) Section 4611(c) is amended by adding  
2 at the end the following:

3 “(3) ADJUSTMENT FOR INFLATION.—

4 “(A) IN GENERAL.—In the case of a year  
5 beginning after 2022, the amount in paragraph  
6 (2)(A) shall be increased by an amount equal  
7 to—

8 “(i) such amount, multiplied by

9 “(ii) the cost-of-living adjustment de-  
10 termined under section 1(f)(3) for the cal-  
11 endar year, determined by substituting  
12 ‘calendar year 2021’ for ‘calendar year  
13 2016’ in subparagraph (A)(ii) thereof.

14 “(B) ROUNDING.—If any amount as ad-  
15 justed under subparagraph (A) is not a multiple  
16 of \$0.01, such amount shall be rounded to the  
17 next lowest multiple of \$0.01.”.

18 (b) AUTHORITY FOR ADVANCES.—Section  
19 9507(d)(3)(B) is amended by striking “December 31,  
20 1995” and inserting “December 31, 2031”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall take effect on July 1, 2022.

1 **PART 8—INCENTIVES FOR CLEAN ELECTRICITY**  
2 **AND CLEAN TRANSPORTATION**

3 **SEC. 136801. CLEAN ELECTRICITY PRODUCTION CREDIT.**

4 (a) IN GENERAL.—Subpart D of part IV of sub-  
5 chapter A of chapter 1 is amended by adding at the end  
6 the following new section:

7 **“SEC. 45BB. CLEAN ELECTRICITY PRODUCTION CREDIT.**

8 “(a) AMOUNT OF CREDIT.—

9 “(1) IN GENERAL.—For purposes of section 38,  
10 the clean electricity production credit for any taxable  
11 year is an amount equal to the product of—

12 “(A) the kilowatt hours of electricity—

13 “(i) produced by the taxpayer at a  
14 qualified facility, and

15 “(ii)(I) sold by the taxpayer to an un-  
16 related person during the taxable year, or

17 “(II) in the case of a qualified facility  
18 which is equipped with a metering device  
19 which is owned and operated by an unre-  
20 lated person, sold, consumed, or stored by  
21 the taxpayer during the taxable year, mul-  
22 tiplied by

23 “(B) the applicable amount with respect to  
24 such qualified facility.

25 “(2) APPLICABLE AMOUNT.—

1           “(A) BASE AMOUNT.—Subject to sub-  
2 section (g)(7), in the case of any qualified facil-  
3 ity which is not described in clause (i) of sub-  
4 paragraph (B) and does not satisfy the require-  
5 ments described in clause (ii) of such subpara-  
6 graph, the applicable amount shall be 0.3 cents.

7           “(B) ALTERNATIVE AMOUNT.—Subject to  
8 subsection (g)(7), in the case of any qualified  
9 facility—

10                   “(i) with a maximum net output of  
11 less than 1 megawatt, or

12                   “(ii) which—

13                           “(I) satisfies the requirements  
14 under paragraph (9) of subsection (g),  
15 and

16                           “(II) with respect to the con-  
17 struction of such facility, satisfies the  
18 requirements under paragraph (10) of  
19 subsection (g),

20 the applicable amount shall be 1.5 cents.

21           “(b) QUALIFIED FACILITY.—

22                   “(1) IN GENERAL.—

23                           “(A) DEFINITION.—Subject to subpara-  
24 graphs (B), (C), and (D), the term ‘qualified

1 facility’ means a facility owned by the tax-  
2 payer—

3 “(i) which is used for the generation  
4 of electricity,

5 “(ii) the construction of which begins  
6 after December 31, 2026, and

7 “(iii) for which the greenhouse gas  
8 emissions rate (as determined under para-  
9 graph (2)) is not greater than zero.

10 “(B) 10-YEAR PRODUCTION CREDIT.—For  
11 purposes of this section, a facility shall only be  
12 treated as a qualified facility during the 10-year  
13 period beginning on the date the facility was  
14 originally placed in service.

15 “(C) EXPANSION OF FACILITY; INCRE-  
16 MENTAL PRODUCTION.—The term ‘qualified fa-  
17 cility’ shall include either of the following in  
18 connection with a facility described in subpara-  
19 graph (A) (without regard to clause (ii) of such  
20 subparagraph) the construction of which begins  
21 before January 1, 2027, but only to the extent  
22 of the increased amount of electricity produced  
23 at the facility by reason of the following:

24 “(i) A new unit the construction of  
25 which begins after December 31, 2026.

1           “(ii) Any additions of capacity the  
2           construction of which begins after Decem-  
3           ber 31, 2026.

4           “(D) COORDINATION WITH OTHER CRED-  
5           ITS.—The term ‘qualified facility’ shall not in-  
6           clude any facility for which a credit determined  
7           under section 45, 45J, 45Q, 48, 48A, or 48F  
8           is allowed under section 38 for the taxable year  
9           or any prior taxable year.

10          “(2) GREENHOUSE GAS EMISSIONS RATE.—

11           “(A) IN GENERAL.—For purposes of this  
12           section, the term ‘greenhouse gas emissions  
13           rate’ means the amount of greenhouse gases  
14           emitted into the atmosphere by a facility in the  
15           production of electricity, expressed as grams of  
16           CO<sub>2</sub>e per KWh.

17           “(B) FUEL COMBUSTION AND GASIFI-  
18           CATION.—In the case of a facility which pro-  
19           duces electricity through combustion or gasifi-  
20           cation, the greenhouse gas emissions rate for  
21           such facility shall be equal to the net rate of  
22           greenhouse gases emitted into the atmosphere  
23           by such facility (taking into account lifecycle  
24           greenhouse gas emissions, as described in sec-  
25           tion 211(o)(1)(H) of the Clean Air Act (42



1 U.S.C. 7545(o)(1)(H))) in the production of  
2 electricity, expressed as grams of CO<sub>2</sub>e per  
3 KWh.

4 “(C) ESTABLISHMENT OF EMISSIONS  
5 RATES FOR FACILITIES.—

6 “(i) PUBLISHING EMISSIONS RATES.—

7 The Secretary shall annually publish a  
8 table that sets forth the greenhouse gas  
9 emissions rates for types or categories of  
10 facilities, which a taxpayer shall use for  
11 purposes of this section.

12 “(ii) PROVISIONAL EMISSIONS  
13 RATE.—In the case of any facility for  
14 which an emissions rate has not been es-  
15 tablished by the Secretary, a taxpayer  
16 which owns such facility may file a petition  
17 with the Secretary for determination of the  
18 emissions rate with respect to such facility.

19 “(D) CARBON CAPTURE AND SEQUESTRA-  
20 TION EQUIPMENT.—For purposes of this sub-  
21 section, the amount of greenhouse gases emit-  
22 ted into the atmosphere by a facility in the pro-  
23 duction of electricity shall not include any quali-  
24 fied carbon dioxide that is captured by the tax-  
25 payer and—

1           “(i) pursuant to any regulations es-  
2           tablished under paragraph (2) of section  
3           45Q(f), disposed of by the taxpayer in se-  
4           cure geological storage, or

5           “(ii) utilized by the taxpayer in a  
6           manner described in paragraph (5) of such  
7           section.

8           “(c) INFLATION ADJUSTMENT.—

9           “(1) IN GENERAL.—In the case of a calendar  
10          year beginning after 2021, the 0.3 cent amount in  
11          paragraph (2)(A) of subsection (a) and the 1.5 cent  
12          amount in paragraph (2)(B) of such subsection shall  
13          each be adjusted by multiplying such amount by the  
14          inflation adjustment factor for the calendar year in  
15          which the sale or use of the electricity occurs. If the  
16          0.3 cent amount as increased under this paragraph  
17          is not a multiple of 0.05 cent, such amount shall be  
18          rounded to the nearest multiple of 0.05 cent. If the  
19          1.5 cent amount as increased under this paragraph  
20          is not a multiple of 0.1 cent, such amount shall be  
21          rounded to the nearest multiple of 0.1 cent.

22          “(2) ANNUAL COMPUTATION.—The Secretary  
23          shall, not later than April 1 of each calendar year,  
24          determine and publish in the Federal Register the

1 inflation adjustment factor for such calendar year in  
2 accordance with this subsection.

3 “(3) INFLATION ADJUSTMENT FACTOR.—The  
4 term ‘inflation adjustment factor’ means, with re-  
5 spect to a calendar year, a fraction the numerator  
6 of which is the GDP implicit price deflator for the  
7 preceding calendar year and the denominator of  
8 which is the GDP implicit price deflator for the cal-  
9 endar year 1992. The term ‘GDP implicit price  
10 deflator’ means the most recent revision of the im-  
11 plicit price deflator for the gross domestic product  
12 as computed and published by the Department of  
13 Commerce before March 15 of the calendar year.

14 “(d) CREDIT PHASE-OUT.—

15 “(1) IN GENERAL.—The amount of the clean  
16 electricity production credit under subsection (a) for  
17 any qualified facility the construction of which be-  
18 gins during a calendar year described in paragraph  
19 (2) shall be equal to the product of—

20 “(A) the amount of the credit determined  
21 under subsection (a) without regard to this sub-  
22 section, multiplied by

23 “(B) the phase-out percentage under para-  
24 graph (2).

1           “(2) PHASE-OUT PERCENTAGE.—The phase-out  
2 percentage under this paragraph is equal to—

3           “(A) for a facility the construction of  
4 which begins during the first calendar year fol-  
5 lowing the applicable year, 100 percent,

6           “(B) for a facility the construction of  
7 which begins during the second calendar year  
8 following the applicable year, 75 percent,

9           “(C) for a facility the construction of  
10 which begins during the third calendar year fol-  
11 lowing the applicable year, 50 percent, and

12           “(D) for a facility the construction of  
13 which begins during any calendar year subse-  
14 quent to the calendar year described in sub-  
15 paragraph (C), 0 percent.

16           “(3) APPLICABLE YEAR.—For purposes of this  
17 subsection, the term ‘applicable year’ means the  
18 later of—

19           “(A) the calendar year in which the Sec-  
20 retary determines that the annual greenhouse  
21 gas emissions from the production of electricity  
22 in the United States are equal to or less than  
23 25 percent of the annual greenhouse gas emis-  
24 sions from the production of electricity in the  
25 United States for calendar year 2021, or

1 “(B) 2031.

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

3 “(1) CO<sub>2</sub>e PER KWh.—The term ‘CO<sub>2</sub>e per  
4 KWh’ means, with respect to any greenhouse gas,  
5 the equivalent carbon dioxide (as determined based  
6 on global warming potential) per kilowatt hour of  
7 electricity produced.

8 “(2) GREENHOUSE GAS.—The term ‘greenhouse  
9 gas’ has the same meaning given such term under  
10 section 211(o)(1)(G) of the Clean Air Act (42  
11 U.S.C. 7545(o)(1)(G)), as in effect on the date of  
12 the enactment of this section.

13 “(3) QUALIFIED CARBON DIOXIDE.—The term  
14 ‘qualified carbon dioxide’ means carbon dioxide cap-  
15 tured from an industrial source which—

16 “(A) would otherwise be released into the  
17 atmosphere as industrial emission of green-  
18 house gas,

19 “(B) is measured at the source of capture  
20 and verified at the point of disposal or utiliza-  
21 tion, and

22 “(C) is captured and disposed or utilized  
23 within the United States (within the meaning of  
24 section 638(1)) or a possession of the United  
25 States (within the meaning of section 638(2)).

1       “(f) GUIDANCE.—Not later than January 1, 2027,  
2 the Secretary shall issue guidance regarding implementa-  
3 tion of this section, including calculation of greenhouse  
4 gas emission rates for qualified facilities and determina-  
5 tion of clean electricity production credits under this sec-  
6 tion.

7       “(g) SPECIAL RULES.—

8           “(1) ONLY PRODUCTION IN THE UNITED  
9 STATES TAKEN INTO ACCOUNT.—Consumption or  
10 sales shall be taken into account under this section  
11 only with respect to electricity the production of  
12 which is within—

13           “(A) the United States (within the mean-  
14 ing of section 638(1)), or

15           “(B) a possession of the United States  
16 (within the meaning of section 638(2)).

17       “(2) COMBINED HEAT AND POWER SYSTEM  
18 PROPERTY.—

19           “(A) IN GENERAL.—For purposes of sub-  
20 section (a)—

21           “(i) the kilowatt hours of electricity  
22 produced by a taxpayer at a qualified facil-  
23 ity shall include any production in the  
24 form of useful thermal energy by any com-

1           bined heat and power system property  
2           within such facility, and

3           “(ii) the amount of greenhouse gases  
4           emitted into the atmosphere by such facil-  
5           ity in the production of such useful ther-  
6           mal energy shall be included for purposes  
7           of determining the greenhouse gas emis-  
8           sions rate for such facility.

9           “(B) COMBINED HEAT AND POWER SYS-  
10          TEM PROPERTY.—For purposes of this para-  
11          graph, the term ‘combined heat and power sys-  
12          tem property’ has the same meaning given such  
13          term by section 48(c)(3) (without regard to  
14          subparagraphs (A)(iv), (B), and (D) thereof).

15          “(C) CONVERSION FROM BTU TO KWH.—

16          “(i) IN GENERAL.—For purposes of  
17          subparagraph (A)(i), the amount of kilo-  
18          watt hours of electricity produced in the  
19          form of useful thermal energy shall be  
20          equal to the quotient of—

21                  “(I) the total useful thermal en-  
22                  ergy produced by the combined heat  
23                  and power system property within the  
24                  qualified facility, divided by

1                   “(II) the heat rate for such facil-  
2                   ity.

3                   “(ii) HEAT RATE.—For purposes of  
4                   this subparagraph, the term ‘heat rate’  
5                   means the amount of energy used by the  
6                   qualified facility to generate 1 kilowatt  
7                   hour of electricity, expressed as British  
8                   thermal units per net kilowatt hour gen-  
9                   erated.

10                  “(3) PRODUCTION ATTRIBUTABLE TO THE TAX-  
11                  PAYER.—In the case of a qualified facility in which  
12                  more than 1 person has an ownership interest, ex-  
13                  cept to the extent provided in regulations prescribed  
14                  by the Secretary, production from the facility shall  
15                  be allocated among such persons in proportion to  
16                  their respective ownership interests in the gross  
17                  sales from such facility.

18                  “(4) RELATED PERSONS.—Persons shall be  
19                  treated as related to each other if such persons  
20                  would be treated as a single employer under the reg-  
21                  ulations prescribed under section 52(b). In the case  
22                  of a corporation which is a member of an affiliated  
23                  group of corporations filing a consolidated return,  
24                  such corporation shall be treated as selling electricity



1 to an unrelated person if such electricity is sold to  
2 such a person by another member of such group.

3 “(5) PASS-THRU IN THE CASE OF ESTATES AND  
4 TRUSTS.—Under regulations prescribed by the Sec-  
5 retary, rules similar to the rules of subsection (d) of  
6 section 52 shall apply.

7 “(6) ALLOCATION OF CREDIT TO PATRONS OF  
8 AGRICULTURAL COOPERATIVE.—

9 “(A) ELECTION TO ALLOCATE.—

10 “(i) IN GENERAL.—In the case of an  
11 eligible cooperative organization, any por-  
12 tion of the credit determined under sub-  
13 section (a) for the taxable year may, at the  
14 election of the organization, be apportioned  
15 among patrons of the organization on the  
16 basis of the amount of business done by  
17 the patrons during the taxable year.

18 “(ii) FORM AND EFFECT OF ELEC-  
19 TION.—An election under clause (i) for any  
20 taxable year shall be made on a timely  
21 filed return for such year. Such election,  
22 once made, shall be irrevocable for such  
23 taxable year. Such election shall not take  
24 effect unless the organization designates  
25 the apportionment as such in a written no-

1           tice mailed to its patrons during the pay-  
2           ment period described in section 1382(d).

3           “(B) TREATMENT OF ORGANIZATIONS AND  
4 PATRONS.—The amount of the credit appor-  
5 tioned to any patrons under subparagraph  
6 (A)—

7                   “(i) shall not be included in the  
8                   amount determined under subsection (a)  
9                   with respect to the organization for the  
10                  taxable year, and

11                   “(ii) shall be included in the amount  
12                   determined under subsection (a) for the  
13                   first taxable year of each patron ending on  
14                   or after the last day of the payment period  
15                   (as defined in section 1382(d)) for the tax-  
16                   able year of the organization or, if earlier,  
17                   for the taxable year of each patron ending  
18                   on or after the date on which the patron  
19                   receives notice from the cooperative of the  
20                   apportionment.

21           “(C) SPECIAL RULES FOR DECREASE IN  
22 CREDITS FOR TAXABLE YEAR.—If the amount  
23 of the credit of a cooperative organization de-  
24 termined under subsection (a) for a taxable  
25 year is less than the amount of such credit

1 shown on the return of the cooperative organi-  
2 zation for such year, an amount equal to the  
3 excess of—

4 “(i) such reduction, over

5 “(ii) the amount not apportioned to  
6 such patrons under subparagraph (A) for  
7 the taxable year,

8 shall be treated as an increase in tax imposed  
9 by this chapter on the organization. Such in-  
10 crease shall not be treated as tax imposed by  
11 this chapter for purposes of determining the  
12 amount of any credit under this chapter.

13 “(D) ELIGIBLE COOPERATIVE DEFINED.—  
14 For purposes of this section, the term ‘eligible  
15 cooperative’ means a cooperative organization  
16 described in section 1381(a) which is owned  
17 more than 50 percent by agricultural producers  
18 or by entities owned by agricultural producers.  
19 For this purpose an entity owned by an agricul-  
20 tural producer is one that is more than 50 per-  
21 cent owned by agricultural producers.

22 “(7) INCREASE IN CREDIT IN CERTAIN  
23 CASES.—

24 “(A) ENERGY COMMUNITIES.—In the case  
25 of any qualified facility which is located in an

1 energy community (as defined in section  
2 45(b)(11)(B)), for purposes of determining the  
3 amount of the credit under subsection (a) with  
4 respect to any electricity produced by the tax-  
5 payer at such facility during the taxable year,  
6 the applicable amount under paragraph (2) of  
7 such subsection shall be increased by an  
8 amount equal to 10 percent of the amount oth-  
9 erwise in effect under such paragraph (without  
10 application of subparagraph (B)).

11 “(B) DOMESTIC CONTENT.—Rules similar  
12 to the rules of section 45(b)(9) shall apply.

13 “(8) CREDIT REDUCED FOR TAX-EXEMPT  
14 BONDS.—Rules similar to the rules of section  
15 45(b)(3) shall apply.

16 “(9) WAGE REQUIREMENTS.—Rules similar to  
17 the rules of section 45(b)(7)(A) and clauses (i)  
18 through (iv) of section 45(b)(7)(B) shall apply.

19 “(10) APPRENTICESHIP REQUIREMENTS.—  
20 Rules similar to the rules of section 45(b)(8) shall  
21 apply.

22 “(11) DOMESTIC CONTENT REQUIREMENT FOR  
23 ELECTIVE PAYMENT.—Rules similar to the rules of  
24 section 45(b)(10) shall apply.”

1           (b) ELECTIVE PAYMENT OF CREDIT.—Section  
2 6417(b), as amended by preceding provisions of this Act,  
3 is amended by adding at the end the following new para-  
4 graph:

5                   “(12) The clean electricity production credit de-  
6 termined under section 45BB(a).”.

7           (c) ELECTION.—Section 6417(c)(3), as amended by  
8 the preceding provisions of this Act, is amended by adding  
9 at the end the following new subparagraph:

10                   “(D) CLEAN ELECTRICITY PRODUCTION  
11 CREDIT.—In the case of the credit described in  
12 subsection (b)(10), any election under this sub-  
13 section shall—

14                           “(i) apply separately with respect to  
15 each qualified facility,

16                           “(ii) be made for the taxable year in  
17 which the facility is placed in service, and

18                           “(iii) shall apply to such taxable year  
19 and all subsequent taxable years with re-  
20 spect to such facility.”.

21           (d) CONFORMING AMENDMENTS.—

22                   (1) Section 38(b) is amended—

23                           (A) in paragraph (38), by striking “plus”  
24 at the end,

1 (B) in paragraph (39), by striking the pe-  
2 riod at the end and inserting “, plus”, and

3 (C) by adding at the end the following new  
4 paragraph:

5 “(40) the clean electricity production credit de-  
6 termined under section 45BB(a).”.

7 (2) The table of sections for subpart D of part  
8 IV of subchapter A of chapter 1 is amended by add-  
9 ing at the end the following new item:

“Sec. 45BB. Clean electricity production credit.”.

10 (e) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to facilities placed in service after  
12 December 31, 2022.

13 **SEC. 136802. CLEAN ELECTRICITY INVESTMENT CREDIT.**

14 (a) IN GENERAL.—Subpart E of part IV of sub-  
15 chapter A of chapter 1 is amended by inserting after sec-  
16 tion 48E the following new section:

17 **“SEC. 48F. CLEAN ELECTRICITY INVESTMENT CREDIT.**

18 “(a) INVESTMENT CREDIT FOR QUALIFIED PROP-  
19 erty.—

20 “(1) IN GENERAL.—For purposes of section 46,  
21 the clean electricity investment credit for any taxable  
22 year is an amount equal to the applicable percentage  
23 of the qualified investment for such taxable year  
24 with respect to—

25 “(A) any qualified facility, and

1 “(B) any grid improvement property.

2 “(2) APPLICABLE PERCENTAGE.—

3 “(A) QUALIFIED FACILITIES.—Subject to  
4 paragraph (3)—

5 “(i) BASE RATE.—In the case of any  
6 qualified facility which is not described in  
7 subclause (I) of clause (ii) and does not  
8 satisfy the requirements described in sub-  
9 clause (II) of such clause, the applicable  
10 percentage shall be 6 percent.

11 “(ii) ALTERNATIVE RATE.—In the  
12 case of any qualified facility—

13 “(I) with a maximum net output  
14 of less than 1 megawatt, or

15 “(II) which—

16 “(aa) satisfies the require-  
17 ments of subsection (d)(3), and

18 “(bb) with respect to the  
19 construction of such facility, sat-  
20 isfies the requirements of sub-  
21 section (d)(4),

22 the applicable percentage shall be 30 per-  
23 cent.

24 “(B) GRID IMPROVEMENT PROPERTY.—

25 Subject to paragraph (3)—

1           “(i) BASE RATE.—In the case of any  
2           grid improvement property which is not de-  
3           scribed in subclause (I) of clause (ii) and  
4           does not satisfy the requirements described  
5           in subclause (II) of such clause, the appli-  
6           cable percentage shall be 6 percent.

7           “(ii) ALTERNATIVE RATE.—In the  
8           case of any grid improvement property—

9                   “(I) which is energy storage  
10                  property with a capacity of less than  
11                  1 megawatt, or

12                  “(II) which—

13                          “(aa) satisfies the require-  
14                          ments of subsection (d)(3), and

15                          “(bb) with respect to the  
16                          construction of such property,  
17                          satisfies rules similar to the rules  
18                          of section 45(b)(8),

19           the applicable percentage shall be 30 per-  
20           cent.

21           “(3) INCREASE IN CREDIT RATE IN CERTAIN  
22           CASES.—

23                   “(A) ENERGY COMMUNITIES.—

24                          “(i) IN GENERAL.—In the case of any  
25                          qualified investment with respect to a



1 qualified facility or with respect to grid im-  
2 provement property which is placed in  
3 service within an energy community (as de-  
4 fined in section 45(b)(11)(B)), for pur-  
5 poses applying paragraph (2) with respect  
6 to such property or investment, the appli-  
7 cable percentage shall be increased by the  
8 applicable credit rate increase.

9 “(ii) APPLICABLE CREDIT RATE IN-  
10 CREASE.—For purposes of clause (i), the  
11 applicable credit rate increase shall be an  
12 amount equal to—

13 “(I) in the case of any qualified  
14 investment with respect to a qualified  
15 facility described in paragraph  
16 (2)(A)(i) or with respect to grid im-  
17 provement property described in para-  
18 graph (2)(B)(i), 2 percentage points,  
19 and

20 “(II) in the case of any qualified  
21 investment with respect to a qualified  
22 facility described in paragraph  
23 (2)(A)(ii) or with respect to grid im-  
24 provement property described in para-

1 graph (2)(B)(ii), 10 percentage  
2 points.

3 “(B) DOMESTIC CONTENT.—Rules similar  
4 to the rules of section 48(a)(12) shall apply.

5 “(b) QUALIFIED INVESTMENT WITH RESPECT TO A  
6 QUALIFIED FACILITY.—

7 “(1) IN GENERAL.—For purposes of subsection  
8 (a), the qualified investment with respect to any  
9 qualified facility for any taxable year is the sum  
10 of—

11 “(A) the basis of any qualified property  
12 placed in service by the taxpayer during such  
13 taxable year which is part of a qualified facility,  
14 plus

15 “(B) the amount of any expenditures  
16 which are—

17 “(i) paid or incurred by the taxpayer  
18 for qualified interconnection property—

19 “(I) in connection with a quali-  
20 fied facility which has a maximum net  
21 output of not greater than 5  
22 megawatts, and

23 “(II) placed in service during the  
24 taxable year of the taxpayer, and

1                   “(ii) properly chargeable to capital ac-  
2                   count of the taxpayer.

3                   “(2) QUALIFIED PROPERTY.—The term ‘quali-  
4                   fied property’ means property—

5                   “(A) which is—

6                   “(i) tangible personal property, or

7                   “(ii) other tangible property (not in-  
8                   cluding a building or its structural compo-  
9                   nents), but only if such property is used as  
10                  an integral part of the qualified facility,

11                  “(B) with respect to which depreciation (or  
12                  amortization in lieu of depreciation) is allow-  
13                  able, and

14                  “(C)(i) the construction, reconstruction, or  
15                  erection of which is completed by the taxpayer,  
16                  or

17                  “(ii) which is acquired by the taxpayer if  
18                  the original use of such property commences  
19                  with the taxpayer.

20                  “(3) QUALIFIED FACILITY.—

21                  “(A) IN GENERAL.—For purposes of this  
22                  section, the term ‘qualified facility’ means a fa-  
23                  cility—

24                  “(i) which is used for the generation  
25                  of electricity,

1 “(ii) the construction of which begins  
2 after December 31, 2026, and

3 “(iii) for which the anticipated green-  
4 house gas emissions rate (as determined  
5 under subparagraph (B)(ii)) is not greater  
6 than zero.

7 “(B) ADDITIONAL RULES.—

8 “(i) EXPANSION OF FACILITY; INCRE-  
9 MENTAL PRODUCTION.—Rules similar to  
10 the rules of section 45BB(b)(1)(C) shall  
11 apply for purposes of this paragraph.

12 “(ii) GREENHOUSE GAS EMISSIONS  
13 RATE.—Rules similar to the rules of sec-  
14 tion 45BB(b)(2) shall apply for purposes  
15 of this paragraph.

16 “(C) EXCLUSION.—The term ‘qualified fa-  
17 cility’ shall not include any facility for which—

18 “(i) a renewable electricity production  
19 credit determined under section 45,

20 “(ii) an advanced nuclear power facil-  
21 ity production credit determined under sec-  
22 tion 45J,

23 “(iii) a carbon oxide sequestration  
24 credit determined under section 45Q,

1           “(iv) a clean electricity production  
2           credit determined under section 45BB,

3           “(v) an energy credit determined  
4           under section 48,

5           “(vi) a qualifying advanced coal  
6           project credit under section 48A, or

7           “(vii) a qualifying electric trans-  
8           mission property credit under section 48D,  
9           is allowed under section 38 for the taxable year  
10          or any prior taxable year.

11          “(4) QUALIFIED INTERCONNECTION PROP-  
12          ERTY.—For purposes of this paragraph, the term  
13          ‘qualified interconnection property’ has the meaning  
14          given such term in section 48(a)(8)(B).

15          “(5) COORDINATION WITH REHABILITATION  
16          CREDIT.—The qualified investment with respect to  
17          any qualified facility for any taxable year shall not  
18          include that portion of the basis of any property  
19          which is attributable to qualified rehabilitation ex-  
20          penditures (as defined in section 47(c)(2)).

21          “(6) DEFINITIONS.—For purposes of this sub-  
22          section, the terms ‘CO<sub>2</sub>e per KWh’ and ‘greenhouse  
23          gas emissions rate’ have the same meaning given  
24          such terms under section 45BB(b).

1       “(c) QUALIFIED INVESTMENT WITH RESPECT TO  
2 GRID IMPROVEMENT PROPERTY.—

3               “(1) IN GENERAL.—

4                       “(A) QUALIFIED INVESTMENT.—For pur-  
5 poses of subsection (a), the qualified investment  
6 with respect to grid improvement property for  
7 any taxable year is the basis of any grid im-  
8 provement property placed in service by the tax-  
9 payer during such taxable year.

10                      “(B) GRID IMPROVEMENT PROPERTY.—

11 For purposes of this section, the term ‘grid im-  
12 provement property’ means any energy storage  
13 property.

14                      “(2) ENERGY STORAGE PROPERTY.—For pur-  
15 poses of this section, the term ‘energy storage prop-  
16 erty’ has the meaning given such term in section  
17 48(c)(6).

18       “(d) SPECIAL RULES.—

19                      “(1) CERTAIN PROGRESS EXPENDITURE RULES  
20 MADE APPLICABLE.—Rules similar to the rules of  
21 subsections (c)(4) and (d) of section 46 (as in effect  
22 on the day before the date of the enactment of the  
23 Revenue Reconciliation Act of 1990) shall apply for  
24 purposes of subsection (a).

1           “(2) SPECIAL RULE FOR PROPERTY FINANCED  
2 BY SUBSIDIZED ENERGY FINANCING OR PRIVATE AC-  
3 TIVITY BONDS.—Rules similar to the rules of section  
4 45(b)(3) shall apply.

5           “(3) PREVAILING WAGE REQUIREMENTS.—  
6 Rules similar to the rules of section 48(a)(10) shall  
7 apply.

8           “(4) APPRENTICESHIP REQUIREMENTS.—Rules  
9 similar to the rules of section 45(b)(8) shall apply.

10           “(5) DOMESTIC CONTENT REQUIREMENT FOR  
11 ELECTIVE PAYMENT.—Rules similar to the rules of  
12 section 45(b)(10) shall apply.

13           “(e) CREDIT PHASE-OUT.—

14           “(1) IN GENERAL.—The amount of the clean  
15 electricity investment credit under subsection (a) for  
16 any qualified investment with respect to any quali-  
17 fied facility or grid improvement property the con-  
18 struction of which begins during a calendar year de-  
19 scribed in paragraph (2) shall be equal to the prod-  
20 uct of—

21           “(A) the amount of the credit determined  
22 under subsection (a) without regard to this sub-  
23 section, multiplied by

24           “(B) the phase-out percentage under para-  
25 graph (2).

1           “(2) PHASE-OUT PERCENTAGE.—The phase-out  
2 percentage under this paragraph is equal to—

3           “(A) for any qualified investment with re-  
4 spect to any qualified facility or grid improve-  
5 ment property the construction of which begins  
6 during the first calendar year following the ap-  
7 plicable year, 100 percent,

8           “(B) for any qualified investment with re-  
9 spect to any qualified facility or grid improve-  
10 ment property the construction of which begins  
11 during the second calendar year following the  
12 applicable year, 75 percent,

13           “(C) for any qualified investment with re-  
14 spect to any qualified facility or grid improve-  
15 ment property the construction of which begins  
16 during the third calendar year following the ap-  
17 plicable year, 50 percent, and

18           “(D) for any qualified investment with re-  
19 spect to any qualified facility or grid improve-  
20 ment property the construction of which begins  
21 during any calendar year subsequent to the cal-  
22 endar year described in subparagraph (C), 0  
23 percent.



1           “(3) APPLICABLE YEAR.—For purposes of this  
2           subsection, the term ‘applicable year’ has the same  
3           meaning given such term in section 45BB(d)(3).

4           “(f) GREENHOUSE GAS.—In this section, the term  
5           ‘greenhouse gas’ has the same meaning given such term  
6           under section 45BB(e)(2).

7           “(g) RECAPTURE OF CREDIT.—For purposes of sec-  
8           tion 50, if the Secretary determines that the greenhouse  
9           gas emissions rate for a qualified facility is greater than  
10          10 grams of CO<sub>2</sub>e per KWh, any property for which a  
11          credit was allowed under this section with respect to such  
12          facility shall cease to be investment credit property in the  
13          taxable year in which the determination is made.

14          “(h) GUIDANCE.—Not later than January 1, 2027,  
15          the Secretary shall issue guidance regarding implementa-  
16          tion of this section.”.

17          (b) ELECTIVE PAYMENT OF CREDIT.—Section  
18          6417(b), as amended by preceding provisions of this Act,  
19          is amended by adding at the end the following new para-  
20          graph:

21                  “(13) The clean electricity investment credit de-  
22                  termined under section 48F.”.

23          (c) CONFORMING AMENDMENTS.—

24                  (1) Section 46 is amended—

1 (A) by striking “and” at the end of para-  
2 graph (5),

3 (B) by striking the period at the end of  
4 paragraph (6) and inserting “, and”, and

5 (C) by adding at the end the following new  
6 paragraph:

7 “(7) the clean electricity investment credit.”.

8 (2) Section 49(a)(1)(C) is amended—

9 (A) by striking “and” at the end of clause  
10 (iv),

11 (B) by striking the period at the end of  
12 clause (v) and inserting a comma, and

13 (C) by adding at the end the following new  
14 clauses:

15 “(vi) the basis of any qualified prop-  
16 erty which is part of a qualified facility  
17 under section 48F, and

18 “(vii) the basis of any energy storage  
19 property under section 48F.”.

20 (3) Section 50(a)(2)(E) is amended by striking  
21 “or 48E(c)(1)” and inserting “48E(c)(1), or  
22 48F(e)”.

23 (4) Section 50(c)(3) is amended by inserting  
24 “or clean electricity investment credit” after “In the  
25 case of any energy credit”.

1           (5) The table of sections for subpart E of part  
2           IV of subchapter A of chapter 1 is amended by in-  
3           serting after the item relating to section 48E the fol-  
4           lowing new item:

“48F. Clean electricity investment credit.”.

5           (d) **EFFECTIVE DATE.**—The amendments made by  
6           this section shall apply to property placed in service after  
7           December 31, 2026, and, for any property the construc-  
8           tion of which begins prior to January 1, 2027, only to  
9           the extent of the basis thereof attributable to the construc-  
10          tion, reconstruction, or erection after December 31, 2026.

11 **SEC. 136803. INCREASE IN CLEAN ELECTRICITY INVEST-**  
12 **MENT CREDIT FOR FACILITIES PLACED IN**  
13 **SERVICE IN CONNECTION WITH LOW-INCOME**  
14 **COMMUNITIES.**

15          (a) **IN GENERAL.**—Section 48F, as added by this  
16 Act, is amended by adding at the end the following new  
17 subsection:

18          “(i) **SPECIAL RULES FOR CERTAIN FACILITIES**  
19 **PLACED IN SERVICE IN CONNECTION WITH LOW-INCOME**  
20 **COMMUNITIES.**—

21                 “(1) **IN GENERAL.**—In the case of any qualified  
22                 facility with respect to which the Secretary makes an  
23                 allocation of environmental justice capacity limita-  
24                 tion under paragraph (4)—

1           “(A) the applicable percentage otherwise  
2 determined under subsection (a)(2) with respect  
3 to any eligible property which is part of such  
4 facility shall be increased by—

5           “(i) in the case of a facility described  
6 in subclause (I) of paragraph (2)(A)(iii)  
7 and not described in subclause (II) of such  
8 paragraph, 10 percentage points, and

9           “(ii) in the case of a facility described  
10 in subclause (II) of paragraph (2)(A)(iii),  
11 20 percentage points, and

12           “(B) the increase in the credit determined  
13 under subsection (a) by reason of this sub-  
14 section for any taxable year with respect to all  
15 property which is part of such facility shall not  
16 exceed the amount which bears the same ratio  
17 to the amount of such increase (determined  
18 without regard to this subparagraph) as—

19           “(i) the environmental justice capacity  
20 limitation allocated to such facility, bears  
21 to

22           “(ii) the total megawatt nameplate ca-  
23 pacity of such facility, as measured in di-  
24 rect current.

1           “(2) QUALIFIED FACILITY.—For purposes of  
2 this subsection—

3           “(A) IN GENERAL.—The term ‘qualified  
4 facility’ means any facility—

5           “(i) which is described in subsection  
6 (b)(3)(A) and not described in section  
7 45BB(b)(2)(B),

8           “(ii) which has a maximum net output  
9 of less than 5 megawatts, and

10          “(iii) which—

11           “(I) is located in a low-income  
12 community (as defined in section  
13 45D(e)) or on Indian land (as defined  
14 in section 2601(2) of the Energy Pol-  
15 icy Act of 1992 (25 U.S.C. 3501(2))),  
16 or

17           “(II) is part of a qualified low-in-  
18 come residential building project or a  
19 qualified low-income economic benefit  
20 project.

21          “(B) QUALIFIED LOW-INCOME RESIDEN-  
22 TIAL BUILDING PROJECT.—A facility shall be  
23 treated as part of a qualified low-income resi-  
24 dential building project if—

1           “(i) such facility is installed on a resi-  
2           dential rental building which participates  
3           in a covered housing program (as defined  
4           in section 41411(a) of the Violence Against  
5           Women Act of 1994 (34 U.S.C.  
6           12491(a)(3)), a Housing Development  
7           Fund Corporation cooperative under Arti-  
8           cle XI of the New York State Private  
9           Housing Finance Law, a housing assist-  
10          ance program administered by the Depart-  
11          ment of Agriculture under title V of the  
12          Housing Act of 1949, a housing program  
13          administered by a tribally designated hous-  
14          ing entity (as defined in section 4(22) of  
15          the Native American Housing Assistance  
16          and Self-Determination Act of 1996 (25  
17          U.S.C. 4103(22))) or such other affordable  
18          housing programs as the Secretary may  
19          provide, and

20               “(ii) the financial benefits of the elec-  
21               tricity produced by such facility are allo-  
22               cated equitably among the occupants of the  
23               dwelling units of such building.

24               “(C) QUALIFIED LOW-INCOME ECONOMIC  
25               BENEFIT PROJECT.—A facility shall be treated

1 as part of a qualified low-income economic ben-  
2 efit project if at least 50 percent of the finan-  
3 cial benefits of the electricity produced by such  
4 facility are provided to households with income  
5 of—

6 “(i) less than 200 percent of the pov-  
7 erty line applicable to a family of the size  
8 involved, or

9 “(ii) less than 80 percent of area me-  
10 dian gross income (as determined under  
11 section 142(d)(2)(B)).

12 “(D) FINANCIAL BENEFIT.—For purposes  
13 of subparagraphs (B) and (C), electricity ac-  
14 quired at a below-market rate shall not fail to  
15 be taken into account as a financial benefit.

16 “(3) ELIGIBLE PROPERTY.—For purposes of  
17 this section, the term ‘eligible property’ means a  
18 qualified investment with respect to any qualified fa-  
19 cility which is described in subsection (b).

20 “(4) ALLOCATIONS.—

21 “(A) IN GENERAL.—Not later than Janu-  
22 ary 1, 2027, the Secretary shall establish a pro-  
23 gram to allocate amounts of environmental jus-  
24 tice capacity limitation to qualified facilities.

1           “(B) LIMITATION.—The amount of envi-  
2           ronmental justice capacity limitation allocated  
3           by the Secretary under subparagraph (A) dur-  
4           ing any calendar year shall not exceed the an-  
5           nual capacity limitation with respect to such  
6           year.

7           “(C) ANNUAL CAPACITY LIMITATION.—For  
8           purposes of this paragraph, the term ‘annual  
9           capacity limitation’ means 1.8 gigawatts of di-  
10          rect current capacity for each of calendar years  
11          2027 through 2031, and zero thereafter.

12          “(D) CARRYOVER OF UNUSED LIMITA-  
13          TION.—

14               “(i) IN GENERAL.—If the annual ca-  
15               pacity limitation for any calendar year ex-  
16               ceeds the aggregate amount allocated for  
17               such year under this paragraph, such limi-  
18               tation for the succeeding calendar year  
19               shall be increased by the amount of such  
20               excess. No amount may be carried under  
21               the preceding sentence to any calendar  
22               year after 2033.

23               “(ii) CARRYOVER FROM SECTION 48  
24               FOR CALENDAR YEAR 2027.—If the annual  
25               capacity limitation for calendar year 2026



1 under section 48(e)(4)(D) exceeds the ag-  
2 gregate amount allocated for such year  
3 under section 48(e)(4)(D), such excess  
4 amount may be carried over and applied to  
5 the annual capacity limitation under this  
6 subsection for calendar year 2027. Such  
7 limitation shall be increased by the amount  
8 of such excess.

9 “(E) PLACED IN SERVICE DEADLINE.—

10 “(i) IN GENERAL.—Paragraph (1)  
11 shall not apply with respect to any prop-  
12 erty which is placed in service after the  
13 date that is 4 years after the date of the  
14 allocation with respect to the facility of  
15 which such property is a part.

16 “(ii) APPLICATION OF CARRYOVER.—  
17 Any amount of environmental justice ca-  
18 pacity limitation which expires under  
19 clause (i) during any calendar year shall be  
20 taken into account as an excess described  
21 in subparagraph (D) (or as an increase in  
22 such excess) for such calendar year, sub-  
23 ject to the limitation imposed by the last  
24 sentence of such subparagraph.

1           “(F) SELECTION CRITERIA.—In deter-  
2           mining to which qualified facilities to allocate  
3           environmental justice capacity limitation under  
4           this paragraph, the Secretary shall take into  
5           consideration which facilities will result in—

6                   “(i) the greatest health and economic  
7                   benefits, including the ability to withstand  
8                   extreme weather events, for individuals de-  
9                   scribed in section 45D(e)(2),

10                   “(ii) the greatest employment and  
11                   wages for such individuals, and

12                   “(iii) the greatest engagement with,  
13                   outreach to, or ownership by, such individ-  
14                   uals, including through partnerships with  
15                   local governments, community-based orga-  
16                   nizations, an Indian tribal government (as  
17                   defined in section 48(e)(4)(F)(ii)), or any  
18                   Alaska Native Corporation (as defined in  
19                   section 3 of the Alaska Native Claims Set-  
20                   tlement Act (43 U.S.C. 1602(m)).

21           “(G) DISCLOSURE OF ALLOCATIONS.—The  
22           Secretary shall, upon making an allocation of  
23           environmental justice capacity limitation under  
24           this paragraph, publicly disclose the identity of  
25           the applicant, the amount of the environmental

1 justice capacity limitation allocated to such ap-  
2 plicant, and the location of the facility for  
3 which such allocation is made.

4 “(5) RECAPTURE.—The Secretary shall, by reg-  
5 ulations or other guidance, provide for recapturing  
6 the benefit of any increase in the credit allowed  
7 under subsection (a) by reason of this subsection  
8 with respect to any property which ceases to be  
9 property eligible for such increase (but which does  
10 not cease to be investment credit property within the  
11 meaning of section 50(a)). The period and percent-  
12 age of such recapture shall be determined under  
13 rules similar to the rules of section 50(a). To the ex-  
14 tent provided by the Secretary, such recapture may  
15 not apply with respect to any property if, within 12  
16 months after the date the taxpayer becomes aware  
17 (or reasonably should have become aware) of such  
18 property ceasing to be property eligible for such in-  
19 crease, the eligibility of such property for such in-  
20 crease is restored. The preceding sentence shall not  
21 apply more than once with respect to any facility.”.

22 (b) EFFECTIVE DATE.—The amendments made by  
23 this section shall take effect on January 1, 2027.

1 **SEC. 136804. COST RECOVERY FOR QUALIFIED FACILITIES,**  
2 **QUALIFIED PROPERTY, AND GRID IMPROVE-**  
3 **MENT PROPERTY.**

4 (a) **IN GENERAL.**—Section 168(e)(3)(B) is amend-  
5 ed—

6 (1) in clause (vi)(III), by striking “and” at the  
7 end,

8 (2) in clause (vii), by striking the period at the  
9 end and inserting “, and”, and

10 (3) by inserting after clause (vii) the following:

11 “(viii) any qualified facility (as de-  
12 fined in section 45BB(b)(1)(A)), any quali-  
13 fied property (as defined in subsection  
14 (b)(2) of section 48F) which is a qualified  
15 investment (as defined in subsection (b)(1)  
16 of such section), or any grid improvement  
17 property (as defined in subsection  
18 (c)(1)(B) of such section).”.

19 (b) **EFFECTIVE DATE.**—The amendments made by  
20 this section shall apply to facilities and property placed  
21 in service after December 31, 2026.

22 **SEC. 136805. CLEAN FUEL PRODUCTION CREDIT.**

23 (a) **IN GENERAL.**—Subpart D of part IV of sub-  
24 chapter A of chapter 1 is amended by adding at the end  
25 the following new section:

1 **“SEC. 45CC. CLEAN FUEL PRODUCTION CREDIT.**

2 “(a) AMOUNT OF CREDIT.—

3 “(1) IN GENERAL.—For purposes of section 38,  
4 the clean fuel production credit for any taxable year  
5 is an amount equal to the product of—

6 “(A) the applicable amount per gallon (or  
7 gallon equivalent) with respect to any transpor-  
8 tation fuel which is—

9 “(i) produced by the taxpayer at a  
10 qualified facility, and

11 “(ii) sold by the taxpayer in a manner  
12 described in paragraph (4) during the tax-  
13 able year, and

14 “(B) the emissions factor for such fuel (as  
15 determined under subsection (b)).

16 “(2) APPLICABLE AMOUNT.—

17 “(A) BASE AMOUNT.—In the case of any  
18 transportation fuel produced at a qualified facil-  
19 ity which does not satisfy the requirements de-  
20 scribed in subparagraph (B), the applicable  
21 amount shall be 20 cents.

22 “(B) ALTERNATIVE AMOUNT.—In the case  
23 of any transportation fuel produced at a quali-  
24 fied facility which satisfies the requirements  
25 under paragraphs (6) and (7) of subsection (g),  
26 the applicable amount shall be \$1.00.

1           “(3) SPECIAL RATE FOR SUSTAINABLE AVIA-  
2 TION FUEL.—

3           “(A) IN GENERAL.—In the case of a trans-  
4 portation fuel which is sustainable aviation fuel,  
5 paragraph (2) shall be applied—

6           “(i) in the case of a transportation  
7 fuel produced at a qualified facility de-  
8 scribed in paragraph (2)(A), by sub-  
9 stituting ‘35 cents’ for ‘20 cents’, and

10           “(ii) in the case of a transportation  
11 fuel produced at a qualified facility de-  
12 scribed in paragraph (2)(B), by sub-  
13 stituting ‘\$1.75’ for ‘\$1.00’.

14           “(B) SUSTAINABLE AVIATION FUEL.—For  
15 purposes of this subparagraph (A), the term  
16 ‘sustainable aviation fuel’ means liquid fuel  
17 which is sold for use in an aircraft and which—

18           “(i) meets the requirements of—

19           “(I) ASTM International Stand-  
20 ard D7566, or

21           “(II) the Fischer Tropsch provi-  
22 sions of ASTM International Stand-  
23 ard D1655, Annex A1, and

24           “(ii) is not derived from palm fatty  
25 acid distillates or petroleum.

1           “(4) SALE.—For purposes of paragraph (1),  
2           the transportation fuel is sold in a manner described  
3           in this paragraph if such fuel is sold by the taxpayer  
4           to an unrelated person—

5                   “(A) for use by such person in the produc-  
6                   tion of a fuel mixture,

7                   “(B) for use by such person in a trade or  
8                   business, or

9                   “(C) who sells such fuel at retail to an-  
10                  other person and places such fuel in the fuel  
11                  tank of such other person.

12           “(5) ROUNDING.—If any amount determined  
13           under paragraph (1) is not a multiple of 0.1 cent,  
14           such amount shall be rounded to the nearest mul-  
15           tiple of 0.1 cent.

16           “(b) EMISSIONS FACTORS.—

17                   “(1) EMISSIONS FACTOR.—

18                           “(A) CALCULATION.—

19                                   “(i) IN GENERAL.—The emissions fac-  
20                                   tor of a transportation fuel shall be an  
21                                   amount equal to the quotient of—

22   “(I) an amount equal to—

23   “(aa) 50 kilograms of CO<sub>2e</sub>  
24   per mmBTU, minus

1                   “(bb) the emissions rate for  
2                   such fuel, divided by

3                   “(II) 50 kilograms of CO<sub>2</sub>e per  
4                   mmBTU.

5                   “(B) ESTABLISHMENT OF EMISSIONS  
6                   RATE.—

7                   “(i) IN GENERAL.—Subject to clauses  
8                   (ii) and (iii), the Secretary shall annually  
9                   publish a table which sets forth the emis-  
10                  sions rate for similar types and categories  
11                  of transportation fuels based on the  
12                  amount of lifecycle greenhouse gas emis-  
13                  sions (as described in section 211(o)(1)(H)  
14                  of the Clean Air Act (42 U.S.C.  
15                  7545(o)(1)(H)), as in effect on the date of  
16                  the enactment of this section) for such  
17                  fuels, expressed as kilograms of CO<sub>2</sub>e per  
18                  mmBTU, which a taxpayer shall use for  
19                  purposes of this section.

20                  “(ii) NON-AVIATION FUEL.—In the  
21                  case of any transportation fuel which is  
22                  not a sustainable aviation fuel, the lifecycle  
23                  greenhouse gas emissions of such fuel shall  
24                  be based on the most recent determina-  
25                  tions under the Greenhouse gases, Regu-



1           lated Emissions, and Energy use in Trans-  
2           portation model developed by Argonne Na-  
3           tional Laboratory, or a successor model (as  
4           determined by the Secretary).

5           “(iii) AVIATION FUEL.—In the case of  
6           any transportation fuel which is a sustain-  
7           able aviation fuel, the lifecycle greenhouse  
8           gas emissions of such fuel shall be deter-  
9           mined in accordance with—

10                   “(I) the most recent Carbon Off-  
11                   setting and Reduction Scheme for  
12                   International Aviation which has been  
13                   adopted by the International Civil  
14                   Aviation Organization with the agree-  
15                   ment of the United States, or

16                   “(II) any similar methodology  
17                   which satisfies the criteria under sec-  
18                   tion 211(o)(1)(H) of the Clean Air  
19                   Act (42 U.S.C. 7545(o)(1)(H)).

20           “(C) ROUNDING OF EMISSIONS RATE.—

21           The Secretary may round the emissions rates  
22           under subparagraph (B) to the nearest multiple  
23           of 5 kilograms of CO<sub>2</sub>e per mmBTU, except  
24           that, in the case of an emissions rate that is

1 less than 2.5 kilograms of CO<sub>2</sub>e per mmBTU,  
2 the Secretary may round such rate to zero.

3 “(D) PROVISIONAL EMISSIONS RATE.—In  
4 the case of any transportation fuel for which an  
5 emissions rate has not been established under  
6 subparagraph (B), a taxpayer producing such  
7 fuel may file a petition with the Secretary for  
8 determination of the emissions rate with respect  
9 to such fuel.

10 “(2) ROUNDING.—If any amount determined  
11 under paragraph (1)(A) is not a multiple of 0.1,  
12 such amount shall be rounded to the nearest mul-  
13 tiple of 0.1.

14 “(c) INFLATION ADJUSTMENT.—

15 “(1) IN GENERAL.—In the case of calendar  
16 years beginning after 2026, the 20 cent amount in  
17 subsection (a)(2)(A), the \$1.00 amount in sub-  
18 section (a)(2)(B), the 35 cent amount in subsection  
19 (a)(3)(A)(i), and the \$1.75 amount in subsection  
20 (a)(3)(A)(ii) shall each be adjusted by multiplying  
21 such amount by the inflation adjustment factor for  
22 the calendar year in which the sale of the transpor-  
23 tation fuel occurs. If any amount as increased under  
24 the preceding sentence is not a multiple of 1 cent,

1 such amount shall be rounded to the nearest mul-  
2 tiple of 1 cent.

3 “(2) INFLATION ADJUSTMENT FACTOR.—For  
4 purposes of paragraph (1), the inflation adjustment  
5 factor shall be the inflation adjustment factor deter-  
6 mined and published by the Secretary pursuant to  
7 section 45BB(c), determined by substituting ‘cal-  
8 endar year 2021’ for ‘calendar year 1992’ in para-  
9 graph (3) thereof.

10 “(d) CREDIT PHASE-OUT.—

11 “(1) IN GENERAL.—The amount of the clean  
12 fuel production credit under subsection (a) for any  
13 transportation fuel sold during a taxable year de-  
14 scribed in paragraph (2) shall be equal to the prod-  
15 uct of—

16 “(A) the amount of the credit determined  
17 under subsection (a) without regard to this sub-  
18 section, multiplied by

19 “(B) the phase-out percentage under para-  
20 graph (2).

21 “(2) PHASE-OUT PERCENTAGE.—The phase-out  
22 percentage under this paragraph is equal to—

23 “(A) for any taxable year beginning in the  
24 first calendar year following the applicable year,  
25 100 percent,

1           “(B) for any taxable year beginning in the  
2           second calendar year following the applicable  
3           year, 75 percent,

4           “(C) for any taxable year beginning in the  
5           third calendar year following the applicable  
6           year, 50 percent, and

7           “(D) for any taxable year beginning in any  
8           calendar year subsequent to the calendar year  
9           described in subparagraph (C), 0 percent.

10          “(3) APPLICABLE YEAR.—For purposes of this  
11          subsection, the term ‘applicable year’ means the  
12          later of—

13                 “(A) the calendar year in which the Sec-  
14                 retary determines that the greenhouse gas emis-  
15                 sions from the transportation of persons and  
16                 goods annually in the United States are equal  
17                 to or less than 25 percent of the greenhouse gas  
18                 emissions from the transportation of persons  
19                 and goods in the United States during calendar  
20                 year 2021, or

21                 “(B) 2031.

22          “(e) DEFINITIONS.—In this section:

23                 “(1) mmBTU.—The term ‘mmBTU’ means  
24                 1,000,000 British thermal units.

1           “(2) CO<sub>2</sub>e.—The term ‘CO<sub>2</sub>e’ means, with re-  
2           spect to any greenhouse gas, the equivalent carbon  
3           dioxide (as determined based on relative global  
4           warming potential).

5           “(3) GREENHOUSE GAS.—The term ‘greenhouse  
6           gas’ has the same meaning given that term under  
7           section 211(o)(1)(G) of the Clean Air Act (42  
8           U.S.C. 7545(o)(1)(G)), as in effect on the date of  
9           the enactment of this section.

10          “(4) QUALIFIED FACILITY.—The term ‘quali-  
11          fied facility’—

12                 “(A) means a facility used for the produc-  
13                 tion of transportation fuels, and

14                 “(B) does not include any facility for  
15                 which one of the following credits is allowed  
16                 under section 38 for the taxable year:

17                         “(i) The credit for production of clean  
18                         hydrogen under section 45X.

19                         “(ii) The credit for clean hydrogen  
20                         production facilities under section  
21                         48(a)(16).

22                         “(iii) The credit for carbon oxide se-  
23                         questration under section 45Q.

24          “(5) TRANSPORTATION FUEL.—The term  
25          ‘transportation fuel’ means a fuel which—

1           “(A) is suitable for use as a fuel in a high-  
2           way vehicle or aircraft,

3           “(B) has an emissions rate which is not  
4           greater than—

5                   “(i) in the case of a fuel which is not  
6                   a sustainable aviation fuel—

7                           “(I) for any such fuel sold during  
8                           calendar years 2027 through 2030, 50  
9                           kilograms of CO<sub>2</sub>e per mmBTU, and

10                           “(II) for any such fuel sold dur-  
11                           ing any calendar year beginning after  
12                           December 31, 2030, 25 kilograms of  
13                           CO<sub>2</sub>e per mmBTU, or

14                           “(ii) in the case of a fuel which is a  
15                           sustainable aviation fuel—

16                           “(I) for any such fuel sold during  
17                           any period before January 1, 2031,  
18                           35 kilograms of CO<sub>2</sub>e per mmBTU,  
19                           and

20                           “(II) for any such fuel sold dur-  
21                           ing any period after December 31,  
22                           2030, 25 kilograms of CO<sub>2</sub>e per  
23                           mmBTU,

24           “(C) is not hydrogen fuel, and

1           “(D) in the case of fuel which is not avia-  
2           tion fuel, is not derived from coprocessing bio-  
3           mass with a feedstock which is not biomass.  
4           For purposes of this paragraph, the term ‘bio-  
5           mass’ has the meaning given such term in sec-  
6           tion 45K(c)(3).

7           “(f) GUIDANCE.—Not later than January 1, 2027,  
8           the Secretary shall issue guidance regarding implementa-  
9           tion of this section, including calculation of emissions fac-  
10          tors for transportation fuel, the table described in sub-  
11          section (b)(1)(B)(i), and the determination of clean fuel  
12          production credits under this section.

13          “(g) SPECIAL RULES.—

14                 “(1) ONLY REGISTERED PRODUCTION IN THE  
15                 UNITED STATES TAKEN INTO ACCOUNT.—

16                         “(A) IN GENERAL.—No clean fuel produc-  
17                         tion credit shall be determined under subsection  
18                         (a) with respect to any transportation fuel un-  
19                         less—

20                                 “(i) the taxpayer is registered as a  
21                                 producer of clean fuel under section 4101  
22                                 at the time of production, and

23   “(ii) such fuel is produced in the  
24   United States.

1           “(B) UNITED STATES.—For purposes of  
2           this paragraph, the term ‘United States’ in-  
3           cludes any possession of the United States.

4           “(2) PRODUCTION ATTRIBUTABLE TO THE TAX-  
5           PAYER.—In the case of a facility in which more than  
6           1 person has an ownership interest, except to the ex-  
7           tent provided in regulations prescribed by the Sec-  
8           retary, production from the facility shall be allocated  
9           among such persons in proportion to their respective  
10          ownership interests in the gross sales from such fa-  
11          cility.

12          “(3) RELATED PERSONS.—Persons shall be  
13          treated as related to each other if such persons  
14          would be treated as a single employer under the reg-  
15          ulations prescribed under section 52(b). In the case  
16          of a corporation which is a member of an affiliated  
17          group of corporations filing a consolidated return,  
18          such corporation shall be treated as selling fuel to  
19          an unrelated person if such fuel is sold to such a  
20          person by another member of such group.

21          “(4) PASS-THRU IN THE CASE OF ESTATES AND  
22          TRUSTS.—Under regulations prescribed by the Sec-  
23          retary, rules similar to the rules of subsection (d) of  
24          section 52 shall apply.



1           “(5) ALLOCATION OF CREDIT TO PATRONS OF  
2           AGRICULTURAL COOPERATIVE.—

3           “(A) ELECTION TO ALLOCATE.—

4           “(i) IN GENERAL.—In the case of an  
5           eligible cooperative organization, any por-  
6           tion of the credit determined under sub-  
7           section (a) for the taxable year may, at the  
8           election of the organization, be apportioned  
9           among patrons of the organization on the  
10          basis of the amount of business done by  
11          the patrons during the taxable year.

12          “(ii) FORM AND EFFECT OF ELEC-  
13          TION.—An election under clause (i) for any  
14          taxable year shall be made on a timely  
15          filed return for such year. Such election,  
16          once made, shall be irrevocable for such  
17          taxable year. Such election shall not take  
18          effect unless the organization designates  
19          the apportionment as such in a written no-  
20          tice mailed to its patrons during the pay-  
21          ment period described in section 1382(d).

22          “(B) TREATMENT OF ORGANIZATIONS AND  
23          PATRONS.—The amount of the credit appor-  
24          tioned to any patrons under subparagraph  
25          (A)—

1           “(i) shall not be included in the  
2           amount determined under subsection (a)  
3           with respect to the organization for the  
4           taxable year, and

5           “(ii) shall be included in the amount  
6           determined under subsection (a) for the  
7           first taxable year of each patron ending on  
8           or after the last day of the payment period  
9           (as defined in section 1382(d)) for the tax-  
10          able year of the organization or, if earlier,  
11          for the taxable year of each patron ending  
12          on or after the date on which the patron  
13          receives notice from the cooperative of the  
14          apportionment.

15          “(C) SPECIAL RULES FOR DECREASE IN  
16          CREDITS FOR TAXABLE YEAR.—If the amount  
17          of the credit of a cooperative organization de-  
18          termined under subsection (a) for a taxable  
19          year is less than the amount of such credit  
20          shown on the return of the cooperative organi-  
21          zation for such year, an amount equal to the  
22          excess of—

23                 “(i) such reduction, over

1           “(ii) the amount not apportioned to  
2           such patrons under subparagraph (A) for  
3           the taxable year,  
4           shall be treated as an increase in tax imposed  
5           by this chapter on the organization. Such in-  
6           crease shall not be treated as tax imposed by  
7           this chapter for purposes of determining the  
8           amount of any credit under this chapter.

9           “(D) ELIGIBLE COOPERATIVE DEFINED.—  
10          For purposes of this section the term ‘eligible  
11          cooperative’ means a cooperative organization  
12          described in section 1381(a) which is owned  
13          more than 50 percent by agricultural producers  
14          or by entities owned by agricultural producers.  
15          For this purpose an entity owned by an agricul-  
16          tural producer is one that is more than 50 per-  
17          cent owned by agricultural producers.

18          “(6) PREVAILING WAGE REQUIREMENTS.—

19                 “(A) IN GENERAL.—Subject to subpara-  
20                 graph (B), rules similar to the rules of section  
21                 45(b)(7)(A) and clauses (i) through (iv) of sec-  
22                 tion 45(b)(7)(B) shall apply.

23                 “(B) SPECIAL RULE FOR FACILITIES  
24                 PLACED IN SERVICE BEFORE JANUARY 1,

1           2027.—In the case of any qualified facility  
2 placed in service before January 1, 2027—

3                   “(i) the rules of clause (i) of section  
4 45(b)(7)(A) shall not apply, and

5                   “(ii) clause (ii) of such section shall  
6 be applied by substituting ‘for any period  
7 of the taxable year beginning after Decem-  
8 ber 31, 2026 for which the credit is  
9 claimed under this section with respect to  
10 production of transportation fuel, the alter-  
11 ation or repair of such facility’ for ‘for the  
12 period of the taxable year which is within  
13 the 10-year period beginning on the date  
14 the facility was originally placed in service,  
15 the alteration or repair of such facility’.

16                   “(7) APPRENTICESHIP REQUIREMENTS.—Rules  
17 similar to the rules of section 45(b)(8) shall apply.”.

18           (b) ELECTIVE PAYMENT OF CREDIT.—Section  
19 6417(b), as amended by preceding provisions of this Act,  
20 is amended by adding at the end the following new para-  
21 graph:

22                   “(14) The clean fuel production credit deter-  
23 mined under section 45CC(a).”.

24           (c) CONFORMING AMENDMENTS.—

1           (1) Section 38(b), as amended by section 101,  
2           is amended—

3                   (A) in paragraph (39), by striking “plus”  
4                   at the end,

5                   (B) in paragraph (40), by striking the pe-  
6                   riod at the end and inserting “, plus”, and

7                   (C) by adding at the end the following new  
8                   paragraph:

9                   “(41) the clean fuel production credit deter-  
10                  mined under section 45CC(a).”.

11           (2) The table of sections for subpart D of part  
12           IV of subchapter A of chapter 1, as amended by sec-  
13           tion 101, is amended by adding at the end the fol-  
14           lowing new item:

          “Sec. 45CC. Clean fuel production credit.”.

15           (3) Section 4101(a)(1) is amended by inserting  
16           “every person producing a fuel eligible for the clean  
17           fuel production credit (pursuant to section 45CC),”  
18           after “section 6426(b)(4)(A),”.

19           (d) EFFECTIVE DATE.—The amendments made by  
20           this section shall apply to transportation fuel produced  
21           after December 31, 2026.

## 22                                   **PART 9—APPROPRIATIONS**

### 23           **SEC. 136901. APPROPRIATIONS.**

24           Immediately upon the enactment of this Act, in addi-  
25           tion to amounts otherwise available, there are appro-

1 priated for fiscal year 2022, out of any money in the  
2 Treasury not otherwise appropriated, \$4,073,433,000 to  
3 remain available until September 30, 2031, for necessary  
4 expenses for the Internal Revenue Service to carry out this  
5 subtitle (and the amendments made by this subtitle),  
6 which shall supplement and not supplant any other appro-  
7 priations that may be available for this purpose.

## 8 **Subtitle G—Social Safety Net**

### 9 **SEC. 137001. AMENDMENT OF 1986 CODE.**

10 Except as otherwise expressly provided, whenever in  
11 this subtitle an amendment or repeal is expressed in terms  
12 of an amendment to, or repeal of, a section or other provi-  
13 sion, the reference shall be considered to be made to a  
14 section or other provision of the Internal Revenue Code  
15 of 1986.

### 16 **PART 1—CHILD TAX CREDIT**

#### 17 **SEC. 137101. MODIFICATIONS APPLICABLE BEGINNING IN** 18 **2021.**

19 (a) **SAFE HARBOR EXCEPTION FOR FRAUD AND IN-**  
20 **TENTIONAL DISREGARD OF RULES AND REGULATIONS.—**  
21 Section 24(j)(2)(B) is amended—

22 (1) by striking “qualified” each place it appears  
23 in clause (iv)(II) and inserting “qualifying”, and

24 (2) by adding at the end the following new  
25 clause:

1           “(v) EXCEPTION FOR FRAUD AND IN-  
2           TENTIONAL DISREGARD OF RULES AND  
3           REGULATIONS.—

4                   “(I) IN GENERAL.—For purposes  
5                   of determining the safe harbor  
6                   amount under clause (iv) with respect  
7                   to any taxpayer, an individual shall  
8                   not be treated as taken into account  
9                   in determining the annual advance  
10                  amount of such taxpayer if the Sec-  
11                  retary determines that such individual  
12                  was so taken into account due to  
13                  fraud by the taxpayer or intentional  
14                  disregard of rules and regulations by  
15                  the taxpayer.

16                  “(II) ARRANGEMENTS TO TAKE  
17                  INDIVIDUAL INTO ACCOUNT MORE  
18                  THAN ONCE.—For purposes of sub-  
19                  clause (I), a taxpayer shall not fail to  
20                  be treated as intentionally dis-  
21                  regarding rules and regulations with  
22                  respect to any individual taken into  
23                  account in determining the annual ad-  
24                  vance amount of such taxpayer if such  
25                  taxpayer entered into a plan or other

1 arrangement with, or expected, an-  
2 other taxpayer to take such individual  
3 into account in determining the credit  
4 allowed under this section for the tax-  
5 able year.”.

6 (b) RULES RELATING TO RECONCILIATION OF CRED-  
7 IT AND ADVANCE CREDIT.—Section 24(j) is amended by  
8 adding at the end the following new paragraphs:

9 “(3) JOINT RETURNS.—Except as otherwise  
10 provided by the Secretary, in the case of an advance  
11 payment made under section 7527A with respect to  
12 a joint return, half of such payment shall be treated  
13 as having been made to each individual filing such  
14 return.

15 “(4) COORDINATION WITH POSSESSIONS OF  
16 THE UNITED STATES.—For purposes of this sub-  
17 section, payments made under section 7527A include  
18 payments made by any jurisdiction other than the  
19 United States under section 7527A of the income  
20 tax law of such jurisdiction, and advance payments  
21 made by American Samoa pursuant to a plan de-  
22 scribed in subsection (k)(3)(B). In carrying out this  
23 section, the Secretary shall coordinate with each pos-  
24 session of the United States to prevent any applica-



1 tion of this paragraph that is inconsistent with the  
2 purposes of this subsection.”.

3 (c) ANNUAL ADVANCE AMOUNT.—Section 7527A(b)  
4 is amended—

5 (1) in paragraph (1)—

6 (A) in subparagraph (A), by inserting “or  
7 based on any other information known to the  
8 Secretary” after “reference taxable year”,

9 (B) in subparagraph (C), by inserting “un-  
10 less determined by the Secretary based on any  
11 information known to the Secretary,” before  
12 “the only children”, and

13 (C) in subparagraph (D), by inserting “un-  
14 less determined by the Secretary based on any  
15 information known to the Secretary,” before  
16 “the ages of”, and

17 (2) in paragraph (3)(A)(ii), by striking “ pro-  
18 vided by the taxpayer” and inserting “provided, or  
19 known,”.

20 (d) DISCLOSURE OF INFORMATION RELATING TO  
21 JOINT FILERS AND ADVANCE PAYMENT OF CHILD TAX  
22 CREDIT.—Section 6103(e) is amended by adding at the  
23 end the following new paragraph:

24 “(12) DISCLOSURE OF INFORMATION RELATING  
25 TO JOINT FILERS AND ADVANCE PAYMENT OF CHILD

1 TAX CREDIT.—In the case of an individual to whom  
2 the Secretary makes payments under section 7527A,  
3 if the reference taxable year (as defined in section  
4 7527A(b)(2)) that the Secretary uses to calculate  
5 such payments is a year for which the individual  
6 filed an income tax return jointly with another indi-  
7 vidual, the Secretary may disclose to such individual  
8 any return information of such other individual  
9 which is relevant in determining the payment under  
10 section 7527A and the individual’s eligibility for  
11 such payment, including information regarding any  
12 of the following:

13 “(A) The number of specified children, in-  
14 cluding by reason of the birth of a child.

15 “(B) The name and TIN of specified chil-  
16 dren.

17 “(C) Marital status.

18 “(D) Modified adjusted gross income.

19 “(E) Principal place of abode.

20 “(F) Any other factor which the Secretary  
21 may provide pursuant to section 7527A(c).”.

22 (e) EFFECTIVE DATE.—

23 (1) IN GENERAL.—Except as otherwise pro-  
24 vided in this subsection, the amendments made by

1 this section shall apply to taxable years beginning,  
2 and payments made, after December 31, 2020.

3 (2) DISCLOSURE OF INFORMATION RELATING  
4 TO JOINT FILERS AND ADVANCE PAYMENT OF CHILD  
5 TAX CREDIT.—The amendment made by subsection  
6 (d) shall take effect on the date of the enactment of  
7 this Act.

8 **SEC. 137102. EXTENSIONS AND MODIFICATIONS APPLICA-**  
9 **BLE BEGINNING IN 2022.**

10 (a) EXTENSIONS.—

11 (1) EXTENSION OF CHILD TAX CREDIT.—Sec-  
12 tion 24(i) is amended—

13 (A) by striking “January 1, 2022” in the  
14 matter preceding paragraph (1) and inserting  
15 “January 1, 2023”, and

16 (B) by inserting “AND 2022” after “2021”  
17 in the heading thereof.

18 (2) EXTENSION OF PROVISIONS RELATED TO  
19 POSSESSIONS OF THE UNITED STATES.—

20 (A) Section 24(k)(2)(B) is amended—

21 (i) by striking “December 31, 2021”  
22 in the matter preceding clause (i) and in-  
23 serting “December 31, 2022”, and

1 (ii) by striking “AFTER 2021” in the  
2 heading thereof and inserting “AFTER  
3 2022”.

4 (B) Section 24(k)(3)(C)(ii) is amended—

5 (i) in subclause (I), by inserting “or  
6 2022” after “2021”, and

7 (ii) in subclause (II), by striking “De-  
8 cember 31, 2021” and inserting “Decem-  
9 ber 31, 2022”.

10 (C) The heading of section 24(k)(2)(A) is  
11 amended by inserting “AND 2022” after  
12 “2021”.

13 (b) EXTENSION AND MODIFICATION OF ADVANCE  
14 PAYMENT.—

15 (1) IN GENERAL.—Section 7527A is amend-  
16 ed—

17 (A) in subsection (b)(1), by striking “50  
18 percent of”,

19 (B) in clauses (i) and (ii) of subsection  
20 (e)(4)(C), by inserting “or 2022” after “in  
21 2021”, and

22 (C) in subsection (f), by striking “Decem-  
23 ber 31, 2021” and inserting “December 31,  
24 2022”.

25 (2) MONTHLY PAYMENTS.—

1 (A) IN GENERAL.—Section 7527A(a) is  
2 amended to read as follows:

3 “(a) IN GENERAL.—The Secretary shall establish a  
4 program for making monthly payments to taxpayers in  
5 amounts equal to  $1/12$  of the annual advance amount with  
6 respect to such taxpayer.”.

7 (B) MODIFICATIONS DURING CALENDAR  
8 YEAR.—Section 7527A(b)(3), as amended by  
9 the preceding provisions of this Act, is amend-  
10 ed—

11 (i) by amending subparagraph (A)(ii)  
12 to read as follows:

13 “(ii) any other information provided,  
14 or known, to the Secretary which allows  
15 the Secretary to more accurately estimate  
16 the amount treated as allowed under sub-  
17 part C of part IV of subchapter A of chap-  
18 ter 1 by reason of section 24(i)(1) with re-  
19 spect to the taxpayer for the reference tax-  
20 able year.”, and

21 (ii) in subparagraph (B), by striking  
22 “periodic payment” both places it appears  
23 and inserting “monthly payment”.

1 (C) CONFORMING AMENDMENT.—Section  
2 7527A(c)(2) is amended by striking “subsection  
3 (b)(3)(B)” and inserting “subsection (b)(3)”.

4 (3) ELIGIBILITY FOR ADVANCE PAYMENTS LIM-  
5 ITED BASED ON MODIFIED ADJUSTED GROSS IN-  
6 COME.—Section 7527A(b) is amended by adding at  
7 the end the following new paragraph:

8 “(6) LIMITATION BASED ON MODIFIED AD-  
9 JUSTED GROSS INCOME.—

10 “(A) IN GENERAL.—If the modified ad-  
11 justed gross income of the taxpayer for the ref-  
12 erence taxable year exceeds the applicable  
13 threshold amount with respect to such taxpayer  
14 (as defined in section 24(i)(4)(B)), the annual  
15 advance amount with respect to such taxpayer  
16 shall be zero.

17 “(B) EXCEPTION FOR MODIFICATIONS  
18 MADE DURING THE CALENDAR YEAR.—Sub-  
19 paragraph (A) shall not apply to a reference  
20 taxable year taken into account by reason of  
21 paragraph (3)(A)(i) or subsection (c) if the tax-  
22 payer received one or more payments under  
23 subsection (a) for months in the calendar year  
24 which precede the month for which such ref-  
25 erence taxable year will be taken into account.”.

1           (4) ADVANCE PAYMENTS TO PUERTO RICO  
2 RESIDENTS FOR 2022.—Section 7527A(e)(4) is  
3 amended—

4           (A) in subparagraph (A), by striking “The  
5 advance” and inserting “Except as provided in  
6 subparagraph (D), the advance”, and

7           (B) by adding at the end the following new  
8 subparagraph:

9           “(D) ADVANCE PAYMENTS TO PUERTO  
10 RICO RESIDENTS FOR 2022.—For the period  
11 beginning on July 1, 2022, and ending on De-  
12 cember 31, 2022, the Secretary may apply this  
13 section without regard to subparagraph  
14 (A)(i).”.

15       (c) ELECTION TO APPLY INCOME PHASEOUT ON  
16 BASIS OF INCOME FROM THE PRECEDING TAXABLE  
17 YEAR.—Section 24(i) is amended by adding at the end  
18 the following new paragraph:

19           “(5) ELECTION TO APPLY INCOME PHASEOUT  
20 ON BASIS OF INCOME FROM THE PRECEDING TAX-  
21 ABLE YEAR.—In the case of a taxpayer who elects  
22 (at such time and in such manner as the Secretary  
23 may provide) the application of this paragraph for  
24 any taxable year, paragraph (4) and subsection  
25 (b)(1) shall both be applied with respect to the modi-

1       fied adjusted gross income (as defined in subsection  
2       (b)) for the taxpayer’s preceding taxable year.”.

3       (d) MODIFICATION OF RECAPTURE SAFE HARBOR  
4 FOR 2022.—Section 24(j)(2)(B)(iv), as amended by the  
5 preceding provisions of this Act, is amended to read as  
6 follows:

7                   “(iv) SAFE HARBOR AMOUNT.—For  
8                   purposes of this subparagraph, the term  
9                   ‘safe harbor amount’ means, with respect  
10                  to any taxpayer for any taxable year, the  
11                  sum of—

12                               “(I) an amount equal to the  
13                               product of \$3,600 multiplied by the  
14                               excess (if any) of the number of quali-  
15                               fying children who have not attained  
16                               age 6 as of the close of the calendar  
17                               year in which the taxable year of the  
18                               taxpayer begins, and who are taken  
19                               into account in determining the an-  
20                               nual advance amount with respect to  
21                               the taxpayer under section 7527A  
22                               with respect to months beginning in  
23                               such taxable year, over the number of  
24                               such qualifying children taken into ac-  
25                               count in determining the credit al-



1           lowed under this section for such tax-  
2           able year, plus

3                   “(II) an amount equal to the  
4           product of \$3,000 multiplied by the  
5           excess (if any) of the number of quali-  
6           fying children not described in clause  
7           (I), and who are taken into account in  
8           determining the annual advance  
9           amount with respect to the taxpayer  
10          under section 7527A with respect to  
11          months beginning in such taxable  
12          year, over the number of such quali-  
13          fying children taken into account in  
14          determining the credit allowed under  
15          this section for such taxable year.”.

16          (e) REPEAL OF SOCIAL SECURITY NUMBER RE-  
17          QUIREMENT.—

18                  (1) IN GENERAL.—Section 24(h) is amended by  
19          striking paragraph (7).

20                  (2) CONFORMING AMENDMENTS.—

21                          (A) Section 24(h)(1) is amended by strik-  
22          ing “paragraphs (2) through (7)” and inserting  
23          “paragraphs (2) through (6)”.

24                          (B) Section 24(h)(4) is amended by strik-  
25          ing subparagraph (C).

1 (f) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning, and  
3 payments made, after December 31, 2021.

4 **SEC. 137103. REFUNDABLE CHILD TAX CREDIT AFTER 2022.**

5 (a) IN GENERAL.—Section 24 is amended by adding  
6 at the end the following new subsection:

7 “(1) REFUNDABLE CREDIT AFTER 2022.—In the  
8 case of any taxable year beginning after December 31,  
9 2022, if the taxpayer (in the case of a joint return, either  
10 spouse) has a principal place of abode in the United States  
11 (determined as provided in section 32) for more than one-  
12 half of the taxable year or is a bona fide resident of Puerto  
13 Rico (within the meaning of section 937(a)) for such tax-  
14 able year—

15 “(1) subsection (d) shall not apply, and

16 “(2) so much of the credit determined under  
17 subsection (a) (after application of paragraph (1))  
18 as does not exceed the amount of such credit which  
19 would be so determined without regard to subsection  
20 (h)(4) shall be allowed under subpart C (and not al-  
21 lowed under this subpart)”.

22 (b) CONFORMING AMENDMENTS RELATED TO POS-  
23 SESSIONS OF THE UNITED STATES.—

1           (1) PUERTO RICO.—Section 24(k)(2)(B), as  
2           amended by the preceding provisions of this Act, is  
3           amended to read as follows:

4                   “(B) APPLICATION TO TAXABLE YEARS  
5           AFTER 2022.—For application of refundable  
6           credit to residents of Puerto Rico for taxable  
7           years after 2022, see subsection (l).”.

8           (2)           AMERICAN           SAMOA.—Section  
9           24(k)(3)(C)(ii)(II), as amended by the preceding  
10          provisions of this Act, is amended to read as follows:

11                   “(II) if such taxable year begins  
12                   after December 31, 2022, subsection  
13                   (l) shall be applied by substituting  
14                   ‘Puerto Rico or American Samoa’ for  
15                   ‘Puerto Rico’.”.

16          (c) EFFECTIVE DATE.—The amendments made by  
17          this section shall apply to taxable years beginning after  
18          December 31, 2022.

19          **SEC. 137104. APPROPRIATIONS.**

20          Immediately upon the enactment of this Act, in addi-  
21          tion to amounts otherwise available, there are appro-  
22          priated out of any money in the Treasury not otherwise  
23          appropriated:

24                   (1) \$3,963,300,000 to remain available until  
25                   September 30, 2026, for necessary expenses for the

1 Internal Revenue Service to administer the Child  
2 Tax Credit, and advance payments of the Child Tax  
3 Credit, including the costs of disbursing such pay-  
4 ments, which shall supplement and not supplant any  
5 other appropriations that may be available for this  
6 purpose, and

7 (2) \$1,000,000,000 is appropriated to the De-  
8 partment of the Treasury, to remain available until  
9 September 30, 2026, to support efforts to increase  
10 enrollment of eligible families in the Child Tax Cred-  
11 it, for advance payments of the Child Tax Credit,  
12 and for other tax benefits, including but not limited  
13 to program outreach, costs of data sharing arrange-  
14 ments, systems changes, forms changes, and related  
15 efforts, and efforts to support the cross-enrollment  
16 of beneficiaries of other programs in the Child Tax  
17 Credit, and for advance payments of the Child Tax  
18 Credit, including by establishing intergovernmental  
19 cooperative agreements with states and local govern-  
20 ments, the District of Columbia, tribal governments,  
21 and possessions of the United States: Provided, that  
22 such amount shall be available in addition to any  
23 amounts otherwise available: Provided further, that  
24 these funds may be awarded by federal agencies to  
25 state and local governments, the District of Colum-

1       bia, tribal governments, and possessions of the  
2       United States, and private entities, including organi-  
3       zations dedicated to free tax return preparation and  
4       low income taxpayer clinics funded under section  
5       7526 of the Internal Revenue Code of 1986.

6               **PART 2—EARNED INCOME TAX CREDIT**

7       **SEC. 137201. CERTAIN IMPROVEMENTS TO THE EARNED IN-**  
8               **COME TAX CREDIT EXTENDED THROUGH**  
9               **2022.**

10       (a) IN GENERAL.—Section 32(n) is amended by  
11       striking “January 1, 2022” and inserting “January 1,  
12       2023”.

13       (b) INFLATION ADJUSTMENT.—Section 32(n)(4)(B)  
14       is amended to read as follows:

15               “(B) INFLATION ADJUSTMENT.—In the  
16               case of any taxable year beginning after 2021,  
17               the \$9,820 and \$11,610 dollar amounts in sub-  
18               paragraph (A) shall be increased by an amount  
19               equal to—

20                       “(i) such dollar amount, multiplied by

21                       “(ii) the cost-of-living adjustment de-  
22               termined under section 1(f)(3) for the cal-  
23               endar year in which the taxable year be-  
24               gins, determined by substituting ‘calendar

1                   year 2020’ for ‘calendar year 2016’ in sub-  
2                   paragraph (A)(ii) thereof.”.

3           (c) ELECTION TO DETERMINE EARNED INCOME  
4 BASED ON PRIOR TAXABLE YEAR.—Section 32, as  
5 amended by subsection (f), is amended by adding at the  
6 end the following new subsection:

7           “(o) ELECTION TO DETERMINE EARNED INCOME  
8 BASED ON PRIOR TAXABLE YEAR.—

9                   “(1) IN GENERAL.—In the case of a taxpayer  
10           whose earned income for any taxable year beginning  
11           after December 31, 2021, and before January 1,  
12           2023, is less than the earned income of such tax-  
13           payer for the preceding taxable year, if such tax-  
14           payer elects (at such time and in such manner as  
15           the Secretary may provide) the application of this  
16           subsection for such taxable year, the earned income  
17           of such taxpayer for such taxable year shall be treat-  
18           ed for purposes of this section as being equal to the  
19           earned income of such taxpayer for such preceding  
20           taxable year.

21                   “(2) JOINT RETURNS.—For purposes of this  
22           subsection, in the case of a joint return, the earned  
23           income of the taxpayer for the preceding taxable  
24           year shall be the sum of the earned income of each  
25           spouse for the preceding taxable year.

1           “(3) TREATMENT AS MATHEMATICAL OR CLER-  
 2           ICAL ERROR.—In the case of a taxpayer described in  
 3           paragraph (1) who makes the election described in  
 4           such paragraph, the use on the return for purposes  
 5           of this section of an amount of earned income for  
 6           the preceding taxable year which differs from the  
 7           amount of such earned income as shown in the elec-  
 8           tronic files of the Internal Revenue Service shall be  
 9           treated as a mathematical or clerical error for pur-  
 10          poses of section 6213.

11           “(4) TREATMENT OF REFERENCES.—Any pro-  
 12          vision of this title which defines or determines  
 13          earned income by reference to this section shall be  
 14          applied without regard to this subsection unless such  
 15          provision specifically provides otherwise.”.

16          (d) EFFECTIVE DATE.—The amendments made by  
 17          this section shall apply to taxable years beginning after  
 18          December 31, 2021.

19          **SEC. 137202. FUNDS FOR ADMINISTRATION OF EARNED IN-**  
 20                                   **COME TAX CREDITS IN THE TERRITORIES.**

21          (a) PUERTO RICO.—Section 7530(a)(1) is amended  
 22          by striking “plus” at the end of subparagraph (A), by  
 23          striking the period at the end of subparagraph (B) and  
 24          inserting “, plus”, and by adding at the end the following  
 25          new subparagraph:

1           “(C) reasonable administrative costs asso-  
2           ciated with the provision of the earned income  
3           tax credit not in excess of \$4,000,000.”.

4           (b) POSSESSIONS WITH MIRROR CODE TAX SYS-  
5           TEMS.—Section 7530(b)(1) is amended by striking “plus”  
6           at the end of subparagraph (A), by striking the period  
7           at the end of subparagraph (B) and inserting “, plus”,  
8           and by adding at the end the following new subparagraph:

9           “(C) reasonable administrative costs asso-  
10           ciated with the provision of the earned income  
11           tax credit not in excess of \$200,000.”.

12           (c) AMERICAN SAMOA.—Section 7530(c)(1) is  
13           amended by striking “plus” at the end of subparagraph  
14           (A), by striking the period at the end of subparagraph  
15           (B) and inserting “, plus”, and by adding at the end the  
16           following new subparagraph:

17           “(C) reasonable administrative costs asso-  
18           ciated with the provision of the earned income  
19           tax credit not in excess of \$200,000.”.

20           (d) EFFECTIVE DATE.—The amendments made by  
21           this section shall apply to payments made for calendar  
22           years beginning after December 31, 2021.



1           **PART 3—EXPANDING ACCESS TO HEALTH**

2                   **COVERAGE AND LOWERING COSTS**

3   **SEC. 137301. IMPROVE AFFORDABILITY AND REDUCE PRE-**  
4                   **MIUM COSTS OF HEALTH INSURANCE FOR**  
5                   **CONSUMERS.**

6           (a) IN GENERAL.—Section 36B(b)(3)(A)(iii) is  
7 amended—

8                   (1) by striking all that precedes the table con-  
9 tained therein and inserting the following:

10                           “(iii) DETERMINING PERCENTAGES  
11                           FOR 2021 THROUGH 2026.—

12                                   “(I) IN GENERAL.—In the case  
13                                   of a taxable year beginning after De-  
14                                   cember 31, 2020, and before January  
15                                   1, 2026, the following table shall be  
16                                   applied in lieu of the table contained  
17                                   in clause (i):”, and

18                   (2) by adding at the end the following new sub-  
19 clause:

20                                   “(II) INDEXING.—In the case of  
21                                   a taxable year beginning after Decem-  
22                                   ber 31, 2020, and before January 1,  
23                                   2027, clause (ii) shall not apply for  
24                                   purposes of adjusting premium per-  
25                                   centages under this subparagraph.”.

1 (b) EXTENSION THROUGH 2025 OF RULE TO ALLOW  
2 CREDIT TO TAXPAYERS WHOSE HOUSEHOLD INCOME  
3 EXCEEDS 400 PERCENT OF THE POVERTY LINE.—Sec-  
4 tion 36B(c)(1)(E) is amended—

5 (1) by striking “in 2021 or 2022” and inserting  
6 “after December 31, 2020, and before January 1,  
7 2026”, and

8 (2) by striking “AND 2022” in the heading  
9 thereof and inserting “THROUGH 2025”.

10 (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to taxable years beginning after  
12 December 31, 2021.

13 **SEC. 137302. MODIFICATION OF EMPLOYER-SPONSORED**  
14 **COVERAGE AFFORDABILITY TEST IN HEALTH**  
15 **INSURANCE PREMIUM TAX CREDIT.**

16 (a) IN GENERAL.—Section 36B(c)(2)(C)(i)(II) is  
17 amended by inserting “(8.5 percent in the case of any tax-  
18 able year beginning after December 31, 2021, and before  
19 January 1, 2026)” after “9.5 percent”.

20 (b) QUALIFIED SMALL EMPLOYER HEALTH REIM-  
21 BURSEMENT ARRANGEMENTS.—Section 36B(c)(4)(C)(ii)  
22 is amended by inserting “(8.5 percent in the case of any  
23 taxable year beginning after December 31, 2021, and be-  
24 fore January 1, 2026)” after “9.5 percent”.

1 (c) PERCENTAGES TEMPORARILY DETERMINED  
2 WITHOUT REGARD TO ADJUSTMENTS.—

3 (1) Section 36B(c)(2)(C)(iv) is amended by  
4 adding at the end the following: “The preceding sen-  
5 tence shall not apply in the case of any plan year  
6 beginning after December 31, 2021, and before Jan-  
7 uary 1, 2027.”.

8 (2) Section 36B(c)(4)(F) is amended by adding  
9 at the end the following: “The preceding sentence  
10 shall not apply in the case of any plan year begin-  
11 ning after December 31, 2021, and before January  
12 1, 2027.”.

13 (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 December 31, 2021.

16 **SEC. 137303. TREATMENT OF LUMP-SUM SOCIAL SECURITY**  
17 **BENEFITS IN DETERMINING HOUSEHOLD IN-**  
18 **COME.**

19 (a) IN GENERAL.—Section 36B(d)(2) is amended by  
20 adding at the end the following new subparagraph:

21 “(C) EXCLUSION OF PORTION OF LUMP-  
22 SUM SOCIAL SECURITY BENEFITS.—

23 “(i) IN GENERAL.—The term ‘modi-  
24 fied adjusted gross income’ shall not in-  
25 clude so much of any lump-sum social se-

1           curity benefit payment as is attributable to  
2           months ending before the beginning of the  
3           taxable year.

4           “(ii) LUMP-SUM SOCIAL SECURITY  
5           BENEFIT PAYMENT.—For purposes of this  
6           subparagraph, the term ‘lump-sum social  
7           security benefit payment’ means any pay-  
8           ment of social security benefits (as defined  
9           in section 86(d)(1)) which constitutes more  
10          than 1 month of such benefits.

11          “(iii) ELECTION TO INCLUDE EX-  
12          CLUDABLE AMOUNT.—With respect to any  
13          taxable year beginning after December 31,  
14          2025, a taxpayer may elect (at such time  
15          and in such manner as the Secretary may  
16          provide) to have this subparagraph not  
17          apply for such taxable year.”.

18          (b) EFFECTIVE DATE.—The amendment made by  
19          this section shall apply to taxable years beginning after  
20          December 31, 2021.

1 **SEC. 137304. TEMPORARY EXPANSION OF HEALTH INSUR-**  
2 **ANCE PREMIUM TAX CREDITS FOR CERTAIN**  
3 **LOW-INCOME POPULATIONS.**

4 (a) IN GENERAL.—Section 36B is amended by redес-  
5 ignating subsection (h) as subsection (i) and by inserting  
6 after subsection (g) the following new subsection:

7 “(h) CERTAIN TEMPORARY RULES BEGINNING IN  
8 2022.—With respect to any taxable year beginning after  
9 December 31, 2021, and before January 1, 2026—

10 “(1) ELIGIBILITY FOR CREDIT NOT LIMITED  
11 BASED ON INCOME.—Section 36B(c)(1)(A) shall be  
12 disregarded in determining whether a taxpayer is an  
13 applicable taxpayer.

14 “(2) CREDIT ALLOWED TO CERTAIN LOW-IN-  
15 COME EMPLOYEES OFFERED EMPLOYER-PROVIDED  
16 COVERAGE.—Subclause (II) of subsection  
17 (c)(2)(C)(i) shall not apply if the taxpayer’s house-  
18 hold income does not exceed 138 percent of the pov-  
19 erty line for a family of the size involved. Subclause  
20 (II) of subsection (c)(2)(C)(i) shall also not apply to  
21 an individual described in the last sentence of such  
22 subsection if the taxpayer’s household income does  
23 not exceed 138 percent of the poverty line for a fam-  
24 ily of the size involved.

25 “(3) CREDIT ALLOWED TO CERTAIN LOW-IN-  
26 COME EMPLOYEES OFFERED QUALIFIED SMALL EM-

1 PLOYER HEALTH REIMBURSEMENT ARRANGE-  
2 MENTS.—A qualified small employer health reim-  
3 bursement arrangement shall not be treated as con-  
4 stituting affordable coverage for an employee (or any  
5 spouse or dependent of such employee) for any  
6 months of a taxable year if the employee’s household  
7 income for such taxable year does not exceed 138  
8 percent of the poverty line for a family of the size  
9 involved.

10 “(4) LIMITATIONS ON RECAPTURE.—

11 “(A) IN GENERAL.—In the case of a tax-  
12 payer whose household income is less than 200  
13 percent of the poverty line for the size of the  
14 family involved for the taxable year, the amount  
15 of the increase under subsection (f)(2)(A) shall  
16 in no event exceed \$300 (one-half of such  
17 amount in the case of a taxpayer whose tax is  
18 determined under section 1(c) for the taxable  
19 year).

20 “(B) LIMITATION ON INCREASE FOR CER-  
21 TAIN NON-FILERS.—In the case of any taxpayer  
22 who would not be required to file a return of  
23 tax for the taxable year but for any require-  
24 ment to reconcile advance credit payments  
25 under subsection (f), if an Exchange established

1 under title I of the Patient Protection and Af-  
2 fordable Care Act has determined that—

3 “(i) such taxpayer is eligible for ad-  
4 vance payments under section 1412 of  
5 such Act for any portion of such taxable  
6 year, and

7 “(ii) such taxpayer’s household in-  
8 come for such taxable year is projected to  
9 not exceed 138 percent of the poverty line  
10 for a family of the size involved,

11 subsection (f)(2)(A) shall not apply to such tax-  
12 payer for such taxable year and such taxpayer  
13 shall not be required to file such return of tax.

14 “(C) INFORMATION PROVIDED BY EX-  
15 CHANGE.—The information required to be pro-  
16 vided by an Exchange to the Secretary and to  
17 the taxpayer under subsection (f)(3) shall in-  
18 clude such information as is necessary to deter-  
19 mine whether such Exchange has made the de-  
20 terminations described in clauses (i) and (ii) of  
21 subparagraph (B) with respect to such tax-  
22 payer.”.

23 (b) EMPLOYER SHARED RESPONSIBILITY PROVISION

24 NOT APPLICABLE WITH RESPECT TO CERTAIN LOW-IN-

1 COME TAXPAYERS RECEIVING PREMIUM ASSISTANCE.—

2 Section 4980H(c)(3) is amended to read as follows:

3 “(3) APPLICABLE PREMIUM TAX CREDIT AND  
4 COST-SHARING REDUCTION.—

5 “(A) IN GENERAL.—The term ‘applicable  
6 premium tax credit and cost-sharing reduction’  
7 means—

8 “(i) any premium tax credit allowed  
9 under section 36B,

10 “(ii) any cost-sharing reduction under  
11 section 1402 of the Patient Protection and  
12 Affordable Care Act, and

13 “(iii) any advance payment of such  
14 credit or reduction under section 1412 of  
15 such Act.

16 “(B) EXCEPTION WITH RESPECT TO CER-  
17 TAIN LOW-INCOME TAXPAYERS.—Such term  
18 shall not include any premium tax credit, cost-  
19 sharing reduction, or advance payment other-  
20 wise described in subparagraph (A) if such  
21 credit, reduction, or payment is allowed or paid  
22 for a taxable year of an employee (beginning  
23 after December 31, 2021, and before January  
24 1, 2026) with respect to which—



1           “(i) an Exchange established under  
2           title I of the Patient Protection and Af-  
3           fordable Care Act has determined that  
4           such employee’s household income for such  
5           taxable year is projected to not exceed 138  
6           percent of the poverty line for a family of  
7           the size involved, or

8           “(ii) such employee’s household in-  
9           come for such taxable year does not exceed  
10          138 percent of the poverty line for a family  
11          of the size involved.”.

12          (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 December 31, 2021.

15 **SEC. 137305. SPECIAL RULE FOR INDIVIDUALS RECEIVING**  
16 **UNEMPLOYMENT COMPENSATION.**

17          (a) EXTENSION.—Section 36B(g)(1) is amended by  
18 striking “during 2021,” and inserting “after December  
19 31, 2020, and before January 1, 2023,”.

20          (b) MODIFICATION OF INCOME NOT TAKEN INTO AC-  
21 COUNT.—Section 36B(g)(1)(B) is amended by striking  
22 “133 percent” and inserting “150 percent (133 percent  
23 in the case of any week beginning during 2021)”.

1 (c) CONFORMING AMENDMENT.—Section 36B(g) by  
2 inserting “THROUGH 2022” after “2021” in the heading  
3 thereof.

4 (d) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2021.

7 **SEC. 137306. PERMANENT CREDIT FOR HEALTH INSURANCE**  
8 **COSTS.**

9 (a) IN GENERAL.—Subparagraph (B) of section  
10 35(b)(1) of the Internal Revenue Code of 1986 is amended  
11 by striking “, and before January 1, 2022” and inserting  
12 a period.

13 (b) INCREASE IN CREDIT PERCENTAGE.—Subsection  
14 (a) of section 35 of the Internal Revenue Code of 1986  
15 is amended by striking “72.5 percent” and inserting “80  
16 percent”.

17 (c) CONFORMING AMENDMENTS.—Subsections (b)  
18 and (e)(1) of section 7527 of the Internal Revenue Code  
19 of 1986 are each amended by striking “72.5 percent” and  
20 inserting “80 percent”.

21 (d) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to coverage months beginning after  
23 December 31, 2021.

1 **SEC. 137307. EXCLUSION OF CERTAIN DEPENDENT INCOME**  
2 **FOR PURPOSES OF PREMIUM TAX CREDIT.**

3 (a) IN GENERAL.—Paragraph (2) of section 36B(d)  
4 of the Internal Revenue Code of 1986, as amended by this  
5 Act, is further amended by adding at the end the following  
6 new subparagraph:

7 “(D) EXCEPTION FOR CERTAIN DEPEND-  
8 ENT INCOME.—

9 “(i) IN GENERAL.—Solely for pur-  
10 poses of determining the credit under this  
11 section and eligibility for cost sharing re-  
12 ductions under section 1402 of the Patient  
13 Protection and Affordable Care Act, and  
14 not for any other purpose (including any  
15 determination of income for purposes of  
16 the programs established under titles XIX  
17 and XXI of the Social Security Act and  
18 section 1331 of the Patient Protection and  
19 Affordable Care Act), there shall not be  
20 taken into account under subparagraph  
21 (A)(ii) the modified adjusted gross income  
22 of any dependent of the taxpayer who has  
23 not attained age 24 as of the last day of  
24 the calendar year in which the taxable year  
25 of the taxpayer begins.

1           “(ii) LIMITATION.—Clause (i) shall  
2 not apply to so much of the aggregate of  
3 the modified adjusted gross income of all  
4 dependents of the taxpayer who have not  
5 attained the age described in such clause  
6 as exceeds \$3,500.

7           “(iii) ELECTION TO HAVE SUBPARA-  
8 GRAPH NOT APPLY.—In the case of any  
9 taxable year beginning after December 31,  
10 2025, a taxpayer may elect (at such time  
11 and in such manner as the Secretary may  
12 provide) to have this subparagraph not  
13 apply with respect to the income of any de-  
14 pendent of the taxpayer for such taxable  
15 year.

16           “(iv) ADJUSTMENT FOR INFLATION.—  
17 In the case of any taxable year beginning  
18 after December 31, 2023, the \$3,500  
19 amount in clause (ii) shall be increased by  
20 an amount equal to—

21                   “(I) such amount, multiplied by

22                   “(II) the cost-of-living adjust-  
23 ment determined under section 1(f)(3)  
24 for the calendar year in which the tax-  
25 able year begins, determined by sub-

1           stituting ‘calendar year 2022’ for ‘cal-  
2           endar year 2016’ in subparagraph  
3           (A)(ii) thereof.

4           If any increase determined under the pre-  
5           ceding sentence is not a multiple of \$100,  
6           such increase shall be rounded to the next  
7           lowest multiple of \$100.

8           “(v) TERMINATION.—This subpara-  
9           graph shall not apply to taxable years be-  
10          ginning after December 31, 2026.”.

11         (b) CONFORMING AMENDMENTS.—

12           (1) Clause (ii) of section 36B(d)(2)(A) of the  
13           Internal Revenue Code of 1986 is amended by in-  
14           serting “, except as provided in subparagraph (D),”  
15           after “individuals”.

16           (2) Paragraph (3) of section 1411(b) of the Pa-  
17           tient Protection and Affordable Care Act (42 U.S.C.  
18           18081) is amended by adding at the end the fol-  
19           lowing new subparagraph:

20           “(D) INFORMATION REGARDING CERTAIN  
21           DEPENDENTS.—In the case of taxable years be-  
22           ginning before January 1, 2027, information  
23           regarding whether section 36B(d)(2)(D) will  
24           apply to any individuals taken into account as  
25           members of the household of the enrollee, and

1 the amount of income of each such individual  
2 for the taxable year described in subparagraph  
3 (A).”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2022.

7 **SEC. 137308. REQUIREMENTS WITH RESPECT TO COST-**  
8 **SHARING FOR CERTAIN INSULIN PRODUCTS.**

9 (a) IN GENERAL.—Subchapter B of chapter 100 is  
10 amended by adding at the end the following new section:

11 **“SEC. 9826. REQUIREMENTS WITH RESPECT TO COST-SHAR-**  
12 **ING FOR CERTAIN INSULIN PRODUCTS.**

13 “(a) IN GENERAL.—For plan years beginning on or  
14 after January 1, 2023, a group health plan shall provide  
15 coverage of selected insulin products, and with respect to  
16 such products, shall not—

17 “(1) apply any deductible; or

18 “(2) impose any cost-sharing in excess of the  
19 lesser of, per 30-day supply—

20 “(A) \$35; or

21 “(B) the amount equal to 25 percent of  
22 the negotiated price of the selected insulin prod-  
23 uct net of all price concessions received by or on  
24 behalf of the plan, including price concessions  
25 received by or on behalf of third-party entities

1 providing services to the plan, such as phar-  
2 macy benefit management services.

3 “(b) DEFINITIONS.—In this section:

4 “(1) SELECTED INSULIN PRODUCTS.—The term  
5 ‘selected insulin products’ means at least one of each  
6 dosage form (such as vial, pump, or inhaler dosage  
7 forms) of each different type (such as rapid-acting,  
8 short-acting, intermediate-acting, long-acting, ultra  
9 long-acting, and premixed) of insulin (as defined  
10 below), when available, as selected by the group  
11 health plan.

12 “(2) INSULIN DEFINED.—The term ‘insulin’  
13 means insulin that is licensed under subsection (a)  
14 or (k) of section 351 of the Public Health Service  
15 Act (42 U.S.C. 262) and continues to be marketed  
16 under such section, including any insulin product  
17 that has been deemed to be licensed under section  
18 351(a) of such Act pursuant to section 7002(e)(4)  
19 of the Biologics Price Competition and Innovation  
20 Act of 2009 (Public Law 111–148) and continues to  
21 be marketed pursuant to such licensure.

22 “(c) OUT-OF-NETWORK PROVIDERS.—Nothing in  
23 this section requires a plan that has a network of providers  
24 to provide benefits for selected insulin products described  
25 in this section that are delivered by an out-of-network pro-

1 vider, or precludes a plan that has a network of providers  
2 from imposing higher cost-sharing than the levels specified  
3 in subsection (a) for selected insulin products described  
4 in this section that are delivered by an out-of-network pro-  
5 vider.

6 “(d) RULE OF CONSTRUCTION.—Subsection (a) shall  
7 not be construed to require coverage of, or prevent a group  
8 health plan from imposing cost-sharing other than the lev-  
9 els specified in subsection (a) on, insulin products that are  
10 not selected insulin products, to the extent that such cov-  
11 erage is not otherwise required and such cost-sharing is  
12 otherwise permitted under Federal and applicable State  
13 law.

14 “(e) APPLICATION OF COST-SHARING TOWARDS  
15 DEDUCTIBLES AND OUT-OF-POCKET MAXIMUMS.—Any  
16 cost-sharing payments made pursuant to subsection (a)(2)  
17 shall be counted toward any deductible or out-of-pocket  
18 maximum that applies under the plan.”.

19 (b) CLERICAL AMENDMENT.—The table of sections  
20 for subchapter B of chapter 100 is amended by adding  
21 at the end the following new item:

“Sec. 9826. Requirements with respect to cost-sharing for certain insulin prod-  
ucts.”.



1 **SEC. 137309. OVERSIGHT OF PHARMACY BENEFIT MAN-**  
2 **AGER SERVICES.**

3 (a) IN GENERAL.—Subchapter B of chapter 100 of  
4 the Internal Revenue Code of 1986, as amended by the  
5 preceding provisions of this Act, is further amended by  
6 adding at the end the following:

7 **“SEC. 9827. OVERSIGHT OF PHARMACY BENEFIT MANAGER**  
8 **SERVICES.**

9 “(a) IN GENERAL.—For plan years beginning on or  
10 after January 1, 2023, a group health plan or an entity  
11 or subsidiary providing pharmacy benefits management  
12 services on behalf of such a plan shall not enter into a  
13 contract with a drug manufacturer, distributor, whole-  
14 saler, subcontractor, rebate aggregator, or any associated  
15 third party that limits the disclosure of information to  
16 plan sponsors in such a manner that prevents the plan,  
17 or an entity or subsidiary providing pharmacy benefits  
18 management services on behalf of a plan, from making  
19 the reports described in subsection (b).

20 “(b) REPORTS.—

21 “(1) IN GENERAL.—For plan years beginning  
22 on or after January 1, 2023, not less frequently  
23 than once every 6 months, an entity providing phar-  
24 macy benefits management services on behalf of a  
25 group health plan shall submit to the plan sponsor  
26 (as defined in section 3(16)(B) of the Employee Re-

1       tirement Income Security Act of 1974) of such  
2       group health plan a report in accordance with this  
3       subsection and make such report available to the  
4       plan sponsor in a machine-readable format. Each  
5       such report shall include, with respect to the applica-  
6       ble group health plan—

7               “(A) as applicable, information collected  
8               from drug manufacturers by such entity on the  
9               total amount of copayment assistance dollars  
10              paid, or copayment cards applied, that were  
11              funded by the drug manufacturer with respect  
12              to the participants and beneficiaries in such  
13              plan;

14             “(B) a list of each drug covered by such  
15             plan or entity providing pharmacy benefit man-  
16             agement services that was dispensed during the  
17             reporting period, including, with respect to each  
18             such drug during the reporting period—

19                   “(i) the brand name, chemical entity,  
20                   and National Drug Code;

21                   “(ii) the number of participants and  
22                   beneficiaries for whom the drug was filled  
23                   during the plan year, the total number of  
24                   prescription fills for the drug (including  
25                   original prescriptions and refills), and the

1 total number of dosage units of the drug  
2 dispensed across the plan year, including  
3 whether the dispensing channel was by re-  
4 tail, mail order, or specialty pharmacy;

5 “(iii) the wholesale acquisition cost,  
6 listed as cost per days supply and cost per  
7 pill, or in the case of a drug in another  
8 form, per dose;

9 “(iv) the total out-of-pocket spending  
10 by participants and beneficiaries on such  
11 drug, including participant and beneficiary  
12 spending through copayments, coinsurance,  
13 and deductibles; and

14 “(v) for any drug for which gross  
15 spending of the group health plan exceeded  
16 \$10,000 during the reporting period—

17 “(I) a list of all other drugs in  
18 the same therapeutic category or  
19 class, including brand name drugs  
20 and biological products and generic  
21 drugs or biosimilar biological products  
22 that are in the same therapeutic cat-  
23 egory or class as such drug; and

1                   “(II) the rationale for preferred  
2                   formulary placement of such drug in  
3                   that therapeutic category or class;

4                   “(C) a list of each therapeutic category or  
5                   class of drugs that were dispensed under the  
6                   health plan during the reporting period, and,  
7                   with respect to each such therapeutic category  
8                   or class of drugs, during the reporting period—

9                   “(i) total gross spending by the plan,  
10                  before manufacturer rebates, fees, or other  
11                  manufacturer remuneration;

12                  “(ii) the number of participants and  
13                  beneficiaries who filled a prescription for a  
14                  drug in that category or class;

15                  “(iii) if applicable to that category or  
16                  class, a description of the formulary tiers  
17                  and utilization mechanisms (such as prior  
18                  authorization or step therapy) employed  
19                  for drugs in that category or class;

20                  “(iv) the total out-of-pocket spending  
21                  by participants and beneficiaries, including  
22                  participant and beneficiary spending  
23                  through copayments, coinsurance, and  
24                  deductibles; and

1           “(v) for each therapeutic category or  
2 class under which 3 or more drugs are in-  
3 cluded on the formulary of such plan—

4                   “(I) the amount received, or ex-  
5 pected to be received, from drug man-  
6 ufacturers in rebates, fees, alternative  
7 discounts, or other remuneration—

8                           “(aa) to be paid by drug  
9 manufacturers for claims in-  
10 curred during the reporting pe-  
11 riod; or

12                           “(bb) that is related to utili-  
13 zation of drugs, in such thera-  
14 peutic category or class;

15                   “(II) the total net spending, after  
16 deducting rebates, price concessions,  
17 alternative discounts or other remu-  
18 neration from drug manufacturers, by  
19 the health plan on that category or  
20 class of drugs; and

21                           “(III) the net price per course of  
22 treatment or single fill, such as a 30-  
23 day supply or 90-day supply, incurred  
24 by the health plan and its participants  
25 and beneficiaries, after manufacturer

1 rebates, fees, and other remuneration  
2 for drugs dispensed within such thera-  
3 peutic category or class during the re-  
4 porting period;

5 “(D) total gross spending on prescription  
6 drugs by the plan during the reporting period,  
7 before rebates and other manufacturer fees or  
8 remuneration;

9 “(E) total amount received, or expected to  
10 be received, by the health plan in drug manu-  
11 facturer rebates, fees, alternative discounts, and  
12 all other remuneration received from the manu-  
13 facturer or any third party, other than the plan  
14 sponsor, related to utilization of drug or drug  
15 spending under that health plan during the re-  
16 porting period;

17 “(F) the total net spending on prescription  
18 drugs by the health plan during the reporting  
19 period; and

20 “(G) amounts paid directly or indirectly in  
21 rebates, fees, or any other type of remuneration  
22 to brokers, consultants, advisors, or any other  
23 individual or firm who referred the group health  
24 plan’s business to the pharmacy benefit man-  
25 ager.

1           “(2) PRIVACY REQUIREMENTS.—Entities pro-  
2           viding pharmacy benefits management services on  
3           behalf of a group health plan shall provide informa-  
4           tion under paragraph (1) in a manner consistent  
5           with the privacy, security, and breach notification  
6           regulations promulgated under section 264(c) of the  
7           Health Insurance Portability and Accountability Act  
8           of 1996, and shall restrict the use and disclosure of  
9           such information according to such privacy regula-  
10          tions.

11           “(3) DISCLOSURE AND REDISCLOSURE.—

12           “(A) LIMITATION TO BUSINESS ASSOCI-  
13           ATES.—A group health plan receiving a report  
14           under paragraph (1) may disclose such informa-  
15           tion only to business associates of such plan as  
16           defined in section 160.103 of title 45, Code of  
17           Federal Regulations (or successor regulations).

18           “(B) CLARIFICATION REGARDING PUBLIC  
19           DISCLOSURE OF INFORMATION.—Nothing in  
20           this section prevents an entity providing phar-  
21           macy benefits management services on behalf of  
22           a group health plan from placing reasonable re-  
23           strictions on the public disclosure of the infor-  
24           mation contained in a report described in para-  
25           graph (1), except that such entity may not re-

1 strict disclosure of such report to the Depart-  
2 ment of Health and Human Services, the De-  
3 partment of Labor, or the Department of the  
4 Treasury.

5 “(C) LIMITED FORM OF REPORT.—The  
6 Secretary shall define through rulemaking a  
7 limited form of the report under paragraph (1)  
8 required of plan sponsors who are drug manu-  
9 facturers, drug wholesalers, or other direct par-  
10 ticipants in the drug supply chain, in order to  
11 prevent anti-competitive behavior.

12 “(4) REPORT TO GAO.—An entity providing  
13 pharmacy benefits management services on behalf of  
14 a group health plan shall submit to the Comptroller  
15 General of the United States each of the first 4 re-  
16 ports submitted to a plan sponsor under paragraph  
17 (1) with respect to such plan, and other such reports  
18 as requested, in accordance with the privacy require-  
19 ments under paragraph (2) and the disclosure and  
20 redisclosure standards under paragraph (3), and  
21 such other information that the Comptroller General  
22 determines necessary to carry out the study under  
23 section 30606(b) of an Act to provide for reconcili-  
24 ation pursuant to title II of S. Con. Res. 14.

25 “(c) ENFORCEMENT.—



1           “(1) IN GENERAL.—The Secretary, in consulta-  
2           tion with the Secretary of Labor and the Secretary  
3           of Health and Human Services, shall enforce this  
4           section.

5           “(2) FAILURE TO PROVIDE TIMELY INFORMA-  
6           TION.—An entity providing pharmacy benefit man-  
7           agement services that violates subsection (a) or fails  
8           to provide information required under subsection  
9           (b), or a drug manufacturer that fails to provide in-  
10          formation under subsection (b)(1)(A) in a timely  
11          manner, shall be subject to a civil monetary penalty  
12          in the amount of \$10,000 for each day during which  
13          such violation continues or such information is not  
14          disclosed or reported.

15          “(3) FALSE INFORMATION.—An entity pro-  
16          viding pharmacy benefit management services, or  
17          drug manufacturer that knowingly provides false in-  
18          formation under this section shall be subject to a  
19          civil money penalty in an amount not to exceed  
20          \$100,000 for each item of false information. Such  
21          civil money penalty shall be in addition to other pen-  
22          alties as may be prescribed by law.

23          “(4) PROCEDURE.—The provisions of section  
24          1128A of the Social Security Act, other than sub-  
25          section (a) and (b) and the first sentence of sub-

1 section (c)(1) of such section shall apply to civil  
2 monetary penalties under this subsection in the  
3 same manner as such provisions apply to a penalty  
4 or proceeding under section 1128A of the Social Se-  
5 curity Act.

6 “(5) WAIVERS.—The Secretary may waive pen-  
7 alties under paragraph (2), or extend the period of  
8 time for compliance with a requirement of this sec-  
9 tion, for an entity in violation of this section that  
10 has made a good-faith effort to comply with this sec-  
11 tion.

12 “(d) RULE OF CONSTRUCTION.—Nothing in this sec-  
13 tion shall be construed to permit a group health plan or  
14 other entity to restrict disclosure to, or otherwise limit the  
15 access of, the Department of the Treasury to a report de-  
16 scribed in subsection (b)(1) or information related to com-  
17 pliance with subsection (a) by such plan or entity.

18 “(e) DEFINITION.—In this section, the term ‘whole-  
19 sale acquisition cost’ has the meaning given such term in  
20 section 1847A(c)(6)(B) of the Social Security Act.”.

21 (b) CLERICAL AMENDMENT.—The table of sections  
22 for subchapter B of chapter 100 of the Internal Revenue  
23 Code of 1986, as amended by the preceding provisions of  
24 this Act, is further amended by adding at the end the fol-  
25 lowing new item:

“Sec. 9827. Oversight of pharmacy benefit manager services.”.



1           (1) IN GENERAL.—Title XVIII of the Social Se-  
2           curity Act (42 U.S.C. 1395 et seq.) is amended by  
3           adding at the end the following new section:

4   **“SEC. 1899C. RURAL AND UNDERSERVED PATHWAY TO**  
5                           **PRACTICE TRAINING PROGRAM FOR POST-**  
6                           **BACCALAUREATE AND MEDICAL STUDENTS.**

7           “(a) IN GENERAL.—Not later than October 1, 2023,  
8           the Secretary shall, subject to the succeeding provisions  
9           of this section, carry out the ‘Rural and Underserved  
10          Pathway to Practice Training Program for Post-Bacca-  
11          laureate and Medical Students’ (in this section, referred  
12          to as the ‘Program’) under which the Secretary awards  
13          Pathway to Practice medical scholarship vouchers to quali-  
14          fying students described in subsection (b) for the purpose  
15          of increasing the number of physicians practicing in rural  
16          and underserved communities.

17          “(b) QUALIFYING STUDENT DESCRIBED.—For pur-  
18          poses of this section, a qualifying student described in this  
19          subsection is an individual who—

20                       “(1) attests he or she—

21                               “(A) is or will be a first-generation student  
22                               of a 4-year college, graduate school, or profes-  
23                               sional school;

24                               “(B) was a Pell Grant recipient; or

1           “(C) lived in a medically underserved area,  
2           rural area, or health professional shortage area  
3           for a period of 4 or more years prior to attend-  
4           ing an undergraduate program;

5           “(2) has accepted enrollment in—

6           “(A) a post-baccalaureate program that is  
7           not more than 2 years and intends to enroll in  
8           a qualifying medical school within 2 years after  
9           completion of such program; or

10          “(B) a qualifying medical school;

11          “(3) will practice medicine in a health profes-  
12          sional shortage area, medically underserved area,  
13          public hospital, rural area, or as required under sub-  
14          section (d)(5); and

15          “(4) submits an application and a signed copy  
16          of the agreement described under subsection (c).

17          “(c) APPLICATIONS.—

18          “(1) IN GENERAL.—To be eligible to receive a  
19          Pathway to Practice medical scholarship voucher  
20          under this section, a qualifying student described in  
21          subsection (b) shall submit to the Secretary an ap-  
22          plication at such time, in such manner, and con-  
23          taining such information as the Secretary may re-  
24          quire.

1           “(2) INFORMATION TO BE INCLUDED.—As a  
2 part of the application described in paragraph (1),  
3 the Secretary shall include a notice of the items  
4 which are required to be agreed to under subsection  
5 (d)(5) for the purpose of notifying the qualifying  
6 student of the terms of the Rural and Underserved  
7 Pathway to Practice Training Program for Post-  
8 Baccalaureate and Medical Students.

9           “(d) PATHWAY TO PRACTICE MEDICAL SCHOLAR-  
10 SHIP VOUCHER DETAILS.—

11           “(1) NUMBER.—On an annual basis, the Sec-  
12 retary shall award a Pathway to Practice medical  
13 scholarship voucher under the Program to 1,000  
14 qualifying students described in subsection (b).

15           “(2) PRIORITIZATION CRITERIA.—In deter-  
16 mining whether to award a Pathway to Practice  
17 medical scholarship voucher under the Program to  
18 qualifying students described in subsection (b), the  
19 Secretary shall prioritize applications from any such  
20 student who attests that he or she—

21           “(A) was a participant in the Health Re-  
22 sources and Services Administration Health Ca-  
23 reers Opportunity Program, Centers of Excel-  
24 lence Program, or an Area Health Education  
25 Center program;

1           “(B) is a disadvantaged student (as de-  
2           fined by the National Health Service Corps of  
3           the Health Resources & Services Administration  
4           of the Department of Health and Human Serv-  
5           ices); or

6           “(C) attended a historically black college  
7           or other minority serving institution (as defined  
8           in section 1067q of title 20, United States  
9           Code).

10          “(3) DURATION.—Each Pathway to Practice  
11          medical scholarship voucher awarded to a qualifying  
12          student pursuant to paragraph (1) shall be so  
13          awarded to such a student on an annual basis for  
14          each year of enrollment in a post-baccalaureate pro-  
15          gram and a qualifying medical school (as appro-  
16          priate).

17          “(4) AMOUNT.—Subject to paragraph (5), each  
18          Pathway to Practice medical scholarship voucher  
19          awarded under the Program shall include amounts  
20          for—

21                 “(A) tuition;

22                 “(B) academic fees (as determined by the  
23                 qualifying medical school);

24                 “(C) required textbooks and equipment;

1           “(D) a monthly stipend equal to the  
2           amount provided for individuals under the  
3           health professions scholarship and financial as-  
4           sistance program for active service stipend  
5           monthly rate; and

6           “(E) any other educational expenses nor-  
7           mally incurred by students at the post-bacca-  
8           laureate program or qualifying medical school  
9           (as appropriate).

10          “(5) REQUIRED AGREEMENT.—No amounts  
11          under paragraph (4) may be provided to a qualifying  
12          student awarded a Pathway to Practice medical  
13          scholarship voucher under the Program unless the  
14          qualifying student submits to the Secretary an  
15          agreement to—

16               “(A) complete a post-baccalaureate pro-  
17               gram that is not more than 2 years (if applica-  
18               ble pursuant to the option under subsection  
19               (b)(2)(A));

20               “(B) graduate from a qualifying medical  
21               school;

22               “(C) complete a residency program in an  
23               approved residency training program (as de-  
24               fined in section 1886(h)(5)(A));



1           “(D) complete an initial residency period  
2 or the period of board eligibility;

3           “(E) practice medicine for at least the  
4 number of years of the Pathway to Practice  
5 medical scholarship voucher awarded under  
6 paragraph (2) after a residency program in a  
7 health professional shortage area, a medically  
8 underserved area, a public hospital, or a rural  
9 area, and during such period annually submit  
10 documentation with respect to whether the  
11 qualifying student practices medicine in such an  
12 area and where;

13           “(F) for the purpose of determining com-  
14 pliance with subparagraph (E), not later than  
15 180 days after the date on which qualifying stu-  
16 dent completes a residency program, provide to  
17 the Secretary information with respect to where  
18 the qualifying student is practicing medicine  
19 following the period described in such subpara-  
20 graph;

21           “(G) except in the case of a waiver for  
22 hardship pursuant to section 1892(f)(3), be lia-  
23 ble to the United States pursuant to section  
24 1892 for any amounts received under this Pro-  
25 gram that is determined a past-due obligation

1 under subsection (b)(3) of such section in the  
2 case qualifying student fails to complete all of  
3 the requirements of this agreement under this  
4 subsection; and

5 “(H) for the purpose of determining the  
6 amount of Pathway to Practice medical scholar-  
7 ship vouchers paid or incurred by a qualifying  
8 medical school or any provider of a post-bacca-  
9 laurate program referred to in subsection  
10 (b)(2)(A) for the costs of each item specified  
11 under paragraph (4), consent to any personally  
12 identifying information being shared with the  
13 Secretary of the Treasury.

14 “(6) RESPONSIBILITIES OF PARTICIPATING  
15 EDUCATIONAL INSTITUTIONS.—Each annual award  
16 of an amount of Pathway to Practice medical schol-  
17 arship voucher under paragraph (2) shall be made  
18 with respect to a specific qualifying medical school  
19 or to a post-baccalaureate program that is not more  
20 than 2 years and such school or program shall (as  
21 a condition of, and prior to, such award being made  
22 with respect to such school or program)—

23 “(A) submit to the Secretary such infor-  
24 mation as the Secretary may require to deter-  
25 mine the amount of such award on the basis of

1 the costs of the items specified under paragraph  
2 (4) (except for subparagraph (D)) with respect  
3 to such school or program, and

4 “(B) enter into an agreement with the Sec-  
5 retary under which such school or program will  
6 verify (in such manner as the Secretary may  
7 provide) that amounts paid by such school or  
8 program to the qualifying student are used for  
9 such costs.

10 “(e) DEFINITIONS.—In this section:

11 “(1) HEALTH PROFESSIONAL SHORTAGE  
12 AREA.—The term ‘health professional shortage’  
13 has the meaning given such term in subparagraphs  
14 (A) or (B) of section 332(a)(1) of the Public Health  
15 Service Act.

16 “(2) INITIAL RESIDENCY PERIOD.—The term  
17 ‘initial residency period’ has the meaning given such  
18 term in section 1886(h)(5)(F).

19 “(3) MEDICALLY UNDERSERVED AREA.—The  
20 term ‘medically underserved area’ means an area  
21 designated pursuant to section 330(b)(3)(A) of the  
22 Public Health Service Act.

23 “(4) PELL GRANT RECIPIENT.—The term ‘Pell  
24 Grant recipient’ has the meaning given such term in  
25 section 322(3) of the Higher Education Act of 1965.

1           “(5) PERIOD OF BOARD ELIGIBILITY.—The  
2 term ‘period of board eligibility’ has the meaning  
3 given such term in section 1886(h)(5)(G).

4           “(6) QUALIFYING MEDICAL SCHOOL.—The term  
5 ‘qualifying medical school’ means a school of medi-  
6 cine accredited by the Liaison Committee on Medical  
7 Education of the American Medical Association and  
8 the Association of American Medical Colleges (or ap-  
9 proved by such Committee as meeting the standards  
10 necessary for such accreditation) or a school of oste-  
11 opathy accredited by the American Osteopathic As-  
12 sociation, or approved by such Association as meet-  
13 ing the standards necessary for such accreditation  
14 which—

15           “(A) for each academic year, enrolls at  
16 least 10 qualifying students who are in enrolled  
17 in such a school;

18           “(B) requires qualifying students to enroll  
19 in didactic coursework and clinical experience  
20 applicable to practicing medicine in health pro-  
21 fessional shortage areas, medically underserved  
22 areas, or rural areas, including—

23           “(i) clinical rotations in such areas in  
24 applicable specialties (as applicable and as  
25 available);

1           “(ii) coursework or training experi-  
2           ences focused on medical issues prevalent  
3           in such areas and cultural or structural  
4           competency; and

5           “(C) is located in a State (as defined in  
6           section 210(h)).

7           “(7) RURAL AREA.—The term ‘rural area’ has  
8           the meaning given such term in section  
9           1886(d)(2)(D).

10          “(f) PENALTY FOR FALSE INFORMATION.—Any per-  
11          son who knowingly and willfully obtains by fraud, false  
12          statement, or forgery, or fails to refund any funds, assets,  
13          or property provided under this section or attempts to so  
14          obtain by fraud, false statement or forgery, or fail to re-  
15          fund any funds, assets, or property, received pursuant to  
16          this section shall be fined not more than \$20,000 or im-  
17          prisoned for not more than 5 years, or both.”.

18          (2) AGREEMENTS.—Section 1892 of the Social  
19          Security Act (42 U.S.C. 1395ccc) is amended—

20                 (A) in subsection (a)(1)(A)—

21                         (i) by striking “, or the” and inserting  
22                         “, the”; and

23                         (ii) by inserting “or the Rural and  
24                         Underserved Pathway to Practice Training  
25                         Program for Post- Baccalaureate and Med-

1           ical Students under section 1899C” before  
2           “, owes a past-due obligation”;

3           (B) in subsection (b)—

4                 (i) in paragraph (1), by striking at  
5           the end “or”;

6                 (ii) in paragraph (2), by striking the  
7           period at the end and inserting “; or”; and

8                 (iii) by adding the end the following  
9           new paragraph:

10                 “(3) subject to subsection (f), owed by an indi-  
11           vidual to the United States by breach of an agree-  
12           ment under section 1899C(c) and which payment  
13           has not been paid by the individual for any amounts  
14           received under the Rural and Underserved Pathway  
15           to Practice Training Program for Post-Bacca-  
16           laureate and Medical Students (and accrued interest  
17           determined in accordance with subsection (f)(4)) in  
18           the case such individual fails to complete the re-  
19           quirements of such agreement.”; and

20                 (C) by adding at the end the following new  
21           subsection:

22                 “(f) AUTHORITIES WITH RESPECT TO THE COLLEC-  
23           TION UNDER THE PATHWAY TO PRACTICE TRAINING  
24           PROGRAM.—The Secretary—

1           “(1) shall require payment to the United States  
2           for any amount of damages that the United States  
3           is entitled to recover under subsection (b)(3), within  
4           the 5-year period beginning on the date an eligible  
5           individual fails to complete the requirements of such  
6           agreement under section 1899C(d)(5) (or such  
7           longer period beginning on such date as specified by  
8           the Secretary), and any such amounts not paid with-  
9           in such period shall be subject to collection through  
10          deductions in Medicare payments pursuant to sub-  
11          section (e);

12          “(2) shall allow payments described in para-  
13          graph (1) to be paid in installments over such 5-year  
14          period, which shall accrue interest in an amount de-  
15          termined pursuant to paragraph (5);

16          “(3) shall waive the requirement for an indi-  
17          vidual to pay a past-due obligation under subsection  
18          (b)(3) in the case of hardship (as determined by the  
19          Secretary);

20          “(4) shall not disclose any past-due obligation  
21          under subsection (b)(3) that is owed to the United  
22          States to any credit reporting agency that the  
23          United States entitled to be recovered the United  
24          States under this section; and

1           “(5) shall make a final determination of wheth-  
2           er the amount of payment under section 1899C  
3           made to a qualifying student (as described in sub-  
4           section (b) of such section) was in excess of or less  
5           than the amount of payment that is due, and pay-  
6           ment of such excess or deficit is not made (or ef-  
7           fected by offset) within 90 days of the date of the  
8           determination, and interest shall accrue on the bal-  
9           ance of such excess or deficit not paid or offset (to  
10          the extent that the balance is owed by or owing to  
11          the provider) at a rate determined in accordance  
12          with the regulations of the Secretary of the Treasury  
13          applicable to charges for late payments.”.

14 **SEC. 137403. FUNDING FOR THE RURAL AND UNDERSERVED**  
15                           **PATHWAY TO PRACTICE TRAINING PRO-**  
16                           **GRAMS FOR POST-BACCALAUREATE STU-**  
17                           **DENTS AND MEDICAL STUDENTS.**

18          (a) IN GENERAL.—Subpart C of part IV of sub-  
19          chapter A of chapter 1 of the Internal Revenue Code of  
20          1986, as amended by the preceding provisions of this Act,  
21          is amended by inserting after section 36F the following  
22          new section:



1 **“SEC. 36G. PATHWAY TO PRACTICE MEDICAL SCHOLAR-**  
2 **SHIP VOUCHER CREDIT.**

3 “(a) IN GENERAL.—In the case of a qualified edu-  
4 cational institution, there shall be allowed as a credit  
5 against the tax imposed by this subtitle for any taxable  
6 year an amount equal to the aggregate amount paid or  
7 incurred by such institution during such taxable year pur-  
8 suant to any Pathway to Practice medical scholarship  
9 voucher awarded to a qualifying student with respect to  
10 such institution.

11 “(b) DETERMINATION OF AMOUNTS PAID PURSUANT  
12 TO QUALIFIED SCHOLARSHIP VOUCHERS, ETC.—For pur-  
13 poses of this section—

14 “(1) an amount shall be treated as paid or in-  
15 curred pursuant to an annual award of a Pathway  
16 to Practice medical scholarship voucher only if such  
17 amount is paid or incurred in reimbursement, or an-  
18 ticipation of, an expense described in subparagraphs  
19 (A) through (E) of paragraph (4) of section  
20 1899C(d) of the Social Security Act and is subject  
21 to verification in such manner as the Secretary of  
22 Health and Human Services may provide under  
23 paragraph (6) of such section, and

24 “(2) in the case of any amount credited by a  
25 qualified educational institution against a liability  
26 owed by the qualifying student to such institution,

1 such amount shall be treated as paid by such insti-  
2 tution to such student as of the date that such liabil-  
3 ity would otherwise be due.

4 “(c) DEFINITIONS.—For purposes of this section—

5 “(1) QUALIFIED EDUCATIONAL INSTITUTION.—

6 The term ‘qualified educational institution’ means,  
7 with respect to any annual award of a Pathway to  
8 Practice medical scholarship voucher—

9 “(A) any qualifying medical school (as de-  
10 fined in subsection (e)(6) of section 1899C of  
11 the Social Security Act), and

12 “(B) any provider of a post-baccalaureate  
13 program referred to in subsection (b)(2)(A) of  
14 such section,

15 which meets the requirements of subsection (d)(6) of  
16 such section.

17 “(2) QUALIFYING STUDENT.—The term ‘quali-  
18 fying student’ means any student to whom the Sec-  
19 retary of Health and Human Services has made an  
20 annual award of a Pathway to Practice medical  
21 scholarship voucher under section 1899C of the So-  
22 cial Security Act.

23 “(3) ANNUAL AWARD OF A PATHWAY TO PRAC-  
24 TICE MEDICAL SCHOLARSHIP VOUCHER.—The term  
25 ‘annual award of a Pathway to Practice medical

1 scholarship voucher’ means the annual award of a  
2 Pathway to Practice medical scholarship voucher re-  
3 ferred to in section 1899C(d)(3) of the Social Secu-  
4 rity Act.

5 “(d) COORDINATION OF ACADEMIC AND TAXABLE  
6 YEARS.—The credit allowed under subsection (a) with re-  
7 spect to any Pathway to Practice medical scholarship  
8 voucher shall not exceed the amount of such voucher which  
9 is for expenses described in subparagraphs (A) through  
10 (E) of section 1899C(d)(4) of the Social Security Act, re-  
11 duced by any amount of such voucher with respect to  
12 which credit was allowed under this section for any prior  
13 taxable year.

14 “(e) REGULATIONS.—The Secretary shall issue such  
15 regulations or other guidance as are necessary or appro-  
16 priate to carry out the purposes of this section.”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) Section 6211(b)(4)(A), as amended by the  
19 preceding provisions of this Act, is amended by in-  
20 serting “36G,” after “36F,”.

21 (2) Paragraph (2) of section 1324(b) of title  
22 31, United States Code, as amended by the pre-  
23 ceding provisions of this Act, is amended by insert-  
24 ing “36G,” after “36F,”.

1           (3) The table of sections for subpart C of part  
2           IV of subchapter A of chapter 1 of the Internal Rev-  
3           enue Code of 1986, and amended by the preceding  
4           provisions of this Act, is amended by inserting after  
5           the item relating to section 36F the following new  
6           item:

“Sec. 36G. Pathway to Practice medical scholarship voucher credit.”.

7           (c) **INFORMATION SHARING.**—The Secretary of  
8           Health and Human Services shall annually provide the  
9           Secretary of the Treasury such information regarding the  
10          program under section 1899C of the Social Security Act  
11          as the Secretary of the Treasury may require to admin-  
12          ister the tax credits determined under section 36G of the  
13          Internal Revenue Code of 1986, including information to  
14          identify qualifying students and the qualified educational  
15          institutions at which such students are enrolled and the  
16          amount of the annual award of the Pathway to Practice  
17          medical scholarship voucher awarded to each such student  
18          with respect to such institution. Terms used in this sub-  
19          paragraph shall have the same meaning as when used in  
20          such section 36G.

21          (d) **EFFECTIVE DATE.**—The amendments made by  
22          this section shall apply to taxable years beginning after  
23          the date of the enactment of this Act.

1 **SEC. 137404. ESTABLISHING RURAL AND UNDERSERVED**  
2 **PATHWAY TO PRACTICE PROGRAM FOR MED-**  
3 **ICAL RESIDENTS.**

4 Section 1886 of the Social Security Act (42 U.S.C.  
5 1395ww) is amended—

6 (1) in subsection (d)(5)(B)(v), by inserting  
7 “(h)(4)(H)(vii),” after “The provisions of sub-  
8 sections (h)(4)(H)(vi),”; and

9 (2) in subsection (h)(4)(H), by adding at the  
10 end the following new clause:

11 “(vii) EXCLUSION FROM FULL-TIME  
12 EQUIVALENT LIMITATION FOR HOSPITALS  
13 IMPLEMENTING RURAL AND UNDERSERVED  
14 PATHWAY TO PRACTICE PROGRAM.—

15 “(I) IN GENERAL.—For cost re-  
16 porting periods beginning on or after  
17 October 1, 2026, during which a  
18 qualifying resident (as defined in sub-  
19 clause (II)) trains in an applicable  
20 hospital (as defined in subclause  
21 (III)), the Secretary shall, for such  
22 cost reporting period by the number  
23 of full-time equivalent residents so  
24 trained within the applicable hospital  
25 during such period, exclude from the  
26 limitation under subparagraph (F).

1                   “(II) QUALIFYING RESIDENT.—

2                   For purposes of this clause, the term  
3                   ‘qualifying resident’ means a full-time  
4                   equivalent resident who—

5                                 “(aa) was a qualifying stu-  
6                                 dent awarded a Pathway to Prac-  
7                                 tice medical scholarship voucher  
8                                 under section 1899C; and

9                                 “(bb) graduated from a  
10                                qualifying medical school.

11                   “(III) APPLICABLE HOSPITAL.—

12                                “(aa) IN GENERAL.—For  
13                                purposes of this clause, the term  
14                                ‘applicable hospital’ means any  
15                                hospital that—

16                                   “(AA) meets the re-  
17                                   quirements of item (bb);

18                                   “(BB) agrees to pro-  
19                                   vide data to the Secretary  
20                                   with respect to where quali-  
21                                   fying residents (as defined  
22                                   in subclause (II)) practice  
23                                   medicine or participate in  
24                                   fellowships immediately fol-  
25                                   lowing their residencies; and

1                   “(CC) agrees to pro-  
2                   mote           community-based  
3                   training of qualifying resi-  
4                   dents (as defined in sub-  
5                   clause (II)), as appropriate.

6                   “(bb) OTHER REQUIRE-  
7                   MENTS.—For the purpose of item  
8                   (aa)(AA), an applicable hospital  
9                   shall also be a subsection (d) hos-  
10                  pital that has been recognized by  
11                  the Accreditation Council for  
12                  Graduate Medical Education as  
13                  meeting the following require-  
14                  ments:

15                   “(AA) Such hospital  
16                   provides mentorships for  
17                   residents.

18                   “(BB) Such hospital in-  
19                   cludes cultural or structural  
20                   competency as part of the  
21                   training of residents.

22                   “(CC) The hospital has  
23                   a demonstrated record of  
24                   training medical residents in  
25                   health professional shortage

1 areas, medically underserved  
2 areas, public hospitals, or  
3 rural areas.

4 “(IV) OTHER DEFINITIONS.—

5 “(aa) HEALTH PROFES-  
6 SIONAL SHORTAGE AREA.—The  
7 team ‘health professional short-  
8 age area’ has the meaning given  
9 such term in subparagraphs (A)  
10 or (B) of section 332(a)(1) of the  
11 Public Health Service Act.

12 “(bb) MEDICALLY UNDER-  
13 SERVED AREA.—The term ‘medi-  
14 cally underserved area’ means an  
15 area designated pursuant to sec-  
16 tion 330(b)(3)(A) of the Public  
17 Health Service Act.

18 “(cc) QUALIFYING MEDICAL  
19 SCHOOL.—The term ‘qualifying  
20 medical school’ has the meaning  
21 given such term in section  
22 1899C(e)(6).

23 “(dd) QUALIFYING MEDICAL  
24 STUDENT.—The term ‘qualifying  
25 medical student’ has the meaning



1 given such term in section  
2 1899C(b).

3 “(ee) RURAL AREA.—The  
4 term ‘rural area’ has the mean-  
5 ing given such term in section  
6 1886(d)(2)(D).”.

7 **SEC. 137405. DISTRIBUTION OF ADDITIONAL RESIDENCY**  
8 **POSITIONS.**

9 (a) IN GENERAL.—Section 1886(h) of the Social Se-  
10 curity Act (42 U.S.C. 1395ww(h)) is amended—

11 (1) in paragraph (4)(F)(i), by striking “and  
12 (9)” and inserting “(9), and (10)”;

13 (2) in paragraph (4)(H)(i), by striking “and  
14 (9)” and inserting “(9), and (10)”;

15 (3) by adding at the end the following new  
16 paragraph:

17 “(10) DISTRIBUTION OF ADDITIONAL RESI-  
18 DENCY POSITIONS.—

19 “(A) ADDITIONAL RESIDENCY POSI-  
20 TIONS.—

21 “(i) IN GENERAL.—For fiscal years  
22 2025 and 2026, and for each succeeding  
23 fiscal year until the aggregate number of  
24 full-time equivalent residency positions dis-  
25 tributed under this paragraph is equal to

1 the aggregate number of such positions  
2 made available (as specified in clause (ii)),  
3 the Secretary shall, subject to the suc-  
4 ceeding provisions of this paragraph, in-  
5 crease the otherwise applicable resident  
6 limit for each qualifying hospital (as de-  
7 fined in subparagraph (F)) that submits a  
8 timely application under this subparagraph  
9 by such number as the Secretary may ap-  
10 prove effective beginning July 1 of the fis-  
11 cal year of the increase.

12 “(ii) NUMBER AVAILABLE FOR DIS-  
13 TRIBUTION.—

14 “(I) TOTAL NUMBER AVAIL-  
15 ABLE.—The aggregate number of  
16 such positions made available under  
17 this paragraph shall be equal to  
18 4,000.

19 “(II) ANNUAL LIMIT.—The ag-  
20 gregate number of such positions so  
21 made available shall not exceed 2,000  
22 for a fiscal year.

23 “(iii) ROUNDS OF APPLICATIONS.—  
24 The Secretary shall initiate a separate  
25 round of applications for an increase under

1 clause (i) for each fiscal year for which  
2 such an increase is to be provided.

3 “(iv) DISTRIBUTION FOR PRIMARY  
4 CARE, PSYCHIATRY, AND OTHER  
5 RESIDENCIES.—

6 “(I) IN GENERAL.—Except as  
7 provided under subclause (II), of the  
8 positions made available under this  
9 paragraph—

10 “(aa) not less than 25 per-  
11 cent shall be in a primary care  
12 residency (as defined in subpara-  
13 graph (F)) or obstetrics and gyn-  
14 ecology residency; and

15 “(bb) not less than 15 per-  
16 cent shall be in a psychiatry resi-  
17 dency (as defined in such sub-  
18 paragraph).

19 “(II) DISTRIBUTION FOR OTHER  
20 RESIDENCIES.—The requirement  
21 under subclause (I) shall not apply  
22 with respect to any positions made  
23 available under this paragraph that  
24 are not distributed to a qualifying  
25 hospital by July 1, 2027, and such

1 positions shall be distributed to hos-  
2 pitals in accordance with subpara-  
3 graph (B), without regard to spe-  
4 cialty.

5 “(v) CLARIFICATION REGARDING  
6 AVAILABILITY OF OTHER INCREASE.—A  
7 qualifying hospital may apply for, and re-  
8 ceive, an increase under this paragraph  
9 and paragraph (9) for a fiscal year.

10 “(B) DISTRIBUTION.—For purposes of  
11 providing an increase in the otherwise applica-  
12 ble resident limit under subparagraph (A), the  
13 following shall apply:

14 “(i) ELIGIBLE HOSPITALS.—With re-  
15 spect to the aggregate number of such po-  
16 sitions available for distribution under this  
17 paragraph, the Secretary shall distribute  
18 30 percent of such aggregate number to  
19 the category of hospitals described in sub-  
20 clause (II) of clause (ii), 20 percent of  
21 such aggregate number to each of the cat-  
22 egories of hospitals described in subclauses  
23 (I), (III), and (IV) of such clause, and 10  
24 percent of such aggregate number to the  
25 category of hospitals described in subclause

1 (V) of such clause, subject to clauses (iii)  
2 and (iv).

3 “(ii) CATEGORIES OF HOSPITALS DE-  
4 SCRIBED.—The following categories of hos-  
5 pitals are described in this clause:

6 “(I) Hospitals that are located in  
7 a rural area (as defined in subsection  
8 (d)(2)(D)) or are treated as being lo-  
9 cated in a rural area pursuant to sub-  
10 section (d)(8)(E), hospitals that are  
11 located in a census tract assigned a  
12 rural-urban commuting area code of 4  
13 or greater, and hospitals that are a  
14 sole community hospital (as defined in  
15 subsection (d)(5)(D)(iii)).

16 “(II) Hospitals in which the ref-  
17 erence resident level of the hospital  
18 (as specified in subparagraph (F)(v))  
19 is greater than the otherwise applica-  
20 ble resident limit.

21 “(III) Hospitals in States with—

22 “(aa) a new medical school  
23 that received ‘Candidate School’  
24 status from the Liaison Com-  
25 mittee on Medical Education or

1 'Pre-Accreditation' status from  
2 the American Osteopathic Asso-  
3 ciation Commission on Osteo-  
4 pathic College Accreditation on  
5 or after January 1, 2000, and  
6 achieved or continued to progress  
7 toward 'Full Accreditation' status  
8 (as such term is defined by the  
9 Liaison Committee on Medical  
10 Education) or toward 'Accredita-  
11 tion' status (as such term is de-  
12 fined by the American Osteo-  
13 pathic Association Commission  
14 on Osteopathic College Accredita-  
15 tion); or

16 "(bb) an additional location  
17 or branch campus established on  
18 or after January 1, 2000, by a  
19 medical school with 'Full Accredi-  
20 tation' status (as such term is  
21 defined by the Liaison Committee  
22 on Medical Education) or 'Ac-  
23 creditation' status (as such term  
24 is defined by the American Os-  
25 teopathic Association Commission

1 on Osteopathic College Accredita-  
2 tion).

3 “(IV) Hospitals that are located  
4 in or serve an area designated as a  
5 health professional shortage area  
6 under section 332(a)(1)(A) of the  
7 Public Health Service Act or serve a  
8 population group designated under  
9 section 332(a)(1)(B) of such Act, as  
10 determined by the Secretary.

11 “(V) Hospitals located in States  
12 in the lowest quartile for resident-to-  
13 population ratios, as defined by the  
14 Secretary.

15 “(iii) DISTRIBUTION TO OTHER HOS-  
16 PITALS.—Any positions made available  
17 under this paragraph that are not distrib-  
18 uted to a qualifying hospital in accordance  
19 with clause (i) by July 1, 2027, shall be  
20 distributed to other hospitals, subject to  
21 the requirement under clause (iv). In car-  
22 rying out the preceding sentence, the Sec-  
23 retary shall ensure that such positions are  
24 first offered to qualifying hospitals in cat-

1 egories described in clause (ii) before being  
2 distributed to other hospitals.

3 “(iv) REQUIREMENT.—A hospital  
4 shall only be eligible to receive positions  
5 made available under this paragraph if the  
6 hospital demonstrates to the Secretary that  
7 the hospital is likely to—

8 “(I) fill such positions within the  
9 first 5 training years beginning after  
10 the date the increase would be effec-  
11 tive, as determined by the Secretary;  
12 and

13 “(II) use some portion (as speci-  
14 fied by the Secretary) of such posi-  
15 tions for the residencies described in  
16 (A)(iv).

17 “(C) CONDITIONS OF DISTRIBUTION.—

18 “(i) IN GENERAL.—Subject to clause  
19 (iv), a hospital that receives an increase in  
20 the otherwise applicable resident limit  
21 under this paragraph shall ensure, during  
22 the 5-year period beginning on the date of  
23 such increase, that the numbers of full-  
24 time equivalent residents in a primary care  
25 or psychiatry residency (as those terms are



1 defined in subparagraph (F)), excluding  
2 any additional positions attributable to an  
3 increase under this paragraph, are not less  
4 than the average numbers of full-time  
5 equivalent residents in a primary care or  
6 psychiatry residency (as so defined) during  
7 the 3 most recent cost reporting periods  
8 ending prior to the date of enactment of  
9 this paragraph.

10 “(ii) REPORTING REQUIREMENTS.—  
11 Subject to clause (iv), a hospital that re-  
12 ceives an increase in the otherwise applica-  
13 ble resident limit under this paragraph  
14 shall, after making a good faith attempt to  
15 collect information from former residents,  
16 report to the Secretary in a time and man-  
17 ner specified by the Secretary the following  
18 information for each year (beginning with  
19 the first year for which the hospital re-  
20 ceives an increase in the otherwise applica-  
21 ble resident limit under this paragraph), as  
22 applicable:

23 “(I) Race and ethnicity of resi-  
24 dents.

1           “(II) The practice patterns of  
2 residents one and two years after  
3 completion of their residency, includ-  
4 ing the number and percent of resi-  
5 dents who—

6                   “(aa) practice in a primary  
7 care, psychiatry, or other spe-  
8 cialty;

9                   “(bb) primarily serve or are  
10 located in a health professional  
11 shortage area with a designation  
12 in effect under section 332 of the  
13 Public Health Service Act; or

14                   “(cc) primarily serve or are  
15 located in a rural area (as de-  
16 fined in subsection (d)(2)(D)).

17           “(iii) REQUIREMENT FOR RURAL HOS-  
18 PITALS TO EXPAND EXISTING PRO-  
19 GRAMS.—Subject to clause (iv), if a hos-  
20 pital that receives an increase in the other-  
21 wise applicable resident limit under this  
22 paragraph would be eligible for an adjust-  
23 ment to the otherwise applicable resident  
24 limit for participation in a new medical  
25 residency training program under section

1 413.79(e)(3) of title 42, Code of Federal  
2 Regulations (or any successor regulation),  
3 the hospital shall ensure that any positions  
4 made available under this paragraph are  
5 used to expand an existing program of the  
6 hospital, and not for participation in a new  
7 medical residency training program.

8 “(iv) REDISTRIBUTION OF POSITIONS  
9 IF HOSPITAL NO LONGER MEETS CERTAIN  
10 REQUIREMENTS.—In the case where the  
11 Secretary determines that a hospital that  
12 receives an increase in the otherwise appli-  
13 cable resident limit under this paragraph  
14 does not meet either of the requirements  
15 under clause (i), the reporting require-  
16 ments under clause (ii), or, if applicable,  
17 the requirement under clause (iii), the Sec-  
18 retary shall—

19 “(I) reduce the otherwise applica-  
20 ble resident limit of the hospital by  
21 the amount by which such limit was  
22 increased under this paragraph; and

23 “(II) provide for the distribution  
24 of positions attributable to such re-  
25 duction to other qualifying hospitals

1 in accordance with the requirements  
2 of this paragraph.

3 “(v) LIMITATION.—A hospital may  
4 not receive more than 25 additional full-  
5 time equivalent residency positions under  
6 this paragraph.

7 “(D) APPLICATION OF PER RESIDENT  
8 AMOUNTS FOR PRIMARY CARE AND NONPRI-  
9 MARY CARE.—With respect to additional resi-  
10 dency positions in a hospital attributable to the  
11 increase provided under this paragraph, the ap-  
12 proved FTE per resident amounts are deemed  
13 to be equal to the hospital per resident amounts  
14 for primary care and nonprimary care com-  
15 puted under paragraph (2)(D) for that hospital.

16 “(E) PERMITTING FACILITIES TO APPLY  
17 AGGREGATION RULES.—The Secretary shall  
18 permit hospitals receiving additional residency  
19 positions attributable to the increase provided  
20 under this paragraph to, beginning in the fifth  
21 year after the effective date of such increase,  
22 apply such positions to the limitation amount  
23 under paragraph (4)(F) that may be aggre-  
24 gated pursuant to paragraph (4)(H) among  
25 members of the same affiliated group.

1 “(F) DEFINITIONS.—In this paragraph:

2 “(i) OTHERWISE APPLICABLE RESI-  
3 DENT LIMIT.—The term ‘otherwise appli-  
4 cable resident limit’ means, with respect to  
5 a hospital, the limit otherwise applicable  
6 under subparagraphs (F)(i) and (H) of  
7 paragraph (4) on the resident level for the  
8 hospital determined without regard to this  
9 paragraph but taking into account para-  
10 graphs (7)(A), (7)(B), (8)(A), (8)(B), or  
11 (9)(A).

12 “(ii) PRIMARY CARE RESIDENCY.—  
13 The term ‘primary care residency’ means a  
14 residency training program described in  
15 paragraph (5)(H).

16 “(iii) PSYCHIATRY RESIDENCY.—The  
17 term ‘psychiatry residency’ means a resi-  
18 dency in psychiatry, addiction medicine,  
19 addiction psychiatry, pain medicine, child  
20 and adolescent psychiatry, consultation-li-  
21 aison psychiatry, geriatric psychiatry, brain  
22 injury medicine, forensic psychiatry, hos-  
23 pice and palliative medicine, and sleep  
24 medicine. Such term includes a residency  
25 in a program that is a prerequisite (as de-

1           terminated by the Secretary) for a residency  
2           described in the preceding sentence.

3           “(iv) QUALIFYING HOSPITAL.—The  
4           term ‘qualifying hospital’ means a hospital  
5           described in any of subclauses (I) through  
6           (V) of subparagraph (B)(ii).

7           “(v) REFERENCE RESIDENT LEVEL.—  
8           The term ‘reference resident level’ means,  
9           with respect to a hospital, the resident  
10          level for the most recent cost reporting pe-  
11          riod of the hospital ending on or before the  
12          date of enactment of this paragraph, for  
13          which a cost report has been settled (or, if  
14          not, submitted (subject to audit)), as de-  
15          termined by the Secretary.

16          “(vi) RESIDENT LEVEL.—The term  
17          ‘resident level’ has the meaning given such  
18          term in paragraph (7)(C)(i).

19          “(G) FUNDING.—There is appropriated to  
20          the Secretary, out of any amounts in the Treas-  
21          ury not otherwise appropriated, \$10,000,000, to  
22          remain available until expended, for purposes of  
23          carrying out this paragraph and subsection  
24          (d)(5)(B)(xiii).”.

1 (b) IME.—Section 1886(d)(5)(B) of the Social Secu-  
2 rity Act (42 U.S.C. 1395ww(d)(5)(B)) is amended—

3 (1) in clause (v), in the third sentence, by strik-  
4 ing “and (h)(9)” and inserting “(h)(9), and  
5 (h)(10)”;

6 (2) by adding at the end the following new  
7 clause:

8 “(xiii) For discharges occurring on or after  
9 July 1, 2024, insofar as an additional payment  
10 amount under this subparagraph is attributable to  
11 resident positions distributed to a hospital under  
12 subsection (h)(10), the indirect teaching adjustment  
13 factor shall be computed in the same manner as pro-  
14 vided under clause (ii) with respect to such resident  
15 positions.”.

16 **PART 5—HIGHER EDUCATION**

17 **SEC. 137501. CREDIT FOR PUBLIC UNIVERSITY RESEARCH**  
18 **INFRASTRUCTURE.**

19 (a) IN GENERAL.—Subpart D of part IV of sub-  
20 chapter A of chapter 1, as amended by the preceding pro-  
21 visions of this Act, is amended by adding at the end the  
22 following new section:

1 **“SEC. 45AA. PUBLIC UNIVERSITY RESEARCH INFRASTRUC-**  
2 **TURE CREDIT.**

3       “(a) ALLOWANCE OF CREDIT.—For purposes of sec-  
4 tion 38, the public university research infrastructure cred-  
5 it determined under this section for a taxable year is an  
6 amount equal to 40 percent of the qualified cash contribu-  
7 tions made by a taxpayer during such taxable year.

8       “(b) QUALIFIED CASH CONTRIBUTION.—

9               “(1) IN GENERAL.—

10                       “(A) DEFINED.—For purposes of sub-  
11 section (a), the qualified cash contribution for  
12 any taxable year is the aggregate amount con-  
13 tributed in cash by a taxpayer during such tax-  
14 able year to a certified educational institution  
15 in connection with a qualifying project that, but  
16 for this section, would be treated as a charitable  
17 contribution for purposes of section 170(c).

18                       “(B) QUALIFIED CASH CONTRIBUTIONS  
19 TAKEN INTO ACCOUNT FOR PURPOSES OF  
20 CHARITABLE CONTRIBUTION LIMITATIONS.—

21 Any qualified cash contributions made by a tax-  
22 payer under this section shall be taken into ac-  
23 count for purposes of determining the percent-  
24 age limitations under section 170(b).

25               “(2) DESIGNATION REQUIRED.—A contribution  
26 shall only be treated as a qualified cash contribution



1 to the extent that it is designated as such by a cer-  
2 tified educational institution under subsection (d).

3 “(c) DEFINITIONS.—For purposes of this section—

4 “(1) QUALIFYING PROJECT.—The term ‘quali-  
5 fying project’ means a project to purchase, con-  
6 struct, or improve research infrastructure property.

7 “(2) RESEARCH INFRASTRUCTURE PROP-  
8 erty.—The term ‘research infrastructure property’  
9 means any portion of a property, building, or struc-  
10 ture of an eligible educational institution, or any  
11 land associated with such property, building, or  
12 structure, that is used for research.

13 “(3) ELIGIBLE EDUCATIONAL INSTITUTION.—  
14 The term ‘eligible educational institution’ means—

15 “(A) an institution of higher education (as  
16 such term is defined in section 101 or 102(c)  
17 of the Higher Education Act of 1965) that is  
18 a college or university described in section  
19 511(a)(2)(B), or

20 “(B) an organization described in section  
21 170(b)(1)(A)(iv), section 170(b)(1)(A)(vi), or  
22 section 509(a)(3) to which authority has been  
23 delegated by an institution described in sub-  
24 paragraph (A) for purposes of applying for or

1 administering credit amounts on behalf of such  
2 institution.

3 “(4) CERTIFIED EDUCATIONAL INSTITUTION.—

4 The term ‘certified educational institution’ means an  
5 eligible educational institution which has been allo-  
6 cated a credit amount for a qualifying project and—

7 “(A) has received a certification for such  
8 project by submitting an application as required  
9 under subsection (d)(2), and

10 “(B) designates credit amounts to tax-  
11 payers for qualifying cash contributions toward  
12 such project under subsection (d)(4).

13 “(d) QUALIFYING UNIVERSITY RESEARCH INFRA-  
14 STRUCTURE PROGRAM.—

15 “(1) ESTABLISHMENT.—

16 “(A) IN GENERAL.—Not later than 180  
17 days after the date of the enactment of this sec-  
18 tion, the Secretary, after consultation with the  
19 Secretary of Education, shall establish a pro-  
20 gram to—

21 “(i) certify and allocate credit  
22 amounts for qualifying projects to eligible  
23 educational institutions, and

24 “(ii) allow certified educational insti-  
25 tutions to designate cash contributions for

1 qualifying projects of such certified edu-  
2 cational institutions as qualified cash con-  
3 tributions.

4 “(B) LIMITATIONS.—

5 “(i) ALLOCATION LIMITATION PER IN-  
6 STITUTION.—The credit amounts allocated  
7 to a certified educational institution under  
8 subparagraph (A)(i) for all projects shall  
9 not exceed \$50,000,000 per calendar year.

10 “(ii) OVERALL ALLOCATION LIMITA-  
11 TION.—

12 “(I) IN GENERAL.—The total  
13 amount of qualifying project credit  
14 amounts that may be allocated under  
15 subparagraph (A)(i) shall not ex-  
16 ceed—

17 “(aa) \$500,000,000 for each  
18 of calendar years 2022, 2023,  
19 2024, 2025, and 2026, and

20 “(bb) \$0 for each subse-  
21 quent year.

22 “(II) ROLLOVER OF  
23 UNALLOCATED CREDIT AMOUNTS.—  
24 Any credit amounts described in sub-  
25 clause (I) that are unallocated during

1 a calendar year shall be carried to the  
2 succeeding calendar year and added to  
3 the limitation allowable under such  
4 subclause for such succeeding cal-  
5 endar year.

6 “(iii) DESIGNATION LIMITATION.—  
7 The aggregate amount of cash contribu-  
8 tions which are designated by a certified  
9 educational institution as qualifying cash  
10 contributions with respect to any quali-  
11 fying project shall not exceed 250 percent  
12 of the credit amount allocated to such cer-  
13 tified educational institution for a quali-  
14 fying project under subparagraph (A)(i).

15 “(2) CERTIFICATION APPLICATION.—Each eligi-  
16 ble educational institution which applies for certifi-  
17 cation of a project under this paragraph shall sub-  
18 mit an application in such time, form, and manner  
19 as the Secretary may require.

20 “(3) SELECTION CRITERIA FOR ALLOCATIONS  
21 TO ELIGIBLE EDUCATIONAL INSTITUTIONS.—The  
22 Secretary, after consultation with the Secretary of  
23 Education, shall select applications from eligible  
24 educational institutions—

1           “(A) based on the extent of the expected  
2           expansion of an eligible educational institution’s  
3           targeted research within disciplines in science,  
4           mathematics, engineering, and technology, and

5           “(B) in a manner that ensures consider-  
6           ation is given to eligible educational institutions  
7           with full-time student populations of less than  
8           12,000.

9           “(4) DESIGNATION OF QUALIFIED CASH CON-  
10          TRIBUTIONS TO TAXPAYERS.—The Secretary, after  
11          consultation with the Secretary of Education, shall  
12          establish a process by which certified educational in-  
13          stitutions shall designate cash contributions to such  
14          institutions as qualified cash contributions.

15          “(5) DISCLOSURE OF ALLOCATIONS AND DES-  
16          IGNATIONS.—

17                 “(A) ALLOCATIONS.—The Secretary shall,  
18                 upon allocating credit amounts to an applicant  
19                 under this subsection, publicly disclose the iden-  
20                 tity of the applicant and the credit amount allo-  
21                 cated to such applicant.

22                 “(B) DESIGNATIONS.—Each certified edu-  
23                 cational institution shall, upon designating con-  
24                 tributions of a taxpayer as qualified cash con-  
25                 tributions under this subsection, publicly dis-

1 close the identity of the taxpayer and the  
2 amount of contributions designated in such  
3 time, form, and manner as the Secretary may  
4 require.

5 “(e) REGULATIONS AND GUIDANCE.—The Secretary,  
6 after consultation with the Secretary of Education when  
7 applicable, shall prescribe such regulations and guidance  
8 as may be necessary or appropriate to carry out the pur-  
9 poses of this section, including regulations or other guid-  
10 ance for—

11 “(1) prevention of abuse,

12 “(2) establishment of reporting requirements,

13 “(3) establishment of selection criteria for ap-  
14 plications, and

15 “(4) disclosure of allocations.

16 “(f) PENALTY FOR NONCOMPLIANCE.—

17 “(1) IN GENERAL.—If at any time during the  
18 5-year period beginning on the date of the allocation  
19 of credit amounts to a certified educational institu-  
20 tion under subsection (d)(1)(A)(i) there is a non-  
21 compliance event with respect to such credit  
22 amounts, then the following rules shall apply:

23 “(A) GENERAL RULE.—Any cash contribu-  
24 tion designated as a qualifying cash contribu-  
25 tion with respect to a qualifying project for

1           which such credit amounts were allocated under  
2           subsection (d)(1)(A)(ii) shall be treated as un-  
3           related business taxable income (as defined in  
4           section 512) of such certified educational insti-  
5           tution.

6           “(B) RULE FOR UNUSED CREDIT  
7           AMOUNTS.—In the case of credit amounts de-  
8           scribed under paragraph (2)(A) which are un-  
9           used and identified pursuant to subsection (g),  
10          the Secretary shall reallocate any portion of  
11          such credit amounts that are unused to cer-  
12          tified educational institutions in lieu of impos-  
13          ing the general rule under subparagraph (A).

14          “(2) NONCOMPLIANCE EVENT.—For purposes  
15          of this subsection, the term ‘noncompliance event’  
16          means, with respect to a credit amount allocated to  
17          a certified educational institution—

18                 “(A) cash contributions equaling the  
19                 amount of such credit amount are not des-  
20                 ignated as qualifying cash contributions within  
21                 2 years after December 31 of the year such  
22                 credit amount is allocated,

23                 “(B) a qualifying project with respect to  
24                 which such credit amount was allocated is not  
25                 placed in service within either—

1                   “(i) 4 years after December 31 of the  
2                   year such credit amount is allocated, or

3                   “(ii) a period of time that the Sec-  
4                   retary determines is appropriate, or

5                   “(C) the research infrastructure property  
6                   placed in service as part of a qualifying project  
7                   with respect to which such credit amount was  
8                   allocated ceases to be used for research within  
9                   five years after such property is placed in serv-  
10                  ice.

11               “(g) REVIEW AND REALLOCATION OF CREDIT  
12 AMOUNTS.—

13               “(1) REVIEW.—Not later than 5 years after the  
14               date of enactment of this section, the Secretary shall  
15               review the credit amounts allocated under this sec-  
16               tion as of such date.

17               “(2) REALLOCATION.—

18               “(A) IN GENERAL.—The Secretary may re-  
19               allocate credit amounts allocated under this sec-  
20               tion if the Secretary determines, as of the date  
21               of the review in paragraph (1), that such credit  
22               amounts are subject to a noncompliance event.

23               “(B) ADDITIONAL PROGRAM.—If the Sec-  
24               retary determines that credits under this sec-  
25               tion are available for reallocation pursuant to



1 the requirements set forth in subparagraph (A),  
2 the Secretary is authorized to conduct an addi-  
3 tional program for applications for certification.

4 “(C) DEADLINE FOR REALLOCATION.—  
5 The Secretary shall not certify any project, or  
6 reallocate any credit amount, pursuant to this  
7 paragraph after December 31, 2031.

8 “(h) DENIAL OF DOUBLE BENEFIT.—No credit or  
9 deduction shall be allowed under any other provision of  
10 this chapter for any qualified cash contribution for which  
11 a credit is allowed under this section.

12 “(i) RULE FOR TRUSTS AND ESTATES.—For pur-  
13 poses of this section, rules similar to the rules of sub-  
14 section (d) of section 52 shall apply.

15 “(j) TERMINATION.—This section shall not apply to  
16 qualified cash contributions made after December 31,  
17 2033.”

18 (b) CREDIT MADE PART OF GENERAL BUSINESS  
19 CREDIT.—Subsection (b) of section 38, as amended by the  
20 preceding provisions of this Act, is amended by striking  
21 “plus” at the end of paragraph (41), by striking the period  
22 at the end of paragraph (42) and inserting “, plus”, and  
23 by adding at the end the following new paragraph:

24 “(43) the public university research infrastruc-  
25 ture credit determined under section 45AA.”

1 (c) CLERICAL AMENDMENT.—The table of sections  
2 for subpart D of part IV of subchapter A of chapter 1,  
3 as amended by the preceding provisions of this Act, is  
4 amended by adding at the end the following new item:

“Sec. 45AA. Public university research infrastructure credit.”.

5 (d) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to qualified cash contributions  
7 made after December 31, 2021.

8 **SEC. 137502. TREATMENT OF FEDERAL PELL GRANTS FOR**  
9 **INCOME TAX PURPOSES.**

10 (a) EXCLUSION FROM GROSS INCOME.—Section  
11 117(b)(1) is amended by striking “means any amount”  
12 and all that follows and inserting “means—

13 “(A) any amount received by an individual  
14 as a scholarship or fellowship grant to the ex-  
15 tent the individual establishes that, in accord-  
16 ance with the conditions of the grant, such  
17 amount was used for qualified tuition and re-  
18 lated expenses, and

19 “(B) any amount received by an individual  
20 after December 31, 2021, and before January  
21 1, 2026, as a Federal Pell Grant under section  
22 401 of the Higher Education Act of 1965.”.

23 (b) TREATMENT FOR PURPOSES OF AMERICAN OP-  
24 PORTUNITY TAX CREDIT AND LIFETIME LEARNING  
25 CREDIT.—Section 25A(g)(2) is amended—

1 (1) in subparagraph (A), by inserting “de-  
2 scribed in section 117(b)(1)(A)” after “a qualified  
3 scholarship”, and

4 (2) in subparagraph (C), by inserting “or  
5 amount described in section 117(b)(1)(B)” after  
6 “within the meaning of section 102(a)”.

7 (c) EFFECTIVE DATE.—The amendment made by  
8 this section shall apply to taxable years beginning after  
9 December 31, 2021.

10 **SEC. 137503. REPEAL OF DENIAL OF AMERICAN OPPOR-**  
11 **TUNITY TAX CREDIT ON BASIS OF FELONY**  
12 **DRUG CONVICTION.**

13 (a) IN GENERAL.—Section 25A(b)(2) is amended by  
14 striking subparagraph (D).

15 (b) EFFECTIVE DATE.—The amendment made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2021.

18 **PART 6—DEDUCTION FOR STATE AND LOCAL**  
19 **TAXES, ETC.**

20 **SEC. 137601. MODIFICATION OF LIMITATION ON DEDUC-**  
21 **TION FOR STATE AND LOCAL TAXES, ETC.**

22 (a) IN GENERAL.—Paragraph (6) of section 164(b)  
23 is amended—

24 (1) by striking “2025” in the heading and in-  
25 serting “2031”,

1           (2) by striking “January 1, 2026” and insert-  
2           ing “January 1, 2032”,

3           (3) in subparagraph (A), by inserting “or sec-  
4           tion 216(a)(1)” after “subsection (a)(1)”,

5           (4) in subparagraph (B)—

6                 (A) by inserting “(and any tax described in  
7                 any such paragraph taken into account under  
8                 section 216(a)(1))” after “paragraph (5) of this  
9                 subsection”, and

10                (B) by striking “shall not exceed \$10,000  
11                (\$5,000 in the case of a married individual fil-  
12                ing a separate return).” and inserting “shall  
13                not exceed—

14                         “(i) in the case of any taxable year  
15                         beginning after December 31, 2020, and  
16                         before January 1, 2031, \$80,000 (\$40,000  
17                         in the case of an estate, trust, or married  
18                         individual filing a separate return), and

19                         “(ii) in the case of any taxable year  
20                         beginning after December 31, 2030, and  
21                         before January 1, 2032, \$10,000 (\$5,000  
22                         in the case of an estate, trust, or married  
23                         individual filing a separate return).”, and

24           (5) by striking the last sentence and inserting  
25           the following: “In the case of taxes paid during a

1 taxable year beginning before January 1, 2031, the  
2 Secretary shall prescribe regulations or other guid-  
3 ance which treat all or a portion of such taxes as  
4 paid in a taxable year or years other than the tax-  
5 able year in which actually paid as necessary or ap-  
6 propriate to prevent the avoidance of the limitations  
7 of this paragraph.”.

8 (b) **EFFECTIVE DATE.**—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 December 31, 2020.

11 (c) **NO INFERENCE.**—The amendments made by  
12 paragraphs (3), (4)(A), and (5) shall not be construed to  
13 create any inference with respect to the proper application  
14 of section 164(b)(6) or section 216(a) with respect to any  
15 taxable year beginning before January 1, 2021.

## 16 **Subtitle H—Responsibly Funding** 17 **Our Priorities**

### 18 **SEC. 138001. AMENDMENT OF 1986 CODE.**

19 Except as otherwise expressly provided, whenever in  
20 this subtitle an amendment or repeal is expressed in terms  
21 of an amendment to, or repeal of, a section or other provi-  
22 sion, the reference shall be considered to be made to a  
23 section or other provision of the Internal Revenue Code  
24 of 1986.

1 **PART 1—CORPORATE AND INTERNATIONAL TAX**

2 **REFORMS**

3 **Subpart A—Corporate Provisions**

4 **SEC. 138101. CORPORATE ALTERNATIVE MINIMUM TAX.**

5 (a) IMPOSITION OF TAX.—

6 (1) IN GENERAL.—Paragraph (2) of section  
7 55(b) is amended to read as follows:

8 “(2) CORPORATIONS.—

9 “(A) APPLICABLE CORPORATIONS.—In the  
10 case of an applicable corporation, the tentative  
11 minimum tax for the taxable year shall be the  
12 excess of—

13 “(i) 15 percent of the adjusted finan-  
14 cial statement income for the taxable year  
15 (as determined under section 56A), over

16 “(ii) the corporate AMT foreign tax  
17 credit for the taxable year.

18 “(B) OTHER CORPORATIONS.—In the case  
19 of any corporation which is not an applicable  
20 corporation, the tentative minimum tax for the  
21 taxable year shall be zero.”.

22 (2) APPLICABLE CORPORATION.—Section 59 is  
23 amended by adding at the end the following new  
24 subsection:

25 “(k) APPLICABLE CORPORATION.—For purposes of  
26 this part—

1 “(1) APPLICABLE CORPORATION DEFINED.—

2 “(A) IN GENERAL.—The term ‘applicable  
3 corporation’ means, with respect to any taxable  
4 year, any corporation (other than an S corpora-  
5 tion, a regulated investment company, or a real  
6 estate investment trust) which meets the aver-  
7 age annual adjusted financial statement income  
8 test of subparagraph (B) for one or more tax-  
9 able years which—

10 “(i) are prior to such taxable year,

11 and

12 “(ii) end after December 31, 2021.

13 “(B) AVERAGE ANNUAL ADJUSTED FINAN-  
14 CIAL STATEMENT INCOME TEST.—For purposes  
15 of this subsection—

16 “(i) a corporation meets the average  
17 annual adjusted financial statement income  
18 test for any taxable year if the average an-  
19 nual adjusted financial statement income  
20 of such corporation for the 3-taxable-year  
21 period ending with such taxable year ex-  
22 ceeds \$1,000,000,000, and

23 “(ii) in the case of a corporation de-  
24 scribed in paragraph (2), such corporation

1           meets the average annual adjusted finan-  
2           cial statement income test if—

3                   “(I) the corporation meets the re-  
4                   quirements of clause (i) (determined  
5                   after the application of paragraph  
6                   (2)), and

7                   “(II) the average annual adjusted  
8                   financial statement income of such  
9                   corporation (determined without re-  
10                  gard to the application of paragraph  
11                  (2)) for the 3-taxable-year-period end-  
12                  ing with such taxable year is  
13                  \$100,000,000 or more.

14                  “(C) EXCEPTION.—Notwithstanding sub-  
15                  paragraph (A), the term ‘applicable corporation’  
16                  shall not include any corporation which other-  
17                  wise meets the requirements of subparagraph  
18                  (A) if—

19                   “(i) such corporation—

20                           “(I) has a change in ownership,

21                           or

22                           “(II) has a specified number (to  
23                           be determined by the Secretary and  
24                           which shall, as appropriate, take into  
25                           account the facts and circumstances



1 of the taxpayer) of consecutive taxable  
2 years, including the most recent tax-  
3 able year, in which the corporation  
4 does not meet the average annual ad-  
5 justed financial statement income test  
6 of subparagraph (B), and

7 “(ii) the Secretary determines that it  
8 would not be appropriate to continue to  
9 treat such corporation as an applicable cor-  
10 poration.

11 The preceding sentence shall not apply to any  
12 corporation if, after the Secretary makes the  
13 determination described in clause (ii), such cor-  
14 poration meets the average annual adjusted fi-  
15 nancial statement income test for any taxable  
16 year beginning after the first taxable year for  
17 which the determination applies.

18 “(D) SPECIAL RULES FOR DETERMINING  
19 AVERAGE ANNUAL ADJUSTED FINANCIAL  
20 STATEMENT INCOME.—Solely for purposes of  
21 determining whether a corporation is an appli-  
22 cable corporation under paragraph (1)—

23 “(i) all persons treated as a single em-  
24 ployer under subsection (a) or (b) of sec-  
25 tion 52 shall be treated as 1 person, and

1           “(ii) in the case of a foreign corpora-  
2           tion, only income described in paragraph  
3           (3) or (4) of section 56A(c) shall be taken  
4           into account.

5           “(E) OTHER SPECIAL RULES.—

6           “(i) CORPORATIONS IN EXISTENCE  
7           FOR LESS THAN 3 YEARS.—If the corpora-  
8           tion was in existence for less than 3-tax-  
9           able years, subparagraph (B) shall be ap-  
10          plied on the basis of the period during  
11          which such corporation was in existence.

12          “(ii) SHORT TAXABLE YEARS.—Ad-  
13          justed financial statement income for any  
14          taxable year of less than 12 months shall  
15          be annualized by multiplying the adjusted  
16          financial statement income for the short  
17          period by 12 and dividing the result by the  
18          number of months in the short period.

19          “(iii) TREATMENT OF PREDE-  
20          CESSORS.—Any reference in this subpara-  
21          graph to a corporation shall include a ref-  
22          erence to any predecessor of such corpora-  
23          tion.

24          “(2) SPECIAL RULE FOR FOREIGN-PARENTED  
25          CORPORATIONS.—

1           “(A) IN GENERAL.—Solely for purposes of  
2           determining whether a corporation meets the  
3           average annual adjusted financial statement in-  
4           come test under paragraph (1)(B)(i), notwith-  
5           standing paragraph (1)(D)(ii), any corporation  
6           which for any taxable year is a member of an  
7           international financial reporting group the com-  
8           mon parent of which is a foreign corporation  
9           shall include in the adjusted financial statement  
10          income of such corporation for such taxable  
11          year the adjusted financial statement income of  
12          all foreign members of such group.

13           “(B) INTERNATIONAL FINANCIAL REPORT-  
14          ING GROUP.—For purposes of subparagraph  
15          (A), the term ‘international financial reporting  
16          group’ shall have the meaning given such term  
17          by section 163(n)(3).

18           “(3) REGULATIONS OR OTHER GUIDANCE.—  
19          The Secretary shall provide regulations or other  
20          guidance for the purposes of carrying out this sub-  
21          section, including regulations or other guidance—

22           “(A) providing a simplified method for de-  
23          termining whether a corporation meets the re-  
24          quirements of paragraph (1), and

1           “(B) addressing the application of this  
2           subsection to a corporation that experiences a  
3           change in ownership.”.

4           (3) REDUCTION FOR BASE EROSION AND ANTI-  
5           ABUSE TAX.—Section 55(a)(2) is amended by insert-  
6           ing “plus, in the case of an applicable corporation  
7           (as defined in subsection (b)(2)), the tax imposed by  
8           section 59A” before the period at the end.

9           (4) CONFORMING AMENDMENTS.—

10           (A) Section 55(a) is amended by striking  
11           “In the case of a taxpayer other than a cor-  
12           poration, there” and inserting “There”.

13           (B)(i) Section 55(b)(1) is amended—

14                   (I) by striking so much as precedes  
15                   subparagraph (A) and inserting the fol-  
16                   lowing:

17                   “(1) NONCORPORATE TAXPAYERS.—In the case  
18                   of a taxpayer other than a corporation—”, and

19                   (II) by adding at the end the fol-  
20                   lowing new subparagraph:

21                   “(D) ALTERNATIVE MINIMUM TAXABLE IN-  
22                   COME.—The term ‘alternative minimum taxable  
23                   income’ means the taxable income of the tax-  
24                   payer for the taxable year—

1           “(i) determined with the adjustments  
2           provided in section 56 and section 58, and  
3           “(ii) increased by the amount of the  
4           items of tax preference described in section  
5           57.

6           If a taxpayer is subject to the regular tax, such  
7           taxpayer shall be subject to the tax imposed by  
8           this section (and, if the regular tax is deter-  
9           mined by reference to an amount other than  
10          taxable income, such amount shall be treated as  
11          the taxable income of such taxpayer for pur-  
12          poses of the preceding sentence).”.

13           (ii) Section 860E(a)(4) is amended by  
14          striking “55(b)(2)” and inserting  
15          “55(b)(1)(D)”.

16           (iii) Section 897(a)(2)(A)(i) is amended by  
17          striking “55(b)(2)” and inserting  
18          “55(b)(1)(D)”.

19           (C) Section 11(d) is amended by striking  
20          “the tax imposed by subsection (a)” and insert-  
21          ing “the taxes imposed by subsection (a) and  
22          section 55”.

23           (D) Section 12 is amended by adding at  
24          the end the following new paragraph:

1           “(5) For alternative minimum tax, see section  
2       55.”.

3           (E) Section 882(a)(1) is amended by in-  
4       serting “, 55,” after “section 11”.

5           (F) Section 6425(c)(1)(A) is amended to  
6       read as follows:

7           “(A) the sum of—

8               “(i) the tax imposed by section 11 or  
9               subchapter L of chapter 1, whichever is  
10              applicable, plus

11               “(ii) the tax imposed by section 55,  
12               plus

13               “(iii) the tax imposed by section 59A,  
14               over”.

15           (G) Section 6655(e)(2) is amended by in-  
16       serting “, adjusted financial statement income  
17       (as defined in section 56A),” before “and modi-  
18       fied taxable income” each place it appears in  
19       subparagraphs (A)(i) and (B)(i).

20           (H) Section 6655(g)(1)(A) is amended by  
21       redesignating clauses (ii) and (iii) as clauses  
22       (iii) and (iv), respectively, and by inserting  
23       after clause (i) the following new clause:

24               “(ii) the tax imposed by section 55,”.

25       (b) ADJUSTED FINANCIAL STATEMENT INCOME.—

1           (1) IN GENERAL.—Part VI of subchapter A of  
2           chapter 1 is amended by inserting after section 56  
3           the following new section:

4   **“SEC. 56A. ADJUSTED FINANCIAL STATEMENT INCOME.**

5           “(a) IN GENERAL.—For purposes of this part, the  
6           term ‘adjusted financial statement income’ means, with re-  
7           spect to any corporation for any taxable year, the net in-  
8           come or loss of the taxpayer set forth on the taxpayer’s  
9           applicable financial statement for such taxable year, ad-  
10          justed as provided in this section.

11          “(b) APPLICABLE FINANCIAL STATEMENT.—For  
12          purposes of this section, the term ‘applicable financial  
13          statement’ means, with respect to any taxable year, an ap-  
14          plicable financial statement (as defined in section  
15          451(b)(3) or as specified by the Secretary in regulations  
16          or other guidance) which covers such taxable year.

17          “(c) GENERAL ADJUSTMENTS.—

18                  “(1) STATEMENTS COVERING DIFFERENT TAX-  
19                  ABLE YEARS.—Appropriate adjustments shall be  
20                  made in adjusted financial statement income in any  
21                  case in which an applicable financial statement cov-  
22                  ers a period other than the taxable year.

23                  “(2) SPECIAL RULES FOR RELATED ENTI-  
24                  TIES.—

1           “(A) CONSOLIDATED FINANCIAL STATE-  
2           MENTS.—If the financial results of a taxpayer  
3           are reported on the applicable financial state-  
4           ment for a group of entities, rules similar to the  
5           rules of section 451(b)(5) shall apply.

6           “(B) CONSOLIDATED RETURNS.—Except  
7           as provided in regulations prescribed by the  
8           Secretary, if the taxpayer files a consolidated  
9           return for any taxable year, adjusted financial  
10          statement income of the taxpayer for such tax-  
11          able year shall take into account items on the  
12          taxpayer’s applicable financial statement which  
13          are properly allocable to members of such group  
14          included on such return.

15          “(C) TREATMENT OF DIVIDENDS AND  
16          OTHER AMOUNTS.—In the case of any corpora-  
17          tion which is not included on a consolidated re-  
18          turn with the taxpayer, adjusted financial state-  
19          ment income of the taxpayer shall take into ac-  
20          count the earnings of such other corporation  
21          only to the extent of the sum of the dividends  
22          received from such other corporation (reduced  
23          to the extent provided by the Secretary in regu-  
24          lations or other guidance) and other amounts  
25          required to be included in gross income under



1 this chapter (other than amounts required to be  
2 included under sections 951 and 951A) in re-  
3 spect of the earnings of such other corporation.

4 “(D) GROUP INCLUDING ONE OR MORE  
5 PARTNERSHIPS.—Under rules prescribed by the  
6 Secretary, if the financial results of a taxpayer  
7 are reported on the applicable financial state-  
8 ment for a group of entities that includes one  
9 or more partnerships, adjusted financial state-  
10 ment income shall take into account the earn-  
11 ings of such partnerships in the same propor-  
12 tion as the taxpayer’s distributive share of  
13 items from the partnerships required to be in-  
14 cluded in gross income under this chapter.

15 “(3) ADJUSTMENTS TO TAKE INTO ACCOUNT  
16 CERTAIN ITEMS OF FOREIGN INCOME.—

17 “(A) IN GENERAL.—If, for any taxable  
18 year, a taxpayer is a United States shareholder  
19 of one or more controlled foreign corporations,  
20 the adjusted financial statement income of such  
21 taxpayer shall be adjusted to take into account  
22 such taxpayer’s pro rata share (determined  
23 under rules similar to the rules under section  
24 951(a)(2)) of items taken into account in com-  
25 puting the net income or loss set forth on the

1 applicable financial statement of each such con-  
2 trolled foreign corporation with respect to which  
3 such taxpayer is a United States shareholder.

4 “(B) NEGATIVE ADJUSTMENTS.—In any  
5 case in which the adjustment determined under  
6 subparagraph (A) would result in a negative ad-  
7 justment for such taxable year—

8 “(i) no adjustment shall be made  
9 under this paragraph for such taxable  
10 year, and

11 “(ii) the amount of the adjustment  
12 determined under this paragraph for the  
13 succeeding taxable year (determined with-  
14 out regard to this paragraph) shall be re-  
15 duced by an amount equal to the negative  
16 adjustment for such taxable year.

17 “(4) EFFECTIVELY CONNECTED INCOME.—In  
18 the case of a foreign corporation, to determine ad-  
19 justed financial statement income, the principles of  
20 section 882 shall apply.

21 “(5) ADJUSTMENTS FOR CERTAIN TAXES.—Ad-  
22 justed financial statement income shall be appro-  
23 priately adjusted to disregard any Federal income  
24 taxes, or income, war profits, or excess profits taxes  
25 (within the meaning of section 901) with respect to

1 a foreign country or possession of the United States,  
2 which are taken into account on the taxpayer's ap-  
3 plicable financial statement. To the extent provided  
4 by the Secretary, the preceding sentence shall not  
5 apply to income, war profits, or excess profits taxes  
6 (within the meaning of section 901) that are im-  
7 posed by a foreign country or possession of the  
8 United States and taken into account on the tax-  
9 payer's applicable financial statement if the taxpayer  
10 does not choose to take the benefits of section 901.  
11 The Secretary shall prescribe such regulations or  
12 other guidance as may be necessary and appropriate  
13 to provide for the proper treatment of current and  
14 deferred taxes for purposes of this paragraph, in-  
15 cluding the time at which such taxes are properly  
16 taken into account.

17       “(6) ADJUSTMENT WITH RESPECT TO DIS-  
18 REGARDED ENTITIES.—Adjusted financial statement  
19 income shall be adjusted to take into account any  
20 adjusted financial statement income of a disregarded  
21 entity owned by the taxpayer.

22       “(7) SPECIAL RULE FOR COOPERATIVES.—In  
23 the case of a cooperative to which section 1381 ap-  
24 plies, the adjusted financial statement income (deter-  
25 mined without regard to this paragraph) shall be re-

1       duced by the amounts referred to in section 1382(b)  
2       (relating to patronage dividends and per-unit retain  
3       allocations) to the extent such amounts were not  
4       otherwise taken into account in determining ad-  
5       justed financial statement income.

6               “(8) RULES FOR ALASKA NATIVE CORPORA-  
7       TIONS.—Adjusted financial statement income shall  
8       be appropriately adjusted to allow—

9               “(A) cost recovery and depletion attrib-  
10       utable to property the basis of which is deter-  
11       mined under section 21(c) of the Alaska Native  
12       Claims Settlement Act (43 U.S.C. 1620(c)),  
13       and

14              “(B) deductions for amounts payable made  
15       pursuant to section 7(i) or section 7(j) of such  
16       Act (43 U.S.C. 1606(i) and 1606(j)) only at  
17       such time as the deductions are allowed for tax  
18       purposes.

19              “(9) AMOUNTS ATTRIBUTABLE TO ELECTIONS  
20       FOR DIRECT PAYMENT OF CERTAIN CREDITS.—Ad-  
21       justed financial statement income shall be appro-  
22       priately adjusted to disregard any amount received  
23       as a refund of taxes which is attributable to an elec-  
24       tion under section 6417.

1           “(10) CONSISTENT TREATMENT OF MORTGAGE  
2           SERVICING INCOME OF TAXPAYER OTHER THAN A  
3           REGULATED INVESTMENT COMPANY.—

4           “(A) IN GENERAL.—Adjusted financial  
5           statement income shall be adjusted so as not to  
6           include any item of income in connection with  
7           a mortgage servicing contract any earlier than  
8           when such income is included in gross income  
9           under any other provision of this chapter.

10           “(B) RULES FOR AMOUNTS NOT REP-  
11           RESENTING REASONABLE COMPENSATION.—  
12           The Secretary shall provide regulations to pre-  
13           vent the avoidance of taxes imposed by this  
14           chapter with respect to amounts not rep-  
15           resenting reasonable compensation (as deter-  
16           mined by the Secretary) with respect to a mort-  
17           gage servicing contract.

18           “(11) SECRETARIAL AUTHORITY TO ADJUST  
19           ITEMS.—The Secretary shall issue regulations or  
20           other guidance to provide for such adjustments to  
21           adjusted financial statement income as the Secretary  
22           determines necessary to carry out the purposes of  
23           this section, including adjustments—

24           “(A) to prevent the omission or duplication  
25           of any item,

1           “(B) to take into account the ownership of  
2           a member of a group by a corporation or part-  
3           nership which is not a member of such group,  
4           and

5           “(C) to carry out the principles of part II  
6           of subchapter C of this chapter (relating to cor-  
7           porate liquidations), part III of subchapter C of  
8           this chapter (relating to corporate organizations  
9           and reorganizations), and part II of subchapter  
10          K of this chapter (relating to partnership con-  
11          tributions and distributions).

12          “(d) DEDUCTION FOR FINANCIAL STATEMENT NET  
13          OPERATING LOSS.—

14                 “(1) IN GENERAL.—Adjusted financial state-  
15                 ment income (determined after application of sub-  
16                 section (e) and without regard to this subsection)  
17                 shall be reduced by an amount equal to the lesser  
18                 of—

19                         “(A) the aggregate amount of financial  
20                         statement net operating loss carryovers to the  
21                         taxable year, or

22                         “(B) 80 percent of adjusted financial  
23                         statement income computed without regard to  
24                         the deduction allowable under this subsection.

1           “(2) FINANCIAL STATEMENT NET OPERATING  
2           LOSS CARRYOVER.—A financial statement net oper-  
3           ating loss for any taxable year shall be a financial  
4           statement net operating loss carryover to each tax-  
5           able year following the taxable year of the loss. The  
6           portion of such loss which shall be carried to subse-  
7           quent taxable years shall be the amount of such loss  
8           remaining (if any) after the application of paragraph  
9           (1).

10           “(3) FINANCIAL STATEMENT NET OPERATING  
11           LOSS DEFINED.—For purposes of this subsection,  
12           the term ‘financial statement net operating loss’  
13           means the amount of the net loss (if any) set forth  
14           on the corporation’s applicable financial statement  
15           (determined after application of subsection (c) and  
16           without regard to this subsection) for taxable years  
17           ending after December 31, 2019.

18           “(e) REGULATIONS AND OTHER GUIDANCE.—The  
19           Secretary shall provide for such regulations and other  
20           guidance as necessary to carry out the purposes of this  
21           section, including regulations and other guidance relating  
22           to the effect of the rules of this section on partnerships  
23           with income taken into account by an applicable corpora-  
24           tion.”.

1           (2) CLERICAL AMENDMENT.—The table of sec-  
2           tions for part VI of subchapter A of chapter 1 is  
3           amended by inserting after the item relating to sec-  
4           tion 56 the following new item:

“Sec. 56A. Adjusted financial statement income.”.

5           (c) CORPORATE AMT FOREIGN TAX CREDIT.—Sec-  
6           tion 59, as amended by this section, is amended by adding  
7           at the end the following new subsection:

8           “(1) CORPORATE AMT FOREIGN TAX CREDIT.—

9                 “(1) IN GENERAL.—For purposes of this part,  
10           if an applicable corporation chooses to have the ben-  
11           efits of subpart A of part III of subchapter N for  
12           any taxable year, the corporate AMT foreign tax  
13           credit for the taxable year of the applicable corpora-  
14           tion is an amount equal to sum of—

15                 “(A) the lesser of—

16                         “(i) the aggregate of the applicable  
17                         corporation’s pro rata share (as deter-  
18                         mined under section 56A(c)(3)) of the  
19                         amount of income, war profits, and excess  
20                         profits taxes (within the meaning of sec-  
21                         tion 901) imposed by any foreign country  
22                         or possession of the United States which  
23                         are—

24                                 “(I) taken into account on the  
25                                 applicable financial statement of each



1 controlled foreign corporation with re-  
2 spect to which the applicable corpora-  
3 tion is a United States shareholder,  
4 and

5 “(II) paid or accrued (for Fed-  
6 eral income tax purposes) by each  
7 such controlled foreign corporation, or

8 “(ii) the product of the amount of the  
9 adjustment under section 56A(c)(3) and  
10 the percentage specified in section  
11 55(b)(2)(A)(i), and

12 “(B) the amount of income, war profits,  
13 and excess profits taxes (within the meaning of  
14 section 901) imposed by any foreign country or  
15 possession of the United States to the extent  
16 such taxes are—

17 “(i) taken into account on the applica-  
18 ble corporation’s applicable financial state-  
19 ment, and

20 “(ii) paid or accrued (for Federal in-  
21 come tax purposes) by the applicable cor-  
22 poration.

23 “(2) CARRYOVER OF EXCESS TAX PAID.—For  
24 any taxable year for which an applicable corporation  
25 chooses to have the benefits of subpart A of part III

1 of subchapter N, the excess of the amount described  
2 in paragraph (1)(A)(i) over the amount described in  
3 paragraph (1)(A)(ii) shall increase the amount de-  
4 scribed in paragraph (1)(A)(i) in any of the first 5  
5 succeeding taxable years to the extent not taken into  
6 account in a prior taxable year.

7 “(3) REGULATIONS OR OTHER GUIDANCE.—  
8 The Secretary shall provide for such regulations or  
9 other guidance as is necessary to carry out the pur-  
10 poses of this subsection.”.

11 (d) TREATMENT OF GENERAL BUSINESS CREDIT.—  
12 Section 38(c)(6)(E) is amended to read as follows:

13 “(E) CORPORATIONS.—In the case of a  
14 corporation—

15 “(i) the first sentence of paragraph  
16 (1) shall be applied by substituting ‘25  
17 percent of the taxpayer’s net income tax as  
18 exceeds \$25,000’ for ‘the greater of’ and  
19 all that follows,

20 “(ii) paragraph (2)(A) shall be applied  
21 without regard to clause (ii)(I) thereof,  
22 and

23 “(iii) paragraph (4)(A) shall be ap-  
24 plied without regard to clause (ii)(I) there-  
25 of.”.

1 (e) CREDIT FOR PRIOR YEAR MINIMUM TAX LIABIL-  
2 ITY.—

3 (1) IN GENERAL.—Section 53(e) is amended to  
4 read as follows:

5 “(e) APPLICATION TO APPLICABLE CORPORA-  
6 TIONS.—In the case of a corporation—

7 “(1) subsection (b)(1) shall be applied by sub-  
8 stituting ‘the net minimum tax for all prior taxable  
9 years beginning after 2022’ for ‘the adjusted net  
10 minimum tax imposed for all prior taxable years be-  
11 ginning after 1986’, and

12 “(2) the amount determined under subsection  
13 (c)(1) shall be increased by the amount of tax im-  
14 posed under section 59A for the taxable year.”.

15 (2) CONFORMING AMENDMENTS.—Section  
16 53(d) is amended—

17 (A) in paragraph (2), by striking “, except  
18 that in the case” and all that follows through  
19 “treated as zero”, and

20 (B) by striking paragraph (3).

21 (f) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to taxable years beginning after  
23 December 31, 2022.

1 **SEC. 138102. EXCISE TAX ON REPURCHASE OF CORPORATE**  
2 **STOCK.**

3 (a) IN GENERAL.—Subtitle D is amended by insert-  
4 ing after chapter 36 the following new chapter:

5 **“CHAPTER 37—REPURCHASE OF**  
6 **CORPORATE STOCK**

“Sec. 4501. Repurchase of corporate stock.

7 **“SEC. 4501. REPURCHASE OF CORPORATE STOCK.**

8 “(a) GENERAL RULE.—There is hereby imposed on  
9 each covered corporation a tax equal to 1 percent of the  
10 fair market value of any stock of the corporation which  
11 is repurchased by such corporation during the taxable  
12 year.

13 “(b) COVERED CORPORATION.—For purposes of this  
14 section, the term ‘covered corporation’ means any domes-  
15 tic corporation the stock of which is traded on an estab-  
16 lished securities market (within the meaning of section  
17 7704(b)(1)).

18 “(c) REPURCHASE.—For purposes of this section—

19 “(1) IN GENERAL.—The term ‘repurchase’  
20 means—

21 “(A) a redemption within the meaning of  
22 section 317(b) with regard to the stock of a  
23 covered corporation, and

1           “(B) any transaction determined by the  
2           Secretary to be economically similar to a trans-  
3           action described in subparagraph (A).

4           “(2) TREATMENT OF PURCHASES BY SPECIFIED  
5           AFFILIATES.—

6           “(A) IN GENERAL.—The acquisition of  
7           stock of a covered corporation by a specified af-  
8           filiate of such covered corporation, from a per-  
9           son who is not the covered corporation or a  
10          specified affiliate of such covered corporation,  
11          shall be treated as a repurchase of the stock of  
12          the covered corporation by such covered cor-  
13          poration.

14          “(B) SPECIFIED AFFILIATE.—For pur-  
15          poses of this section, the term ‘specified affil-  
16          iate’ means, with respect to any corporation—

17                 “(i) any corporation more than 50  
18                 percent of the stock of which is owned (by  
19                 vote or by value), directly or indirectly, by  
20                 such corporation, and

21                 “(ii) any partnership more than 50  
22                 percent of the capital interests or profits  
23                 interests of which is held, directly or indi-  
24                 rectly, by such corporation.

1           “(3) ADJUSTMENT.—The amount taken into  
2           account under subsection (a) with respect to any  
3           stock repurchased by a covered corporation shall be  
4           reduced by the fair market value of any stock issued  
5           by the covered corporation during the taxable year,  
6           including the fair market value of any stock issued  
7           to employees of such covered corporation or a speci-  
8           fied affiliate of such covered corporation during the  
9           taxable year, whether or not such stock is issued in  
10          response to the exercise of an option to purchase  
11          such stock.

12          “(d) SPECIAL RULES FOR ACQUISITION OF STOCK OF  
13          CERTAIN FOREIGN CORPORATIONS.—

14                 “(1) IN GENERAL.—In the case of an acquisi-  
15                 tion of stock of an applicable foreign corporation by  
16                 a specified affiliate of such corporation (other than  
17                 a foreign corporation or a foreign partnership (un-  
18                 less such partnership has a domestic entity as a di-  
19                 rect or indirect partner)) from a person who is not  
20                 the applicable foreign corporation or a specified affil-  
21                 iate of such applicable foreign corporation, for pur-  
22                 poses of this section—

23                         “(A) such specified affiliate shall be treat-  
24                         ed as a covered corporation with respect to such  
25                         acquisition,

1           “(B) such acquisition shall be treated as a  
2           repurchase of stock of a covered corporation by  
3           such covered corporation, and

4           “(C) the adjustment under subsection  
5           (c)(3) shall be determined only with respect to  
6           stock issued by such specified affiliate to em-  
7           ployees of the specified affiliate.

8           “(2) SURROGATE FOREIGN CORPORATIONS.—In  
9           the case of a repurchase of stock of a covered surro-  
10          gate foreign corporation by such covered surrogate  
11          foreign corporation, or an acquisition of stock of a  
12          covered surrogate foreign corporation by a specified  
13          affiliate of such corporation, for purposes of this sec-  
14          tion—

15           “(A) the expatriated entity with respect to  
16           such covered surrogate foreign corporation shall  
17           be treated as a covered corporation with respect  
18           to such repurchase or acquisition,

19           “(B) such repurchase or acquisition shall  
20           be treated as a repurchase of stock of a covered  
21           corporation by such covered corporation, and

22           “(C) the adjustment under subsection  
23           (c)(3) shall be determined only with respect to  
24           stock issued by such expatriated entity to em-  
25           ployees of the expatriated entity.

1           “(3) DEFINITIONS.—For purposes of this sub-  
2 section—

3           “(A) APPLICABLE FOREIGN CORPORA-  
4 TION.—The term ‘applicable foreign corpora-  
5 tion’ means any foreign corporation the stock of  
6 which is traded on an established securities  
7 market (within the meaning of section  
8 7704(b)(1)).

9           “(B) COVERED SURROGATE FOREIGN COR-  
10 PORATION.—The term ‘covered surrogate for-  
11 eign corporation’ means any surrogate foreign  
12 corporation (as determined under section  
13 7874(a)(2)(B) by substituting ‘September 20,  
14 2021’ for ‘March 4, 2003’ each place it ap-  
15 pears) the stock of which is traded on an estab-  
16 lished securities market (within the meaning of  
17 section 7704(b)(1)), but only with respect to  
18 taxable years which include any portion of the  
19 applicable period with respect to such corpora-  
20 tion under section 7874(d)(1).

21           “(C) EXPATRIATED ENTITY.—The term  
22 ‘expatriated entity’ has the meaning given such  
23 term by section 7874(a)(2)(A).

24           “(e) EXCEPTIONS.—Subsection (a) shall not apply—



1           “(1) to the extent that the repurchase is part  
2 of a reorganization (within the meaning of section  
3 368(a)) and no gain or loss is recognized on such re-  
4 purchase by the shareholder under chapter 1 by rea-  
5 son of such reorganization,

6           “(2) in any case in which the stock repurchased  
7 is, or an amount of stock equal to the value of the  
8 stock repurchased is, contributed to an employer-  
9 sponsored retirement plan, employee stock ownership  
10 plan, or similar plan,

11           “(3) in any case in which the total value of the  
12 stock repurchased during the taxable year does not  
13 exceed \$1,000,000,

14           “(4) under regulations prescribed by the Sec-  
15 retary, in cases in which the repurchase is by a deal-  
16 er in securities in the ordinary course of business,

17           “(5) to repurchases by a regulated investment  
18 company (as defined in section 851) or a real estate  
19 investment trust, or

20           “(6) to the extent that the repurchase is treated  
21 as a dividend for purposes of this title.

22           “(f) REGULATIONS AND GUIDANCE.—The Secretary  
23 shall prescribe such regulations and other guidance as are  
24 necessary or appropriate to administer and to prevent the

1 avoidance of the purposes of this section, including regula-  
 2 tions and other guidance—

3 “(1) to prevent the abuse of the exceptions pro-  
 4 vided by subsection (e),

5 “(2) to address special classes of stock and pre-  
 6 ferred stock, and

7 “(3) for the application of the rules under sub-  
 8 section (d).”.

9 (b) TAX NOT DEDUCTIBLE.—Paragraph (6) of sec-  
 10 tion 275(a) is amended by inserting “37,” before “41”.

11 (c) CLERICAL AMENDMENT.—The table of chapters  
 12 for subtitle D is amended by inserting after the item relat-  
 13 ing to chapter 36 the following new item:

“CHAPTER 37—REPURCHASE OF CORPORATE STOCK”.

14 (d) EFFECTIVE DATE.—The amendments made by  
 15 this section shall apply to repurchases (within the meaning  
 16 of section 4501(c) of the Internal Revenue Code of 1986,  
 17 as added by this section) of stock after December 31,  
 18 2021.

19 **Subpart B—Limitations on Deduction for Interest**

20 **Expense**

21 **SEC. 138111. LIMITATIONS ON DEDUCTION FOR INTEREST**

22 **EXPENSE.**

23 (a) INTEREST EXPENSE OF CERTAIN MEMBERS OF  
 24 INTERNATIONAL FINANCIAL REPORTING GROUPS.—Sec-  
 25 tion 163 is amended by redesignating subsection (n) as

1 subsection (p) and by inserting after subsection (m) the  
2 following new subsection:

3 “(n) LIMITATION ON DEDUCTION OF INTEREST BY  
4 CERTAIN MEMBERS OF INTERNATIONAL FINANCIAL RE-  
5 PORTING GROUPS.—

6 “(1) IN GENERAL.—In the case of any specified  
7 domestic corporation which is a member of any  
8 international financial reporting group, the deduc-  
9 tion under this chapter for interest paid or accrued  
10 during the taxable year in excess of the amount of  
11 interest includible in the gross income of such cor-  
12 poration shall not exceed the allowable percentage of  
13 110 percent of such excess.

14 “(2) SPECIFIED DOMESTIC CORPORATION.—For  
15 purposes of this subsection—

16 “(A) IN GENERAL.—The term ‘specified  
17 domestic corporation’ means any domestic cor-  
18 poration other than—

19 “(i) any corporation if the excess of—

20 “(I) the average amount of inter-  
21 est paid or accrued by such corpora-  
22 tion during the 3-taxable-year period  
23 ending with the taxable year to which  
24 paragraph (1) applies, over

1           “(II) the average amount of in-  
2           terest includible in the gross income  
3           of such corporation for such 3-tax-  
4           able-year period,  
5           does not exceed \$12,000,000,

6           “(ii) any corporation to which para-  
7           graph (1) of section 163(j) does not apply  
8           by reason of paragraph (3) of such section  
9           (determined without regard to paragraph  
10          (4)(B) of such section), and

11          “(iii) any S corporation, real estate  
12          investment trust, or regulated investment  
13          company.

14          “(B) AGGREGATION RULE.—For purposes  
15          of clauses (i) and (ii) of subparagraph (A), all  
16          domestic corporations which are members of the  
17          same international financial reporting group  
18          shall be treated as a single corporation.

19          “(C) FOREIGN CORPORATIONS ENGAGED  
20          IN TRADE OR BUSINESS WITHIN THE UNITED  
21          STATES.—If a foreign corporation is engaged in  
22          a trade or business within the United States,  
23          such foreign corporation shall be treated as a  
24          domestic corporation with respect to the items

1           that are effectively connected with such trade or  
2           business.

3           “(3) INTERNATIONAL FINANCIAL REPORTING  
4           GROUP.—For purposes of this subsection—

5                   “(A) IN GENERAL.—The term ‘inter-  
6           national financial reporting group’ means, with  
7           respect to any reporting year, two or more enti-  
8           ties if—

9                           “(i) either—

10                                   “(I) at least one entity is a for-  
11                                    eign corporation engaged in a trade or  
12                                    business within the United States, or

13                                   “(II) at least one entity is a do-  
14                                    mestic corporation and another entity  
15                                    is a foreign corporation, and

16                                   “(ii) such entities are included in the  
17                                    same applicable financial statement with  
18                                    respect to such year.

19                   “(B) ELECTION TO INCLUDE ELIGIBLE  
20           CORPORATIONS IN GROUP.—

21                           “(i) IN GENERAL.—To the extent pro-  
22                            vided by the Secretary in regulations or  
23                            other guidance, an international financial  
24                            reporting group may elect (at such time  
25                            and in such manner as the Secretary may

1 provide) to treat all eligible corporations  
2 with respect to such group as members of  
3 such group for purposes of this subsection.  
4 As a condition of such election, all such eli-  
5 gible corporations must maintain (and pro-  
6 vide access to) such books and records as  
7 the Secretary determines are satisfactory  
8 to allow for the application of this sub-  
9 section with respect to such eligible cor-  
10 porations. Such election may be revoked  
11 only with the consent of the Secretary.

12 “(ii) ELIGIBLE CORPORATION.—The  
13 term ‘eligible corporation’ means, with re-  
14 spect to any international financial report-  
15 ing group, any corporation if at least 20  
16 percent of the stock of such corporation  
17 (determined by vote and value) is held (di-  
18 rectly or indirectly) by members of such  
19 international financial reporting group (de-  
20 termined without regard to this subpara-  
21 graph).

22 “(4) ALLOWABLE PERCENTAGE.—For purposes  
23 of this subsection—

24 “(A) IN GENERAL.—The term ‘allowable  
25 percentage’ means, with respect to any specified

1 domestic corporation for any taxable year, the  
2 ratio (expressed as a percentage and not great-  
3 er than 100 percent) of—

4 “(i) such corporation’s allocable share  
5 of the international financial reporting  
6 group’s reported net interest expense for  
7 the reporting year of such group which  
8 ends in or with such taxable year of such  
9 corporation, over

10 “(ii) such corporation’s reported net  
11 interest expense for such reporting year of  
12 such group.

13 “(B) REPORTED NET INTEREST EX-  
14 PENSE.—The term ‘reported net interest ex-  
15 pense’ means—

16 “(i) with respect to any international  
17 financial reporting group for any reporting  
18 year, the excess of—

19 “(I) the aggregate amount of in-  
20 terest expense reported in such  
21 group’s applicable financial state-  
22 ments for such taxable year, over

23 “(II) the aggregate amount of in-  
24 terest income reported in such group’s

1 applicable financial statements for  
2 such taxable year, and

3 “(ii) with respect to any specified do-  
4 mestic corporation for any reporting year,  
5 the excess of—

6 “(I) the amount of interest ex-  
7 pense of such corporation reported in  
8 the books and records of the inter-  
9 national financial reporting group  
10 which are used in preparing such  
11 group’s applicable financial state-  
12 ments for such taxable year, over

13 “(II) the amount of interest in-  
14 come of such corporation reported in  
15 such books and records.

16 “(C) **ALLOCABLE SHARE OF REPORTED**  
17 **NET INTEREST EXPENSE.**—With respect to any  
18 specified domestic corporation which is a mem-  
19 ber of any international financial reporting  
20 group, such corporation’s allocable share of  
21 such group’s reported net interest expense for  
22 any reporting year is the portion of such ex-  
23 pense which bears the same ratio to such ex-  
24 pense as—



1           “(i) the EBITDA of such corporation  
2 for such reporting year, bears to

3           “(ii) the EBITDA of such group for  
4 such reporting year.

5           “(D) EBITDA.—

6           “(i) IN GENERAL.—The term  
7 ‘EBITDA’ means, with respect to any re-  
8 porting year, earnings before interest in-  
9 come and interest expense, taxes, deprecia-  
10 tion, depletion, and amortization—

11           “(I) as determined in the inter-  
12 national financial reporting group’s  
13 applicable financial statements for  
14 such year, or

15           “(II) as determined in the books  
16 and records of the international finan-  
17 cial reporting group which are used in  
18 preparing such statements if not de-  
19 termined in such statements.

20           “(ii) DETERMINATION OF EBITDA OF  
21 A SPECIFIED DOMESTIC CORPORATION.—

22 The EBITDA of any specified domestic  
23 corporation shall be determined on a  
24 stand-alone basis and without regard to  
25 any distribution received by such corpora-

1                   tion from any other member of the inter-  
2                   national financial reporting group.

3                   “(E) SPECIAL RULES FOR NON-POSITIVE  
4                   EBITDA.—

5                   “(i) NON-POSITIVE GROUP EBITDA.—  
6                   In the case of any international financial  
7                   reporting group the EBITDA of which is  
8                   zero or less, paragraph (1) shall not apply  
9                   to any specified domestic corporation  
10                  which is a member of such group.

11                  “(ii)       NON-POSITIVE       ENTITY  
12                  EBITDA.—In the case of any specified do-  
13                  mestic corporation the EBITDA of which  
14                  is zero or less, the allowable percentage  
15                  shall be 0 percent.

16                  “(5) APPLICABLE FINANCIAL STATEMENT.—  
17                  For purposes of this subsection, the term ‘applicable  
18                  financial statement’ has the meaning given such  
19                  term in section 451(b)(3).

20                  “(6) REPORTING YEAR.—For purposes of this  
21                  subsection, the term ‘reporting year’ means any year  
22                  for which an applicable financial statement is pre-  
23                  pared or required to be prepared.

24                  “(7) REGULATIONS.—The Secretary may issue  
25                  such regulations or other guidance as are necessary

1 or appropriate to carry out the purposes of this sub-  
2 section, including regulations or other guidance  
3 which—

4 “(A) allows or requires the adjustment of  
5 amounts reported on applicable financial state-  
6 ments,

7 “(B) allows or requires any corporation to  
8 be included or excluded as a member of any  
9 international financial reporting group for pur-  
10 poses of any determination or calculation under  
11 this subsection,

12 “(C) treats interest income of a controlled  
13 foreign corporation which is subpart F income,  
14 and any interest expense of such corporation  
15 which is related to subpart F income, as income  
16 and interest expense, respectively, of a specified  
17 domestic corporation for purposes of this sub-  
18 section,

19 “(D) prevents the omission, inclusion, or  
20 duplication of any item or amount of interest  
21 income or interest expense, and

22 “(E) provides rules for the application of  
23 this subsection with respect to—

1           “(i) a domestic corporation that is a  
2 partner (directly or indirectly) in a part-  
3 nership,

4           “(ii) a domestic corporation that owns  
5 (directly or indirectly) an interest in an en-  
6 tity that is fiscally transparent in one or  
7 more jurisdictions, and

8           “(iii) a foreign corporation to which  
9 this subsection applies by reason of para-  
10 graph (2)(C).”.

11           (b) MODIFICATION OF APPLICATION OF LIMITATION  
12 ON BUSINESS INTEREST TO PARTNERSHIPS AND S COR-  
13 PORATIONS.—

14           (1) IN GENERAL.—Section 163(j)(4) is amend-  
15 ed to read as follows:

16           “(4) APPLICATION TO PARTNERSHIPS AND S  
17 CORPORATIONS.—

18           “(A) IN GENERAL.—In the case of any  
19 partnership or S corporation, this subsection  
20 shall be applied at the partner or shareholder  
21 level, respectively.

22           “(B) APPLICATION OF EXEMPTION FOR  
23 CERTAIN SMALL BUSINESSES.—In the case of  
24 any partnership or S corporation which does  
25 not meet the gross receipts test of section

1 448(c) for any taxable year, paragraph (3) shall  
2 not apply with respect to any distributive, or  
3 pro rata, share of business interest and other  
4 items under this subsection of such partnership  
5 or S corporation.

6 “(C) REGULATIONS.— The Secretary shall  
7 prescribe such regulations or other guidance as  
8 may be necessary or appropriate to carry out  
9 the purposes of this section, including regula-  
10 tions or other guidance—

11 “(i) for requiring or restricting the al-  
12 location of business interest and other  
13 items under this subsection,

14 “(ii) to provide for such reporting re-  
15 quirements as the Secretary determines  
16 appropriate, and

17 “(iii) for the application of this sub-  
18 section in the case of tiered structures or  
19 trades or businesses described in para-  
20 graph (7).”.

21 (2) CONFORMING AMENDMENT.—Section  
22 163(j)(3) is amended by inserting “except to the ex-  
23 tent provided in paragraph (4)(B)” after “to such  
24 taxpayer for such taxable year”.

25 (c) CARRYFORWARD OF DISALLOWED INTEREST.—

1           (1) IN GENERAL.—Section 163 is amended by  
2           inserting after subsection (n), as added by sub-  
3           section (a), the following new subsection:

4           “(o) CARRYFORWARD OF CERTAIN DISALLOWED IN-  
5           TEREST.—The amount of any interest not allowed as a  
6           deduction for any taxable year by reason of subsection (j)  
7           or (n)(1) (whichever imposes the lower limitation with re-  
8           spect to such taxable year) shall be treated as interest  
9           (and as business interest for purposes of subsection (j))  
10          to the extent such amount is properly attributable to a  
11          trade or business as defined in subsection (j)(7)) paid or  
12          accrued in the succeeding taxable year.”.

13           (2) CONFORMING AMENDMENTS.—

14           (A) Section 163(j)(2) is amended to read  
15           as follows:

16           “(2) CARRYFORWARD CROSS-REFERENCE.—For  
17           carryforward treatment, see subsection (o).”.

18           (B) Section 381(e)(20) is amended to read  
19           as follows:

20           “(20) CARRYFORWARD OF DISALLOWED INTER-  
21           EST.—The carryover of disallowed interest described  
22           in section 163(o) to taxable years ending after the  
23           date of distribution or transfer.”.

24           (C) Section 382(d)(3) is amended to read  
25           as follows:

1           “(3) APPLICATION TO CARRYFORWARD OF DIS-  
2           ALLOWED INTEREST.—The term ‘pre-change loss’  
3           shall include any carryover of disallowed interest de-  
4           scribed in section 163(o) under rules similar to the  
5           rules of paragraph (1).”.

6           (d) EFFECTIVE DATE.—The amendments made by  
7           this section shall apply to taxable years beginning after  
8           December 31, 2022.

9           (e) TRANSITION RULE.—In the case of a partner’s  
10          first succeeding taxable year described in subclause (II)  
11          of section 163(j)(4)(B)(ii) of the Internal Revenue Code  
12          of 1986 (as in effect before the amendment made by sub-  
13          section (b)) which begins after December 31, 2022, the  
14          amount of excess business interest which would (but for  
15          such amendment) be carried to such taxable year under  
16          such subclause shall be treated as interest (and as busi-  
17          ness interest for purposes of section 163(j) of such Code,  
18          as amended by this section) paid or accrued in such tax-  
19          able year. A rule similar to the rule in the preceding sen-  
20          tence shall apply in the case of an S corporation and its  
21          shareholders. For carryover of any such interest dis-  
22          allowed for such taxable year, see section 163(o) of such  
23          Code, as amended by this section.

1       **Subpart C—Outbound International Provisions**

2       **SEC. 138121. MODIFICATIONS TO DEDUCTION FOR FOR-**  
3                   **EIGN-DERIVED INTANGIBLE INCOME AND**  
4                   **GLOBAL INTANGIBLE LOW-TAXED INCOME.**

5       (a) IN GENERAL.—Section 250(a) is amended to  
6 read as follows:

7       “(a) IN GENERAL.—In the case of a domestic cor-  
8 poration for any taxable year, there shall be allowed as  
9 a deduction an amount equal to the sum of—

10               “(1) 24.8 percent of the foreign-derived intan-  
11 gible income of such domestic corporation for such  
12 taxable year, plus

13               “(2) 28.5 percent of—

14                       “(A) the global intangible low-taxed income  
15 (if any) which is included in the gross income  
16 of such domestic corporation under section  
17 951A for such taxable year, and

18                       “(B) the amount treated as a dividend re-  
19 ceived by such corporation under section 78  
20 which is attributable to the amount described in  
21 subparagraph (A).”.

22       (b) DEDUCTION TAKEN INTO ACCOUNT IN DETER-  
23 MINING NET OPERATING LOSS DEDUCTION.—Section  
24 172(d) is amended by striking paragraph (9).

25       (c) CERTAIN OTHER MODIFICATIONS.—

26               (1) Section 250(b)(3) is amended—



1 (A) in subparagraph (A)(i)—

2 (i) by striking “and” at the end of  
3 subclause (V),

4 (ii) by striking “over” at the end of  
5 subclause (VI), and

6 (iii) by adding at the end the fol-  
7 lowing new subclauses:

8 “(VII) any income described in  
9 clause (i) or (ii) of section  
10 904(d)(2)(B), determined without re-  
11 gard to clause (iii)(II) thereof,

12 “(VIII) except as otherwise pro-  
13 vided by the Secretary, any income  
14 and gain from the sale or other dis-  
15 position (including the deemed sale or  
16 other deemed disposition) of property  
17 giving rise to rents or royalties de-  
18 rived in the active conduct of a trade  
19 or business, and

20 “(IX) any disqualified  
21 extraterritorial income, over”, and

22 (B) by adding at the end the following new  
23 subparagraph:

24 “(C) DISQUALIFIED EXTRATERRITORIAL  
25 INCOME.—

1           “(i) IN GENERAL.—For purposes of  
2           subparagraph (A)(i)(IX), the term ‘dis-  
3           qualified extraterritorial income’ means  
4           any amount included in the gross income  
5           of the corporation with respect to any  
6           transaction for any taxable year if any  
7           amount could (determined after application  
8           of clause (ii) but without regard to any  
9           election under section 942(a)(3) as in ef-  
10          fect before its repeal) be excluded from the  
11          gross income of the corporation with re-  
12          spect to such transaction for such taxable  
13          year by reason of section 114 pursuant to  
14          the application of subsection (d) or (f) of  
15          section 101 of the American Jobs Creation  
16          Act of 2004.

17                   “(ii)       ELECTION       OUT       OF  
18                   EXTRATERRITORIAL INCOME BENEFITS.—

19                           “(I) IN GENERAL.—Except as  
20                           provided in subclause (II), the cor-  
21                           poration referred to in clause (i) may  
22                           make an irrevocable election (at such  
23                           time and in such form and manner as  
24                           the Secretary may provide) to have  
25                           subsections (d) and (f) of section 101

1 of the American Jobs Creation Act of  
2 2004 not apply with respect to such  
3 corporation for the taxable year for  
4 which such election is made and all  
5 succeeding taxable years (applicable  
6 with respect to all transactions, in-  
7 cluding transactions occurring before  
8 such taxable year).

9 “(II) EXPANDED AFFILIATED  
10 GROUPS.—In the case of any corpora-  
11 tion which is a member of an ex-  
12 panded affiliated group, the election  
13 described in subclause (I) may be  
14 made only by the common parent of  
15 such group (or, in the case of a com-  
16 mon parent which is not required to  
17 file a return of tax under this chapter,  
18 the delegate of such common parent)  
19 and shall apply with respect to all  
20 members of such group. For purposes  
21 of the preceding sentence, the term  
22 ‘expanded affiliated group’ means an  
23 affiliated group as defined in section  
24 1504(a), determined without regard to  
25 section 1504(b)(3) and by sub-

1                   stituting ‘more than 50 percent’ for  
2                   ‘at least 80 percent’ each place it ap-  
3                   pears.”.

4                   (C) Section 250(b)(5)(E) is amended by  
5                   inserting “(other than paragraph  
6                   (3)(A)(i)(VIII))” after “For purposes of this  
7                   subsection”.

8                   (2) Section 613A(d)(1) is amended by striking  
9                   “and” at the end of subparagraph (D), by striking  
10                  the period at the end of subparagraph (E) and in-  
11                  serting “, and”, and by inserting after subparagraph  
12                  (E) the following new subparagraph:

13                         “(F) any deduction allowable under section  
14                         250.”.

15                  (d) EFFECTIVE DATE.—

16                         (1) IN GENERAL.—Except as provided in para-  
17                         graph (2), the amendments made by this section  
18                         shall apply to taxable years beginning after Decem-  
19                         ber 31, 2022.

20                         (2) CERTAIN MODIFICATIONS.—The amend-  
21                         ments made by subsection (c) shall apply to taxable  
22                         years beginning after the date of the enactment of  
23                         this Act.

24                         (e) NO INFERENCE REGARDING CERTAIN MODIFICA-  
25                         TIONS.—The amendments made by subsection (c) shall

1 not be construed to create any inference with respect to  
2 the proper application of any provision of the Internal  
3 Revenue Code of 1986 with respect to any taxable year  
4 beginning before the taxable years to which such amend-  
5 ments apply.

6 (f) TRANSITION RULE FOR ACCELERATED PERCENT-  
7 AGE REDUCTION.—

8 (1) IN GENERAL.—In the case of any taxable  
9 year which includes December 31, 2022 (other than  
10 a taxable year with respect to which such date is the  
11 last day of such taxable year)—

12 (A) the percentage in effect under section  
13 250(a)(1)(A) of the Internal Revenue Code of  
14 1986 shall be treated as being equal to the sum  
15 of—

16 (i) the pre-effective date percentage of  
17 37.5 percent, plus

18 (ii) the post-effective date percentage  
19 of 24.8 percent, and

20 (B) the percentage in effect under section  
21 250(a)(1)(B) of such Code shall be treated as  
22 being equal to the sum of—

23 (i) the pre-effective date percentage of  
24 50 percent, plus

1 (ii) the post-effective date percentage  
2 of 28.5 percent.

3 (2) PRE- AND POST-EFFECTIVE DATE PER-  
4 CENTAGES.—For purposes of this subsection, with  
5 respect to any taxable year—

6 (A) the term “pre-effective date percent-  
7 age” means the ratio that the number of days  
8 in such taxable year which are before January  
9 1, 2023, bears to the number of days in such  
10 taxable year, and

11 (B) the term “post-effective date percent-  
12 age” means the ratio that the number of days  
13 in such taxable year which are after December  
14 31, 2022, bears to the number of days in such  
15 taxable year.

16 **SEC. 138122. REPEAL OF ELECTION FOR 1-MONTH DEFER-**  
17 **RAL IN DETERMINATION OF TAXABLE YEAR**  
18 **OF SPECIFIED FOREIGN CORPORATIONS.**

19 (a) IN GENERAL.—Section 898(c) is amended by  
20 striking paragraph (2) and redesignating paragraph (3)  
21 as paragraph (2).

22 (b) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years of specified foreign  
24 corporations beginning after November 30, 2022.

1           (c) TRANSITION RULE.—In the case of a corporation  
2 that is a specified foreign corporation as of November 30,  
3 2022, such corporation’s first taxable year beginning after  
4 such date shall end at the same time as the first required  
5 year (within the meaning of section 898(c)(1) of the Inter-  
6 nal Revenue Code of 1986) ending after such date. If any  
7 specified foreign corporation is required by this section (or  
8 the amendments made by this section) to change its tax-  
9 able year for its first taxable year beginning after Novem-  
10 ber 30, 2022—

11           (1) such change shall be treated as initiated by  
12 such corporation,

13           (2) such change shall be treated as having been  
14 made with the consent of the Secretary, and

15           (3) the Secretary (including the Secretary’s del-  
16 egate in the case of any reference to the Secretary  
17 in this paragraph) shall issue regulations or other  
18 guidance for allocating foreign taxes that accrue in  
19 such first taxable year between such taxable year  
20 and the prior taxable year, including such adjust-  
21 ments as the Secretary determines are necessary or  
22 appropriate to carry out the purposes of this section.

1 **SEC. 138123. MODIFICATIONS OF FOREIGN TAX CREDIT**  
2 **RULES APPLICABLE TO CERTAIN TAXPAYERS**  
3 **RECEIVING SPECIFIC ECONOMIC BENEFITS.**

4 (a) IN GENERAL.—Section 901 is amended by redес-  
5 ignating subsection (n) as subsection (o) and by inserting  
6 after subsection (m) the following new subsection:

7 “(n) SPECIAL RULES RELATING TO DUAL CAPACITY  
8 TAXPAYERS.—

9 “(1) GENERAL RULE.—Notwithstanding any  
10 other provision of this chapter, any amount paid or  
11 accrued by a dual capacity taxpayer to a foreign  
12 country or possession of the United States for any  
13 period shall not be considered a tax—

14 “(A) if, for such period, the foreign coun-  
15 try or possession does not impose a generally  
16 applicable income tax, or

17 “(B) to the extent such amount exceeds  
18 the amount which would be paid or accrued by  
19 such dual capacity taxpayer under the generally  
20 applicable income tax imposed by such country  
21 or possession if such taxpayer were not a dual  
22 capacity taxpayer.

23 Nothing in this paragraph shall be construed to  
24 imply the proper treatment of any such amount  
25 not in excess of the amount determined under  
26 subparagraph (B).



1           “(2) DUAL CAPACITY TAXPAYER.—For pur-  
2           poses of this subsection, the term ‘dual capacity tax-  
3           payer’ means, with respect to any foreign country or  
4           possession of the United States, a person who—

5                   “(A) is subject to a levy of such country or  
6                   possession, and

7                   “(B) receives (or will receive) directly or  
8                   indirectly a specific economic benefit from such  
9                   country or possession (or any political subdivi-  
10                  sion, agency, or instrumentality thereof).

11           “(3) GENERALLY APPLICABLE INCOME TAX.—  
12           For purposes of this subsection, the term ‘generally  
13           applicable income tax’ means an income tax (or a se-  
14           ries of income taxes) which is generally imposed  
15           under the laws of a foreign country or possession of  
16           the United States on residents of such foreign coun-  
17           try or possession that are not dual capacity tax-  
18           payers.”.

19           (b) EFFECTIVE DATE.—The amendments made by  
20           this section shall apply to amounts paid or accrued after  
21           December 31, 2021.

1 **SEC. 138124. MODIFICATIONS TO FOREIGN TAX CREDIT**  
2 **LIMITATIONS.**

3 (a) COUNTRY-BY-COUNTRY APPLICATION OF LIMITA-  
4 TION ON FOREIGN TAX CREDIT BASED ON TAXABLE  
5 UNITS.—

6 (1) IN GENERAL.—Section 904 is amended by  
7 inserting after subsection (d) the following new sub-  
8 section:

9 “(e) COUNTRY-BY-COUNTRY APPLICATION BASED ON  
10 TAXABLE UNITS.—

11 “(1) IN GENERAL.—Subsection (d) (and the  
12 provisions of this title referred to in paragraph (1)  
13 of such subsection) shall be applied separately with  
14 respect to each country by taking into account the  
15 aggregate income properly attributable or otherwise  
16 allocable to a taxable unit of the taxpayer which is  
17 a tax resident of (or, in the case of a branch, is lo-  
18 cated in) such country.

19 “(2) TAXABLE UNITS.—

20 “(A) IN GENERAL.—Except as otherwise  
21 provided by the Secretary, each item shall be  
22 attributable or otherwise allocable to exactly  
23 one taxable unit of the taxpayer.

24 “(B) DETERMINATION OF TAXABLE  
25 UNITS.—Except as otherwise provided by the

1 Secretary, the taxable units of a taxpayer are  
2 as follows:

3 “(i) GENERAL TAXABLE UNIT.—The  
4 person that is the taxpayer and that is not  
5 otherwise described in a separate clause of  
6 this subparagraph.

7 “(ii) CERTAIN FOREIGN CORPORA-  
8 TIONS.—Each foreign corporation with re-  
9 spect to which the taxpayer is a United  
10 States shareholder.

11 “(iii) INTERESTS IN PASS-THROUGH  
12 ENTITIES.—Each interest held (directly or  
13 indirectly) by the taxpayer or any con-  
14 trolled foreign corporation referred to in  
15 clause (ii) in a pass-through entity if such  
16 pass-through entity is a tax resident of a  
17 country other than the country with re-  
18 spect to which such taxpayer or controlled  
19 foreign corporation (as the case may be) is  
20 a tax resident.

21 “(iv) BRANCHES.—Each branch (or  
22 portion thereof) the activities of which are  
23 directly or indirectly carried on by the tax-  
24 payer or any controlled foreign corporation  
25 referred to in clause (ii) and which give

1           rise to a taxable presence in a country  
2           other than the country with respect to  
3           which such taxpayer or controlled foreign  
4           corporation (as the case may be) is a tax  
5           resident.

6           “(3) DEFINITIONS AND SPECIAL RULES.—For  
7           purposes of this subsection—

8           “(A) TAX RESIDENT.—Except as otherwise  
9           provided by the Secretary, the term ‘tax resi-  
10          dent’ means a person or entity subject to tax  
11          under the tax law of a country as a resident. If  
12          an entity is organized under the law of a coun-  
13          try, or resident in a country, that does not im-  
14          pose an income tax with respect to such enti-  
15          ties, such entity shall, except as provided by the  
16          Secretary, be treated as subject to tax under  
17          the tax law of such country for the purposes of  
18          the preceding sentence.

19          “(B) PASS-THROUGH ENTITY.—Except as  
20          otherwise provided by the Secretary, the term  
21          ‘pass-through entity’ includes any partnership  
22          or other entity to the extent that income, gain,  
23          deduction, or loss of the entity is taken into ac-  
24          count in determining the income or loss of a

1 person that owns (directly or indirectly) an in-  
2 terest in such entity.

3 “(C) BRANCH.—Except as otherwise pro-  
4 vided by the Secretary, the term ‘branch’ means  
5 a taxable presence of a tax resident in a coun-  
6 try other than its country of residence as deter-  
7 mined under such other country’s tax law. The  
8 Secretary shall provide regulations or other  
9 guidance applying such term to activities in a  
10 country that do not give rise to a taxable pres-  
11 ence.

12 “(D) TREATMENT OF FISCALLY AUTONO-  
13 MOUS JURISDICTIONS.—Any fiscally autono-  
14 mous jurisdiction shall be treated as a separate  
15 country. Any possession of the United States  
16 shall also be treated as a separate country.

17 “(E) POSSESSION OF THE UNITED  
18 STATES.—The term ‘possession of the United  
19 States’ means each of American Samoa, the  
20 Commonwealth of the Northern Mariana Is-  
21 lands, the Commonwealth of Puerto Rico,  
22 Guam, and the Virgin Islands.

23 “(4) REGULATIONS.—The Secretary shall issue  
24 such regulations or other guidance as may be nec-  
25 essary or appropriate to carry out, or prevent avoid-

1       ance of, the purposes of this subsection, including  
2       regulations or other guidance—

3               “(A) providing for the application of this  
4       subsection to an entity or arrangement that is  
5       considered a tax resident of more than one  
6       country or of no country,

7               “(B) providing for the application of this  
8       subsection to hybrid entities or hybrid trans-  
9       actions (as such terms are used for purposes of  
10      section 267A), pass-through entities, passive  
11      foreign investment companies, trusts, and other  
12      entities or arrangements not otherwise de-  
13      scribed in this subsection, and

14              “(C) providing for the assignment of any  
15      item (including foreign taxes and deductions) to  
16      taxable units, including in the case of amounts  
17      not otherwise taken into account in determining  
18      taxable income under this chapter.”.

19              (2) APPLICATION OF SEPARATE LIMITATION  
20      LOSSES WITH RESPECT TO GLOBAL INTANGIBLE  
21      LOW-TAXED INCOME.—

22              (A) IN GENERAL.—Section 904(f)(5)(B) is  
23      amended to read as follows:

24              “(B) ALLOCATION OF LOSSES.—Except as  
25      otherwise provided in this subparagraph, the

1 separate limitation losses for any taxable year  
2 (to the extent such losses do not exceed the sep-  
3 arate limitation incomes for such year) shall be  
4 allocated among (and operate to reduce) such  
5 incomes on a proportionate basis. In the case of  
6 a separate limitation loss for any taxable year  
7 in any category other than subparagraph  
8 (d)(1)(A), the amount of such separate limita-  
9 tion loss shall be allocated among (and operate  
10 to reduce) separate limitation income in any  
11 category other than income described in sub-  
12 paragraph (d)(1)(A) on a proportionate basis  
13 (without regard to income described in subpara-  
14 graph (d)(1)(A)). The remaining separate limi-  
15 tation losses may reduce separate limitation in-  
16 come described in subparagraph (d)(1)(A) only  
17 to the extent that the aggregate amount of such  
18 losses exceeds the aggregate amount of separate  
19 limitation incomes (other than income described  
20 in subparagraph (d)(1)(A)) for such taxable  
21 year.”.

22 (B) INCOME CATEGORY.—Section  
23 904(f)(5)(E)(i) is amended to read as follows:

24 “(i) INCOME CATEGORY.—The term  
25 ‘income category’ means each category of

1 income with respect to which this section is  
2 required to be applied separately by reason  
3 of any provision of this title.”.

4 (C) SEPARATE LIMITATION LOSS.—Section  
5 904(f)(5)(E)(iii) is amended to read as follows:

6 “(iii) SEPARATE LIMITATION LOSS.—  
7 The term ‘separate limitation loss’ means,  
8 with respect to any income category, the  
9 amount by which the gross income from  
10 sources outside the United States is ex-  
11 ceeded by the sum of the deductions prop-  
12 erly allocated and apportioned thereto.”.

13 (b) REPEAL OF SEPARATE APPLICATION TO FOR-  
14 EIGN BRANCH INCOME.—

15 (1) IN GENERAL.—Section 904(d)(1) is amend-  
16 ed by striking subparagraph (B) and redesignating  
17 subparagraphs (C) and (D) as subparagraph (B)  
18 and (C).

19 (2) COORDINATION WITH DEDUCTION FOR FOR-  
20 EIGN-DERIVED INTANGIBLE INCOME.—Section  
21 250(b)(3)(A) is amended—

22 (A) by striking subclause (VI) of clause (i)  
23 and inserting the following new subclause:

24 “(VI) the income which is attrib-  
25 utable to 1 or more branches (within



1 the meaning of section 904(e)(3)(C))  
2 or pass-through entities (within the  
3 meaning of section 904(e)(3)(B)) in 1  
4 or more foreign countries, over”, and

5 (B) by adding at the end the following  
6 flush sentence:

7 “For purposes of clause (i)(VI), the amount of  
8 income attributable to a branch or pass-through  
9 entity shall be determined under rules estab-  
10 lished by the Secretary.”.

11 (3) AMENDMENTS.—

12 (A) Section 904(d)(2)(A)(ii) is amended by  
13 striking “, foreign branch income,”.

14 (B) Section 904(d)(2)(H) is amended to  
15 read as follows:

16 “(H) TREATMENT OF INCOME TAX BASE  
17 DIFFERENCES.—The Secretary shall issue regu-  
18 lations or other guidance assigning to the prop-  
19 er category of income any tax imposed under  
20 the law of a foreign country or possession of the  
21 United States on an amount which does not  
22 constitute income under United States tax prin-  
23 ciples.”.

24 (C) Section 904(d)(2) is amended by strik-  
25 ing subparagraph (J).

1 (c) MODIFICATION OF FOREIGN TAX CREDIT  
2 CARRYBACK AND CARRYFORWARD.—

3 (1) REPEAL OF CARRYBACK.—Section 904(c) is  
4 amended—

5 (A) by striking “in the first preceding tax-  
6 able year, and”,

7 (B) by striking “preceding or” each place  
8 it appears, and

9 (C) by striking “CARRYBACK AND” in the  
10 heading thereof.

11 (2) APPLICATION TO LIMITATION ON FOREIGN  
12 OIL AND GAS TAXES.—Section 907(f)(1) is amended  
13 by striking “in the first preceding taxable year and”.

14 (3) APPLICATION OF CARRYFORWARD TO TAXES  
15 ON GLOBAL INTANGIBLE LOW-TAXED INCOME.—

16 (A) IN GENERAL.—Section 904(c) is  
17 amended by striking the last sentence.

18 (B) TEMPORARY LIMITATION OF  
19 CARRYFORWARD TO 5 TAXABLE YEARS.—Sec-  
20 tion 904(c), as amended by the preceding provi-  
21 sions of this Act, is amended—

22 (i) by striking “Any amount by which  
23 all taxes” and all that precedes it and in-  
24 serting the following:

1       “(c) CARRYBACK AND CARRYOVER OF EXCESS TAX  
2 PAID.—

3               “(1) IN GENERAL.—Any amount by which all  
4 taxes”, and

5                       (ii) by adding at the end the following  
6 new paragraph:

7               “(2) TEMPORARY LIMITATION ON  
8 CARRYFORWARD OF TAXES ON GLOBAL INTANGIBLE  
9 LOW-TAXED INCOME.—

10                       “(A) IN GENERAL.—In the case of taxes  
11 paid or accrued with respect to amounts de-  
12 scribed in subsection (d)(1)(A), paragraph (1)  
13 shall be applied by substituting ‘5 succeeding  
14 taxable years’ for ‘10 succeeding taxable years’.

15                       “(B) TERMINATION.—Subparagraph (A)  
16 shall not apply to any tax paid or accrued in a  
17 taxable year beginning after December 31,  
18 2030.”.

19       (d) TREATMENT OF CERTAIN TAX-EXEMPT DIVI-  
20 DENDS.—

21               (1) CERTAIN TAX-EXEMPT DIVIDENDS TAKEN  
22 INTO ACCOUNT IN APPLYING LIMITATIONS ON FOR-  
23 EIGN TAX CREDITS.—Section 904(b) is amended by  
24 striking paragraph (4).

1           (2) CERTAIN TAX-EXEMPT DIVIDENDS NOT  
2           TAKEN INTO ACCOUNT IN ALLOCATING INTEREST  
3           EXPENSE.—Section 864(e)(3) is amended by strik-  
4           ing “or 245(a)” and inserting “, 245(a), or 245A”.

5           (e) RULES FOR ALLOCATION OF CERTAIN DEDUC-  
6           TIONS TO FOREIGN SOURCE GLOBAL INTANGIBLE LOW-  
7           TAXED INCOME FOR PURPOSES OF FOREIGN TAX CREDIT  
8           LIMITATION.—Section 904(b), as amended by the pre-  
9           ceding provisions of this Act, is amended by adding at the  
10          end the following new paragraph:

11           “(4) DEDUCTIONS TREATED AS ALLOCABLE TO  
12          FOREIGN SOURCE GLOBAL INTANGIBLE LOW-TAXED  
13          INCOME.—In the case of a domestic corporation and  
14          solely for purposes of the application of subsection  
15          (a) with respect to amounts described in subsection  
16          (d)(1)(A), the taxpayer’s taxable income from  
17          sources without the United States shall be deter-  
18          mined—

19           “(A) by allocating and apportioning any  
20          deduction allowed under section 250(a)(2) (and  
21          any deduction allowed under section 164(a)(3)  
22          for taxes imposed on amounts described in sec-  
23          tion 250(a)(2)) to such income, and

24           “(B) by allocating and apportioning any  
25          other deduction to such income only if the Sec-

1           retary determines that such deduction is di-  
2           rectly allocable to such income.

3           Any deduction which would (but for subparagraph  
4           (B)) have been allocated or apportioned to such in-  
5           come shall only be allocated or apportioned to in-  
6           come which is from sources within the United  
7           States.”.

8           (f) TREATMENT OF CERTAIN ASSET DISPOSI-  
9           TIONS.—Section 904(b), as amended by the preceding pro-  
10          visions of this Act, is amended by adding at the end the  
11          following new paragraph:

12                   “(5) TREATMENT OF CERTAIN ASSET DISPOSI-  
13                   TIONS.—

14                           “(A) IN GENERAL.—Except as otherwise  
15                           provided by the Secretary, in the case of any  
16                           covered asset disposition, the principles of sec-  
17                           tion 338(h)(16) shall apply in determining the  
18                           source and character of any item for purposes  
19                           of this part.

20                                   “(B) COVERED ASSET DISPOSITION.—For  
21                                   purposes of this paragraph, the term ‘covered  
22                                   asset disposition’ means any transaction  
23                                   which—

1           “(i) is treated as a disposition of as-  
2           sets under subchapter N of this chapter,  
3           and

4           “(ii) is treated as a disposition of  
5           stock of a corporation (or is disregarded)  
6           for purposes of the tax laws of a relevant  
7           foreign country or possession of the United  
8           States.

9           “(C) REGULATIONS.—The Secretary shall  
10          issue such regulations or other guidance as is  
11          necessary or appropriate to carry out, or to pre-  
12          vent the avoidance of, the purposes of this  
13          paragraph.”.

14          (g) REDETERMINATION OF FOREIGN TAXES AND RE-  
15          LATED CLAIMS.—

16               (1) IN GENERAL.—Section 905(c) is amended—

17                   (A) in paragraph (1), by striking “or” at  
18                   the end of subparagraph (B) and by inserting  
19                   after subparagraph (C) the following new sub-  
20                   paragraphs:

21                       “(D) the taxpayer makes a timely change  
22                       in its choice to claim a credit or deduction for  
23                       taxes paid or accrued, or

1           “(E) there is any other change in the  
2           amount, or treatment, of taxes, which affects  
3           the taxpayer’s tax liability under this chapter,”,

4           (B) in paragraph (2)(B), by striking “Any  
5           such taxes” and inserting “Except as otherwise  
6           provided by the Secretary, any such taxes”, and

7           (C) by striking “ACCRUED” in the heading  
8           thereof.

9           (2) MODIFICATION TO TIME FOR CLAIMING  
10          CREDIT OR DEDUCTION.—Section 901(a) is amended  
11          by striking the second sentence and inserting the fol-  
12          lowing: “ Such choice for any taxable year may be  
13          made or changed at any time before the expiration  
14          of the applicable period prescribed by section 6511  
15          for making a claim for credit or refund of an over-  
16          payment of the tax imposed by this chapter for such  
17          taxable year that is attributable to such amounts.”.

18          (3) MODIFICATION TO SPECIAL PERIOD OF LIM-  
19          ITATION.—Section 6511(d)(3) is amended—

20                 (A) in subparagraph (A)—

21                         (i) by inserting “a change in the li-  
22                         ability for” before “any taxes paid or ac-  
23                         crued”,

1 (ii) by striking “actually paid” and in-  
2 sserting “paid (or deemed paid under sec-  
3 tion 960)”, and

4 (iii) by inserting “CHANGE IN THE LI-  
5 ABILITY FOR” before “FOREIGN TAXES” in  
6 the heading thereof, and

7 (B) in subparagraph (B), by striking “the  
8 allowance of a credit for the taxes” and insert-  
9 ing “the allowance of an additional credit by  
10 reason of the change in liability for the taxes”.

11 (h) EFFECTIVE DATES.—

12 (1) IN GENERAL.—Except as otherwise pro-  
13 vided in this subsection, the amendments made by  
14 this section shall apply to taxable years beginning  
15 after December 31, 2022.

16 (2) MODIFICATION OF FOREIGN TAX CREDIT  
17 CARRYBACK AND CARRYFORWARD.—The amend-  
18 ments made by subsection (c) shall apply to taxes  
19 paid or accrued in taxable years beginning after De-  
20 cember 31, 2022.

21 (3) TREATMENT OF CERTAIN ASSET DISPOSI-  
22 TIONS.—

23 (A) IN GENERAL.—The amendment made  
24 by subsection (f) shall apply to transactions  
25 after the date of the enactment of this Act.



1           (B) BINDING CONTRACT EXCEPTION.—The  
2           amendment made by subsection (f) shall not  
3           apply to any transaction which is made pursu-  
4           ant to a written binding contract which was in  
5           effect on September 13, 2021, and is not modi-  
6           fied in any material respect thereafter.

7           (4) REDETERMINATION OF FOREIGN TAXES  
8           AND RELATED CLAIMS.—

9           (A) IN GENERAL.—Except as otherwise  
10          provided in this paragraph, the amendments  
11          made by subsection (g) shall apply to taxes paid  
12          or accrued in taxable years beginning after De-  
13          cember 31, 2021.

14          (B) CERTAIN CHANGES.—The amendments  
15          made by subparagraphs (A) and (C) of sub-  
16          section (g)(1) shall apply to changes that occur  
17          on or after the date which is 60 days after the  
18          date of the enactment of this Act.

19          (C) MODIFICATION TO SPECIAL PERIOD OF  
20          LIMITATION.—The amendments made by sub-  
21          section (g)(3) shall apply to taxes paid, accrued,  
22          or deemed paid in taxable years beginning after  
23          December 31, 2021.

24          (i) REGULATIONS.—The Secretary shall issue regula-  
25          tions or other guidance providing for the application of

1 subsections (d), (e), (f), and (g) of section 904 of the In-  
2 ternal Revenue Code of 1986 (as amended by this section)  
3 with respect to amounts carried over under subsections  
4 (c), (f), or (g) from a taxable year with respect to which  
5 subsection (e) of such section does not apply to a taxable  
6 year with respect to which such subsection (e) does apply  
7 and from a taxable year with respect to which subsection  
8 (d)(1)(B) of such section (determined without regard to  
9 the amendments made by this section) applies to a taxable  
10 year with respect to which such section does not apply.

11 **SEC. 138125. FOREIGN OIL AND GAS EXTRACTION INCOME**  
12 **AND FOREIGN OIL RELATED INCOME TO IN-**  
13 **CLUDE OIL SHALE AND TAR SANDS.**

14 (a) **IN GENERAL.**—Paragraphs (1)(A) and (2)(A) of  
15 section 907(c) are each amended by inserting “(or oil  
16 shale or tar sands)” after “oil or gas wells”.

17 (b) **EFFECTIVE DATE.**—The amendments made by  
18 this section shall apply to taxable years beginning after  
19 December 31, 2021.

20 **SEC. 138126. MODIFICATIONS TO INCLUSION OF GLOBAL IN-**  
21 **TANGIBLE LOW-TAXED INCOME.**

22 (a) **COUNTRY-BY-COUNTRY APPLICATION OF SEC-**  
23 **TION BASED ON CFC TAXABLE UNITS.**—Section 951A is  
24 amended by adding at the end the following new sub-  
25 section:

1       “(g) COUNTRY-BY-COUNTRY APPLICATION OF SEC-  
2 TION BASED ON CFC TAXABLE UNITS.—

3               “(1) IN GENERAL.—If any CFC taxable unit of  
4 a United States shareholder is a tax resident of (or,  
5 in the case of a branch, is located in) a country  
6 which is different from the country with respect to  
7 which any other CFC taxable unit of such United  
8 States shareholder is a tax resident (or, in the case  
9 of a branch, is located in)—

10               “(A) such shareholder’s global intangible  
11 low-taxed income for purposes of subsection (a)  
12 shall be the sum of the amounts of global intan-  
13 gible low-taxed income determined separately  
14 with respect to each such country, and

15               “(B) for purposes of determining such sep-  
16 arate amounts of global intangible low-taxed in-  
17 come—

18               “(i) except as otherwise provided by  
19 the Secretary, any reference in subsection  
20 (b), (c), or (d) to a controlled foreign cor-  
21 poration of such shareholder shall be treat-  
22 ed as reference to a CFC taxable unit of  
23 such shareholder, and

24               “(ii) net CFC tested income, net  
25 deemed tangible income return, qualified

1 business asset investment, interest expense  
2 described in subsection (b)(2)(B), and such  
3 other items and amounts as the Secretary  
4 may provide, shall be determined sepa-  
5 rately with respect to each such country by  
6 determining such amounts with respect to  
7 the CFC taxable units of such shareholder  
8 which are a tax resident of such country.

9 “(2) DEFINITIONS.—For purposes of this sub-  
10 section—

11 “(A) CFC TAXABLE UNIT.—The term  
12 ‘CFC taxable unit’ means any taxable unit de-  
13 scribed in clause (ii), (iii), or (iv) of section  
14 904(e)(2)(B), determined—

15 “(i) by substituting ‘Each controlled  
16 foreign corporation’ for ‘Each foreign cor-  
17 poration’ in clause (ii) of such section, and

18 “(ii) without regard to the references  
19 to the taxpayer in clauses (iii) and (iv) of  
20 such section.

21 “(B) APPLICATION OF OTHER DEFINI-  
22 TIONS.—Terms used in this subsection which  
23 are also used in section 904(e) shall have the  
24 same meaning as when used in section 904(e).

1           “(3) SPECIAL RULES.—For purposes of this  
2 subsection—

3           “(A) APPLICATION OF CERTAIN RULES.—  
4 Except as otherwise provided by the Secretary,  
5 rules similar to the rules of section 904(e) shall  
6 apply.

7           “(B) ALLOCATION OF GLOBAL INTANGIBLE  
8 LOW-TAXED INCOME TO CONTROLLED FOREIGN  
9 CORPORATIONS.—Except as otherwise provided  
10 by the Secretary, subsection (f)(2) shall be ap-  
11 plied separately with respect to each CFC tax-  
12 able unit.”.

13       (b) REGULATORY AUTHORITY.—

14           (1) IN GENERAL.—Section 951A, as amended  
15 by subsection (a), is amended by adding at the end  
16 the following new subsection:

17           “(h) REGULATIONS.—The Secretary shall issue such  
18 regulations or other guidance as may be necessary or ap-  
19 propriate to carry out, or prevent the avoidance of, the  
20 purposes of this section, including regulations or guidance  
21 which provide for—

22           “(1) the treatment of property if such property  
23 is transferred, or held, temporarily,

1           “(2) the treatment of property if the avoidance  
2 of the purposes of this section is a factor in the  
3 transfer or holding of such property,

4           “(3) appropriate adjustments to the basis of  
5 stock and other ownership interests, and to earnings  
6 and profits, to reflect tested losses (whether or not  
7 taken into account in determining global intangible  
8 low-taxed income),

9           “(4) rules similar to the rules provided under  
10 the regulations or guidance issued under section  
11 904(e)(4),

12           “(5) other appropriate basis adjustments,

13           “(6) appropriate adjustments to be made, and  
14 appropriate tax attributes and records to be main-  
15 tained, separately with respect to CFC taxable units,  
16 and

17           “(7) appropriate adjustments in determining  
18 tested income or tested loss if property is trans-  
19 ferred between related parties or amounts are paid  
20 or accrued between related parties.”.

21           (2) CONFORMING AMENDMENT.—Section  
22 951A(d) is amended—

23                   (A) by striking paragraph (4), and

1 (B) by redesignating the second paragraph  
2 (3) (relating to partnership property) as para-  
3 graph (4).

4 (c) CARRYOVER OF NET CFC TESTED LOSS.—

5 (1) IN GENERAL.—Section 951A(c) is amended  
6 by adding at the end the following new paragraph:

7 “(3) CARRYOVER OF NET CFC TESTED LOSS.—

8 “(A) IN GENERAL.—If the amount de-  
9 scribed in paragraph (1)(B) with respect to any  
10 United States shareholder for any taxable year  
11 of such United States shareholder (determined  
12 after the application of this paragraph with re-  
13 spect to amounts arising in preceding taxable  
14 years) exceeds the amount described in para-  
15 graph (1)(A) with respect to such shareholder  
16 of such taxable year, the amount otherwise de-  
17 scribed in paragraph (1)(B) with respect to  
18 such shareholder for the succeeding taxable  
19 year shall be increased by the amount of such  
20 excess.

21 “(B) PROPER ADJUSTMENT IN ALLOCA-  
22 TIONS OF GLOBAL INTANGIBLE LOW-TAXED IN-  
23 COME TO CONTROLLED FOREIGN CORPORA-  
24 TIONS.—Proper adjustments shall be made in  
25 the application of subsection (f)(2)(B) to take

1           into account any decrease in global intangible  
2           low-taxed income by reason of the application of  
3           subparagraph (A).”.

4           (2) COORDINATION WITH COUNTRY-BY-COUN-  
5           TRY APPLICATION.—Section 951A(g)(1)(B)(ii), as  
6           added by subsection (a), is amended by inserting  
7           “any increase determined under subsection  
8           (c)(3)(A),” after “interest expense described in sub-  
9           section (b)(2)(B),”.

10           (3) APPLICATION OF RULES WITH RESPECT TO  
11           OWNERSHIP CHANGES.—Section 382(d) is amended  
12           by adding at the end the following new paragraph:

13           “(4) APPLICATION TO CARRYOVER OF NET CFC  
14           TESTED LOSS.—The term ‘pre-change loss’ shall in-  
15           clude any excess carried over under section  
16           951A(c)(3) under rules similar to the rules of para-  
17           graph (1).”.

18           (d) REDUCTION IN NET DEEMED TANGIBLE INCOME  
19           RETURN FOR PURPOSES OF DETERMINING GLOBAL IN-  
20           TANGIBLE LOW-TAXED INCOME.—

21           (1) IN GENERAL.—Section 951A(b)(2)(A) is  
22           amended by striking “10 percent” and inserting “5  
23           percent”.

24           (2) APPLICATION TO ASSETS LOCATED IN POS-  
25           SESSIONS OF THE UNITED STATES.—Section



1 951A(b) is amended by adding at the end the fol-  
2 lowing new paragraph:

3 “(3) APPLICATION TO ASSETS LOCATED IN POS-  
4 SESSIONS OF THE UNITED STATES.—In the case of  
5 any specified tangible property located in a posses-  
6 sion of the United States, paragraph (2)(A) and  
7 subsection (d) shall be applied by substituting ‘10  
8 percent’ for ‘5 percent’ in paragraph (2)(A).”.

9 (e) INCLUSION OF FOREIGN OIL AND GAS EXTRAC-  
10 TION INCOME IN DETERMINING TESTED INCOME AND  
11 LOSS.—Section 951A(c)(2)(A)(i) is amended by inserting  
12 “and” at the end of subclause (III), by striking “and”  
13 at the end of subclause (IV) and inserting “over”, and  
14 by striking subclause (V).

15 (f) COORDINATION WITH OTHER PROVISIONS.—Sec-  
16 tion 951A(f)(1) is amended by adding at the end the fol-  
17 lowing new subparagraph:

18 “(C) TREATMENT OF CERTAIN REF-  
19 ERENCES.—Except as otherwise provided by the  
20 Secretary, references to section 951 or section  
21 951(a) in sections 959, 961, 962, and such  
22 other provisions as the Secretary may identify  
23 shall include references to section 951A or sec-  
24 tion 951A(a), respectively.”.

25 (g) EFFECTIVE DATE.—

1           (1) IN GENERAL.—Except as otherwise pro-  
2           vided in this subsection, the amendments made by  
3           this section shall apply to taxable years of foreign  
4           corporations beginning after December 31, 2022,  
5           and to taxable years of United States shareholders  
6           in which or with which such taxable years of foreign  
7           corporations end.

8           (2) REGULATORY AUTHORITY AND COORDINA-  
9           TION WITH OTHER PROVISIONS.—The amendments  
10          made by subsections (b) and (f) shall apply to tax-  
11          able years of foreign corporations beginning after  
12          the date of the enactment of this Act, and to taxable  
13          years of United States shareholders in which or with  
14          which such taxable years of foreign corporations  
15          end.

16          (h) NO INFERENCE REGARDING CERTAIN MODIFICA-  
17          TIONS.—The amendments made by subsections (b) and (f)  
18          shall not be construed to create any inference with respect  
19          to the proper application of any provision of the Internal  
20          Revenue Code of 1986 with respect to any taxable year  
21          beginning before the taxable years to which such amend-  
22          ments apply.

1 **SEC. 138127. MODIFICATIONS TO DETERMINATION OF**  
2 **DEEMED PAID CREDIT FOR TAXES PROPERLY**  
3 **ATTRIBUTABLE TO TESTED INCOME.**

4 (a) INCREASE IN DEEMED PAID CREDIT.—Section  
5 960(d)(1) is amended by striking “80 percent” and insert-  
6 ing “95 percent (100 percent in the case of tested foreign  
7 income taxes paid or accrued to a possession of the United  
8 States)”.

9 (b) INCLUSION OF TAXES PROPERLY ATTRIBUTABLE  
10 TO TESTED LOSS.—

11 (1) IN GENERAL.—Section 960(d)(3) is amend-  
12 ed to read as follows:

13 “(3) TESTED FOREIGN INCOME TAXES.—For  
14 purposes of paragraph (1), the term ‘tested foreign  
15 income taxes’ means, with respect to any domestic  
16 corporation which is a United States shareholder of  
17 a controlled foreign corporation—

18 “(A) the foreign income taxes paid or ac-  
19 crued by such foreign corporation which are  
20 properly attributable to the tested income or  
21 tested loss of such foreign corporation taken  
22 into account by such domestic corporation  
23 under section 951A, and

24 “(B) solely to the extent provided in regu-  
25 lations prescribed by the Secretary, the foreign  
26 income taxes (as so defined) paid or accrued by

1 a foreign corporation (other than a controlled  
2 foreign corporation) which owns, directly or in-  
3 directly, 80 percent or more (by vote or value)  
4 of the stock in such domestic corporation but  
5 only if—

6 “(i) such foreign income taxes are  
7 properly attributable to amounts of such  
8 controlled foreign corporation taken into  
9 account in determining tested income or  
10 tested loss under section 951A(c)(2), and

11 “(ii) no credit is allowed, in whole or  
12 in part, for such foreign taxes in any for-  
13 eign jurisdiction.”.

14 (2) CONFORMING AMENDMENT.—Section  
15 960(d)(2)(B) is amended by striking “the aggregate  
16 amount described in section 951A(c)(1)(A)” and in-  
17 serting “the net CFC tested income (as defined in  
18 section 951A(c)(1))”.

19 (c) APPLICATION OF FOREIGN TAX CREDIT LIMITA-  
20 TION TO AMOUNTS INCLUDED UNDER SECTION 78.—

21 (1) Section 904(d)(2) is amended by redesign-  
22 ating subparagraph (K) as subparagraph (L) and  
23 by inserting after subparagraph (J) the following  
24 new subparagraph:

1           “(K) AMOUNTS INCLUDIBLE UNDER SEC-  
2           TION 78.—Any amount includible in gross in-  
3           come under section 78 shall be treated as in-  
4           come in the same separate category as the re-  
5           lated foreign taxes deemed paid.”.

6           (2) Section 904(d)(3)(G) is amended by strik-  
7           ing the second sentence and inserting the following:  
8           “Any amount included in gross income under section  
9           78 shall not be treated as a dividend.”.

10          (d) DISALLOWANCE OF FOREIGN TAX CREDIT WITH  
11          RESPECT TO DISTRIBUTIONS OF PREVIOUSLY TAXED  
12          GLOBAL INTANGIBLE LOW-TAXED INCOME.—Section  
13          960(d) is amended by adding at the end the following new  
14          paragraph:

15                 “(4) DISALLOWANCE OF FOREIGN TAX CREDIT  
16          WITH RESPECT TO DISTRIBUTIONS OF PREVIOUSLY  
17          TAXED GLOBAL INTANGIBLE LOW-TAXED INCOME.—  
18          No credit shall be allowed under section 901 for 20  
19          percent of any foreign income taxes paid or accrued  
20          (or deemed paid under section 960(b)(1)) with re-  
21          spect to any amount excluded from gross income  
22          under section 959(a) by reason of an inclusion in  
23          gross income under section 951A(a).”.

24          (e) MODIFICATION OF DISALLOWANCE OF FOREIGN  
25          TAX CREDIT RESPECT TO DISTRIBUTIONS OF PRE-

1 VIUOUSLY TAXED GLOBAL INTANGIBLE LOW-TAXED IN-  
2 COME.—Section 960(d)(4), as added by subsection (d), is  
3 amended by striking “20 percent” and inserting “5 per-  
4 cent”.

5 (f) EFFECTIVE DATE.—

6 (1) IN GENERAL.—Except as otherwise pro-  
7 vided in this subsection, the amendments made by  
8 this section shall apply to taxable years of foreign  
9 corporations beginning after December 31, 2022,  
10 and to taxable years of United States shareholders  
11 in which or with which such taxable years of foreign  
12 corporations end.

13 (2) SUBSECTIONS (c) AND (d).—The amend-  
14 ments made by subsections (c) and (d) shall apply  
15 to taxable years of foreign corporations beginning  
16 after the date of the enactment of this Act, and to  
17 taxable years of United States shareholders in which  
18 or with which such taxable years of foreign corpora-  
19 tions end.

20 (g) NO INFERENCE REGARDING CERTAIN MODIFICA-  
21 TIONS.—The amendments made by subsections (c) and  
22 (d) shall not be construed to create any inference with re-  
23 spect to the proper application of any provision of the In-  
24 ternal Revenue Code of 1986 with respect to any taxable

1 year beginning before the taxable years to which such  
2 amendments apply.

3 **SEC. 138128. DEDUCTION FOR FOREIGN SOURCE PORTION**  
4 **OF DIVIDENDS LIMITED TO CONTROLLED**  
5 **FOREIGN CORPORATIONS, ETC.**

6 (a) IN GENERAL.—Section 245A is amended—

7 (1) in subsections (a), (c)(1), and (c)(2), by  
8 striking “specified 10-percent owned foreign cor-  
9 poration” each place it appears and inserting “con-  
10 trolled foreign corporation”, and

11 (2) by striking subsection (b).

12 (b) MODIFICATIONS RELATED TO DETERMINATION  
13 OF STATUS AS A CONTROLLED FOREIGN CORPORA-  
14 TION.—

15 (1) Subpart F of part III of subchapter N of  
16 chapter 1 is amended by inserting after section  
17 951A the following new section:

18 **“SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME OF**  
19 **FOREIGN CONTROLLED UNITED STATES**  
20 **SHAREHOLDERS.**

21 “(a) IN GENERAL.—In the case of any foreign con-  
22 trolled United States shareholder of a foreign controlled  
23 foreign corporation—

24 “(1) this subpart (other than sections 951A,  
25 951(b), and 957) shall be applied with respect to

1 such shareholder (separately from, and in addition  
2 to, the application of this subpart without regard to  
3 this section)—

4 “(A) by substituting ‘foreign controlled  
5 United States shareholder’ for ‘United States  
6 shareholder’ each place it appears therein, and

7 “(B) by substituting ‘foreign controlled  
8 foreign corporation’ for ‘controlled foreign cor-  
9 poration’ each place it appears therein, and

10 “(2) section 951A shall be applied with respect  
11 to such shareholder —

12 “(A) by treating each reference to ‘United  
13 States shareholder’ in such sections as includ-  
14 ing a reference to such shareholder, and

15 “(B) by treating each reference to ‘con-  
16 trolled foreign corporation’ in such sections as  
17 including a reference to such foreign controlled  
18 foreign corporation.

19 “(b) FOREIGN CONTROLLED UNITED STATES  
20 SHAREHOLDER.—For purposes of this section, the term  
21 ‘foreign controlled United States shareholder’ means, with  
22 respect to any foreign corporation, any United States per-  
23 son which would be a United States shareholder with re-  
24 spect to such foreign corporation if—



1           “(1) section 951(b) were applied by substituting  
2           ‘more than 50 percent’ for ‘10 percent or more’, and

3           “(2) section 958(b) were applied without regard  
4           to paragraph (4) thereof.

5           “(c) FOREIGN CONTROLLED FOREIGN CORPORA-  
6           TION.—For purposes of this section, the term ‘foreign con-  
7           trolled foreign corporation’ means a foreign corporation,  
8           other than a controlled foreign corporation, which would  
9           be a controlled foreign corporation if section 957(a)(1)  
10          were applied—

11           “(1) by substituting ‘foreign controlled United  
12           States shareholders’ for ‘United States share-  
13           holders’, and

14           “(2) by substituting ‘section 958(b) (other than  
15           paragraph (4) thereof)’ for ‘section 958(b)’.

16           “(d) REGULATIONS.—The Secretary shall prescribe  
17           such regulations or other guidance as may be necessary  
18           or appropriate to carry out the purposes of this section,  
19           including regulations or other guidance—

20           “(1) to treat a foreign controlled United States  
21           shareholder or a foreign controlled foreign corpora-  
22           tion as a United States shareholder or as a con-  
23           trolled foreign corporation, respectively, for purposes  
24           of provisions of this title other than this subpart,  
25           and

1           “(2) to prevent the avoidance of the purposes of  
2 this section.”.

3           (2) Section 957(a) is amended to read as fol-  
4 lows:

5           “(a) CONTROLLED FOREIGN CORPORATION.—For  
6 purposes of this title—

7           “(1) IN GENERAL.—The term ‘controlled for-  
8 eign corporation’ means any foreign corporation if  
9 more than 50 percent of—

10           “(A) the total combined voting power of all  
11 classes of stock of such corporation entitled to  
12 vote, or

13           “(B) the total value of the stock of such  
14 corporation,

15 is owned (within the meaning of section 958(a)), or  
16 is considered as owned by applying the rules of own-  
17 ership of section 958(b), by United States share-  
18 holders on any day during the taxable year of such  
19 foreign corporation.

20           “(2) ELECTION TO TREAT A FOREIGN COR-  
21 PORATION AS A CONTROLLED FOREIGN CORPORA-  
22 TION FOR CERTAIN PURPOSES.—

23           “(A) IN GENERAL.—In the case of a for-  
24 eign corporation with respect to which an elec-  
25 tion is in effect under this paragraph, such for-

1           eign corporation shall be treated as a controlled  
2           foreign corporation for purposes of this title.

3           “(B) EXCEPTIONS.—Notwithstanding any  
4           other provision of this paragraph, a foreign cor-  
5           poration shall not be treated as a controlled for-  
6           eign corporation by reason of this paragraph  
7           for purposes of any provision of this title if the  
8           Secretary determines that treatment of such  
9           foreign corporation as a controlled foreign cor-  
10          poration for purposes of such provision would  
11          be inconsistent with the purposes of this sub-  
12          chapter.

13          “(C) ELECTION.—

14                 “(i) BY WHOM.—An election under  
15                 subparagraph (A) shall be effective only if  
16                 made by the foreign corporation and by all  
17                 United States shareholders of such foreign  
18                 corporation (determined as of the time of  
19                 such election by such foreign corporation).

20                 “(ii) WITH RESPECT TO WHOM.—Any  
21                 election under this paragraph, once effec-  
22                 tive, shall apply to such foreign corporation  
23                 and to all United States shareholders of  
24                 such foreign corporation (including any  
25                 person who becomes a United States

1 shareholder of such foreign corporation  
2 after such election takes effect).

3 “(iii) TIME, MANNER, ETC.—The elec-  
4 tion under this paragraph shall be made at  
5 such time and in such manner as the Sec-  
6 retary may provide and, once effective,  
7 may be revoked only with the consent of  
8 the Secretary.

9 “(D) REGULATIONS.—The Secretary shall  
10 issue such regulations or other guidance as may  
11 be necessary or appropriate to carry out the  
12 purposes of this paragraph, including regula-  
13 tions or other guidance for the application of  
14 this paragraph to an acquisition described in  
15 section 381(a) with respect to any corporation  
16 to which an election under this paragraph ap-  
17 plies.”.

18 (3) Section 958(b) is amended—

19 (A) by inserting after paragraph (3) the  
20 following:

21 “(4) Subparagraphs (A), (B), and (C) of sec-  
22 tion 318(a)(3) shall not be applied so as to consider  
23 a United States person as owning stock which is  
24 owned by a person who is not a United States per-  
25 son.”, and

1 (B) by striking “Paragraph (1)” in the  
2 last sentence and inserting “Paragraphs (1)  
3 and (4)”.

4 (4) Section 959(b) is amended—

5 (A) by striking “the earnings and profits  
6 of a controlled foreign corporation” and insert-  
7 ing “the earnings and profits of a foreign cor-  
8 poration”,

9 (B) by striking “another controlled foreign  
10 corporation” and inserting “a controlled foreign  
11 corporation”,

12 (C) by striking “such other controlled for-  
13 eign corporation” and inserting “such con-  
14 trolled foreign corporation”, and

15 (D) by striking “of such United States  
16 shareholder in the controlled foreign corpora-  
17 tion” and inserting “of such United States  
18 shareholder in the foreign corporation”.

19 (5) The table of sections for subpart F of part  
20 III of subchapter N of chapter 1 is amended by in-  
21 sserting after the item relating to section 951A the  
22 following new item:

“Sec. 951B. Amounts included in gross income of foreign controlled United  
States shareholders.”.

23 (c) CERTAIN OTHER MODIFICATIONS.—

1           (1) Section 245A(e)(4) is amended by striking  
2           “an amount received” and all that follows through  
3           “for which the controlled foreign corporation re-  
4           ceived a deduction” and inserting “any dividend re-  
5           ceived from a controlled foreign corporation for  
6           which such controlled foreign corporation received a  
7           deduction”.

8           (2) Section 245A(g) is amended to read as fol-  
9           lows:

10          “(g) REGULATIONS.—The Secretary shall prescribe  
11 such regulations or other guidance as may be necessary  
12 or appropriate to carry out the purposes of this section,  
13 including regulations or other guidance for—

14           “(1) the treatment of United States share-  
15 holders owning stock of a controlled foreign corpora-  
16 tion through a partnership, and

17           “(2) the denial of all or a portion of the deduc-  
18 tion under this section with respect to dividends re-  
19 ceived from foreign corporations in situations in  
20 which—

21           “(A) any portion of the dividend is out of  
22 earnings and profits arising from transactions  
23 with related parties which—

24           “(i) do not occur in the ordinary  
25 course of a trade or business, and

1           “(ii) occur on or after January 1,  
2           2018, and during a taxable year to which  
3           section 951A did not apply, or

4           “(B) a transfer or issuance of stock on or  
5           after January 1, 2018, results in a reduction in  
6           a United States shareholder’s pro rata share of  
7           a controlled foreign corporation’s subpart F in-  
8           come or tested income (as defined in section  
9           951A).”.

10       (d) CONFORMING AMENDMENTS.—

11           (1) Section 91 is amended—

12                (A) in subsection (a), by striking “specified  
13                10-percent owned foreign corporation (as de-  
14                fined in section 245A)” and inserting “con-  
15                trolled foreign corporation”, and

16                (B) in subsection (e), by striking “specified  
17                10-percent owned foreign corporation” and in-  
18                serting “controlled foreign corporation”.

19           (2)(A) The heading of section 245A is amended  
20       by striking “**SPECIFIED 10-PERCENT OWNED**  
21       **FOREIGN CORPORATIONS**” and inserting “**CON-**  
22       **TROLLED FOREIGN CORPORATIONS**”.

23           (B) The item relating to section 245A in the  
24       table of sections for part VIII of subchapter B of  
25       chapter 1 is amended by striking “specified 10-per-

1 cent owned foreign corporations” and inserting  
2 “controlled foreign corporations”.

3 (3) Section 246(c)(5) is amended—

4 (A) in subparagraph (B), by striking  
5 “specified 10-percent owned foreign corpora-  
6 tion” each place it appears and inserting “con-  
7 trolled foreign corporation”, and

8 (B) by striking “SPECIFIED 10-PERCENT  
9 OWNED FOREIGN CORPORATION” in the heading  
10 and inserting “CONTROLLED FOREIGN COR-  
11 PORATION”.

12 (4) Section 904 is amended—

13 (A) in subsection (b)(4), by striking “spec-  
14 ified 10-percent owned foreign corporation”  
15 both places it appears and inserting “controlled  
16 foreign corporation”, and

17 (B) in subsection (d)(2)(E)—

18 (i) in clause (i)(I), by striking “(as  
19 defined in section 245A(b))”, and

20 (ii) by redesignating clause (ii) as  
21 clause (iii) and by inserting after clause (i)  
22 the following new clause:

23 “(ii) SPECIFIED 10-PERCENT OWNED  
24 FOREIGN CORPORATION.—For purposes of  
25 this subparagraph—



1                   “(I) IN GENERAL.—The term  
2                   ‘specified 10-percent owned foreign  
3                   corporation’ means any foreign cor-  
4                   poration with respect to which any do-  
5                   mestic corporation is a United States  
6                   shareholder with respect to such cor-  
7                   poration.

8                   “(II) EXCLUSION OF PASSIVE  
9                   FOREIGN INVESTMENT COMPANIES.—  
10                  Such term shall not include any cor-  
11                  poration which is a passive foreign in-  
12                  vestment company (as defined in sec-  
13                  tion 1297) with respect to the share-  
14                  holder and which is not a controlled  
15                  foreign corporation.”.

16                  (5) Section 909(b) is amended by striking “(as  
17                  defined in section 245A(b) without regard to para-  
18                  graph (2) thereof)” and inserting “(as defined in  
19                  section 904(d)(2)(E)(ii) without regard to subclause  
20                  (II) thereof)”.

21                  (6) Section 961(d) is amended—

22                         (A) by striking “specified 10-percent  
23                         owned foreign corporation (as defined in section  
24                         245A)” and inserting “controlled foreign cor-  
25                         poration”, and

1 (B) by striking “SPECIFIED 10-PERCENT  
2 OWNED FOREIGN CORPORATION” in the head-  
3 ing and inserting “CONTROLLED FOREIGN  
4 CORPORATION”.

5 (e) EFFECTIVE DATES.—

6 (1) IN GENERAL.—Except as otherwise pro-  
7 vided in this subsection, the amendments made by  
8 this section shall apply to distributions made after  
9 the date of the enactment of this Act.

10 (2) MODIFICATIONS RELATED TO DETERMINA-  
11 TION OF STATUS AS A CONTROLLED FOREIGN COR-  
12 PORATION.—The amendments made by subsection  
13 (b) shall apply to taxable years of foreign corpora-  
14 tions beginning after the date of the enactment of  
15 this Act, and taxable years of United States persons  
16 in which or with which such taxable years of foreign  
17 corporations end.

18 (f) NO INFERENCE REGARDING CERTAIN MODIFICA-  
19 TIONS.—The amendments made by subsections (b)(1),  
20 (b)(3), (b)(5), and (c) shall not be construed to create any  
21 inference with respect to the proper application of any pro-  
22 vision of the Internal Revenue Code of 1986 with respect  
23 to distributions made, or taxable years beginning, respec-  
24 tively, before the distributions or taxable years, respec-  
25 tively, to which such amendments apply.

1 **SEC. 138129. LIMITATION ON FOREIGN BASE COMPANY**  
2 **SALES AND SERVICES INCOME.**

3 (a) FOREIGN BASE COMPANY SALES INCOME.—

4 (1) IN GENERAL.—Section 954(d)(2) is amend-  
5 ed to read as follows:

6 “(2) LIMITATION AND REGULATORY AUTHOR-  
7 ITY.—

8 “(A) IN GENERAL.—For purposes of this  
9 subsection, the term ‘related person’ shall not  
10 include any person unless such person is—

11 “(i) a taxable unit which is a tax resi-  
12 dent of (or, in the case of a branch, is lo-  
13 cated in) the United States, or

14 “(ii) is subject to tax under this chap-  
15 ter by reason of such person’s activities in  
16 the United States.

17 “(B) REGULATIONS.—The Secretary shall  
18 issue such regulations or other guidance as may  
19 be necessary or appropriate to carry out the  
20 purposes of this subsection (and subsection (e)),  
21 including—

22 “(i) regulations or other guidance pro-  
23 viding for the proper application of sub-  
24 paragraph (A) in the case of a transaction  
25 (or series of transactions) in which a per-

1 son described in subparagraph (A) is a  
2 party, and

3 “(ii) regulations or other guidance  
4 providing that a pass-through entity or  
5 branch held directly or indirectly by a con-  
6 trolled foreign corporation (whether tax  
7 resident or located inside or outside the  
8 country in which the controlled foreign cor-  
9 poration is a tax resident) shall be treated  
10 as a wholly owned subsidiary of the con-  
11 trolled foreign corporation.

12 “(C) CERTAIN TERMS.—Any term used in  
13 this subsection or subsection (e) which is also  
14 used in section 904(e) shall have the same  
15 meaning as when used in such section.”.

16 (2) CONFORMING AMENDMENT.—Section  
17 954(d)(1)(A) is amended by striking “under the  
18 laws of which the controlled foreign corporation is  
19 created or organized” and inserting “in which the  
20 controlled foreign corporation is a tax resident”.

21 (b) FOREIGN BASE COMPANY SERVICES INCOME.—

22 (1) IN GENERAL.—Section 954(e)(1)(A) is  
23 amended by striking “subsection (d)(3)” and insert-  
24 ing “subsection (d)”.

1           (2) CONFORMING AMENDMENT.—Section  
2           954(e)(1)(B) is amended by striking “under the  
3           laws of which the controlled foreign corporation is  
4           created or organized” and inserting “in which the  
5           controlled foreign corporation is a tax resident”.

6           (c) CERTAIN OTHER MODIFICATIONS.—

7           (1) Section 78 is amended by striking “, (b),”.

8           (2)(A) Section 951(a) is amended to read as  
9           follows:

10          “(a) AMOUNTS INCLUDED.—

11               “(1) IN GENERAL.—If a foreign corporation is  
12               a controlled foreign corporation on any day during  
13               a taxable year, every person who is a United States  
14               shareholder of such corporation, and who owns  
15               (within the meaning of section 958(a)) stock in such  
16               corporation on any such day, shall include in such  
17               shareholder’s gross income for such shareholder’s  
18               taxable year in which or with which such taxable  
19               year of such corporation ends—

20                       “(A) his pro rata share (determined under  
21                       paragraph (2)) of the corporation’s subpart F  
22                       income for such year, and

23                       “(B) if such shareholder owns (within the  
24                       meaning of section 958(a)) stock of such for-  
25                       eign corporation as of the close of the last rel-

1           evant day of such foreign corporation’s taxable  
2           year, the amount determined under section 956  
3           with respect to such shareholder for such year  
4           (but only to the extent not excluded from gross  
5           income under section 959(a)(2)).

6           “(2) PRO RATA SHARE OF SUBPART F IN-  
7           COME.—In the case of any United States share-  
8           holder with respect to a foreign corporation, the pro  
9           rata share referred to in paragraph (1)(A) is the  
10          sum of—

11                 “(A) if such shareholder owns (within the  
12                 meaning of section 958(a)) stock of such for-  
13                 eign corporation as of the close of the last rel-  
14                 evant day of such foreign corporation’s taxable  
15                 year, such shareholder’s general pro rata share  
16                 determined under paragraph (3), plus

17                 “(B) if such shareholder owns (within the  
18                 meaning of section 958(a)) stock of such for-  
19                 eign corporation during such taxable year but  
20                 does not own (within the meaning of section  
21                 958(a)) such stock as of the close of such last  
22                 relevant day, such shareholder’s nontaxed cur-  
23                 rent dividend share determined under para-  
24                 graph (4).

25           “(3) GENERAL PRO RATA SHARE.—

1           “(A) IN GENERAL.—In the case of any  
2 United States shareholder with respect to a for-  
3 eign corporation, the general pro rata share de-  
4 termined under this paragraph is the excess (if  
5 any) of—

6           “(i) the pro rata current earnings per-  
7 centage of the amount which bears the  
8 same ratio to such corporation’s subpart F  
9 income for the taxable year (reduced by  
10 the aggregate nontaxed current dividend  
11 shares determined under paragraph (4)  
12 with respect to such shareholder or any  
13 other United States shareholder) as the  
14 part of such year during which such cor-  
15 poration is a controlled foreign corporation  
16 bears to the entire year, over

17           “(ii) the lesser of—

18           “(I) the amount of any pre-hold-  
19 ing period dividends with respect to  
20 stock of such foreign corporation  
21 which such shareholder owns (within  
22 the meaning of section 958(a)) as of  
23 the close of the last relevant day of  
24 such foreign corporation’s taxable  
25 year, or

1           “(II) the amount which bears the  
2           same ratio to the subpart F income of  
3           such corporation for the taxable year  
4           (reduced by the aggregate nontaxed  
5           current dividend shares determined  
6           under paragraph (4) with respect to  
7           such shareholder or any other United  
8           States shareholder) as the part of  
9           such year during which such share-  
10          holder did not own (within the mean-  
11          ing of section 958(a)) such stock  
12          bears to the entire year.

13           “(B) PRO RATA CURRENT EARNINGS PER-  
14          CENTAGE.—For purposes of subparagraph  
15          (A)(i), the term ‘pro rata current earnings per-  
16          centage’ means, in the case of any United  
17          States shareholder with respect to a foreign cor-  
18          poration for any taxable year of such foreign  
19          corporation, the ratio (expressed as a percent-  
20          age) of—

21           “(i) the amount which would have  
22          been distributed with respect to the stock  
23          which such shareholder owns (within the  
24          meaning of section 958(a)) in such cor-  
25          poration if on the last relevant day of such



1 taxable year it had distributed its earnings  
2 and profits for such taxable year (com-  
3 puted as of the close of such taxable year  
4 without diminution by reason of any dis-  
5 tributions made during such taxable year),  
6 divided by

7 “(ii) such corporation’s earnings and  
8 profits for such taxable year (as so com-  
9 puted).

10 “(C) PRE-HOLDING PERIOD DIVIDENDS.—

11 For purposes of subparagraph (A)(ii)(I), the  
12 term ‘pre-holding period dividends’ means, in  
13 the case of any United States shareholder with  
14 respect to a foreign corporation for any taxable  
15 year of such foreign corporation, dividends  
16 which are—

17 “(i) made out of such corporation’s  
18 earnings and profits for the taxable year  
19 (other than nontaxed current dividends as  
20 defined in paragraph (4)(C)), and

21 “(ii) received—

22 “(I) by any other United States  
23 person with respect to stock of such  
24 foreign corporation which such share-  
25 holder owns (within the meaning of

1 section 958(a)) as of the close of the  
2 last relevant day of such foreign cor-  
3 poration's taxable year, and

4 “(II) while such foreign corpora-  
5 tion was a controlled foreign corpora-  
6 tion and before such shareholder  
7 owned (within the meaning of section  
8 958(a)) such stock.

9 “(4) NONTAXED CURRENT DIVIDEND SHARE.—

10 “(A) IN GENERAL.—In the case of any  
11 United States shareholder with respect to a for-  
12 eign corporation, the nontaxed current dividend  
13 share determined under this paragraph is the  
14 nontaxed current dividend percentage of the  
15 subpart F income of such foreign corporation  
16 for the taxable year.

17 “(B) NONTAXED CURRENT DIVIDEND PER-  
18 CENTAGE.—For purposes of this paragraph, the  
19 term ‘nontaxed current dividend percentage’  
20 means, in the case of any United States share-  
21 holder with respect to a foreign corporation for  
22 any taxable year of such foreign corporation,  
23 the ratio (expressed as a percentage) of—

24 “(i) the amount of nontaxed current  
25 dividends with respect to such taxable year

1 received with respect to the stock of such  
2 foreign corporation which such shareholder  
3 owns (within the meaning of section  
4 958(a)) at the time of the dividend on a  
5 day in which such corporation is a con-  
6 trolled foreign corporation, divided by

7 “(ii) such foreign corporation’s earn-  
8 ings and profits for such taxable year  
9 (computed as of the close of such taxable  
10 year without diminution by reason of any  
11 distributions made during such taxable  
12 year).

13 “(C) NONTAXED CURRENT DIVIDENDS.—

14 For purposes of this paragraph, the term  
15 ‘nontaxed current dividends’ means the portion  
16 of any amount received with respect to stock to  
17 the extent such amount (without regard to  
18 amounts included in the gross income of a  
19 United States shareholder for the taxable year  
20 by reason of this subpart)—

21 “(i) would result in a dividend out of  
22 the corporation’s earnings and profits for  
23 the taxable year (including a dividend  
24 under section 1248 attributable to earn-  
25 ings and profits for the taxable year), and

1 “(ii) either—

2 “(I) would give rise to a deduc-  
3 tion under section 245A(a), or

4 “(II) in the case of a dividend  
5 paid directly or indirectly to a con-  
6 trolled foreign corporation with re-  
7 spect to stock owned by the share-  
8 holder within the meaning of section  
9 958(a)(2), would not result in subpart  
10 F income with respect to such con-  
11 trolled foreign corporation by reason  
12 of subsection (b)(4), (c)(3), or (c)(6)  
13 of section 954.

14 “(5) LAST RELEVANT DAY OF TAXABLE YEAR  
15 OF A CONTROLLED FOREIGN CORPORATION.—For  
16 purposes of this subsection, the term ‘last relevant  
17 day’ means, with respect to any taxable year of a  
18 foreign corporation, the last day of such taxable year  
19 on which such corporation is a controlled foreign  
20 corporation.

21 “(6) REGULATIONS.—The Secretary may pre-  
22 scribe such regulations or other guidance as may be  
23 necessary or appropriate to carry out the purposes  
24 of this subsection, including regulations or other  
25 guidance—

1           “(A) to treat a partnership as an aggre-  
2           gate of its partners,

3           “(B) to provide rules allowing a foreign  
4           corporation to close its taxable year upon a  
5           change in ownership, and

6           “(C) to treat a distribution followed by an  
7           issuance of stock to a shareholder not subject  
8           to tax under this chapter in the same manner  
9           as an acquisition of stock.”.

10          (B) Section 951A(a) is amended to read as fol-  
11          lows:

12          “(a) IN GENERAL.—If a foreign corporation is a con-  
13          trolled foreign corporation on any day during a taxable  
14          year, every person who is a United States shareholder of  
15          such corporation, and who owns (within the meaning of  
16          section 958(a)) stock in such corporation on any such day,  
17          shall include in such shareholder’s gross income for such  
18          shareholder’s taxable year in which or with which such  
19          taxable year of such corporation ends, such shareholder’s  
20          global intangible low-taxed income for such taxable year.”.

21          (C) Section 951A(e) is amended to read as fol-  
22          lows:

23          “(e) DETERMINATION OF PRO RATA SHARES.—For  
24          purposes of this section, the pro rata shares referred to  
25          in subsections (b), (c)(1)(A), and (c)(1)(B), respectively,

1 shall be determined under rules similar to the rules of sec-  
2 tion 951(a)(2) and shall be taken into account in the tax-  
3 able year of the United States shareholder in which or  
4 with which the taxable year of the controlled foreign cor-  
5 poration ends.”.

6 (D) Section 953(c)(5)(A)(i) is amended—

7 (i) in subclause (I), by adding “and” at  
8 the end,

9 (ii) in subclause (II)—

10 (I) by striking “on the last day of the  
11 taxable year” and inserting “during the  
12 taxable year”, and

13 (II) by striking “and” at the end and  
14 inserting “or”, and

15 (iii) by striking subclause (III).

16 (3) Section 959 is amended by adding at the  
17 end the following:

18 “(g) REGULATIONS.—The Secretary shall issue such  
19 regulations or other guidance as may be necessary or ap-  
20 propriate to carry out the purposes of this section.”.

21 (4) Section 961(b)(1) is amended by inserting  
22 after the first sentence the following: “The Secretary  
23 shall prescribe such other reductions to basis as are  
24 necessary or appropriate to carry out the purposes  
25 of this section.”.

1 (5) Section 961(c) is amended—

2 (A) by striking “BASIS ADJUSTMENTS IN”  
3 in the heading of such subsection and inserting  
4 “APPLICATION OF RULES TO”, and

5 (B) by striking “then adjustments similar  
6 to” and all that follows in such subsection and  
7 inserting “then rules similar to the rules of sub-  
8 sections (a) and (b) shall apply to—

9 “(1) such stock,

10 “(2) stock in any other controlled foreign cor-  
11 poration by reason of which the United States share-  
12 holder is considered under section 958(a)(2) as own-  
13 ing the stock described in paragraph (1), and

14 “(3) property by reason of which the United  
15 States shareholder is considered as owning stock de-  
16 scribed in paragraph (1) or (2),

17 but only for purposes of determining the amount included  
18 under section 951 in the gross income of such United  
19 States shareholder (or any other United States share-  
20 holder who acquires from any person any portion of the  
21 interest of such United States shareholder by reason of  
22 which such shareholder was treated as owning such stock,  
23 but only to the extent of such portion, and subject to such  
24 proof of identity of such interest as the Secretary may pre-  
25 scribe by regulations). The preceding sentence shall not

1 apply with respect to any stock or property to which sub-  
2 section (a) or (b) applies.”.

3 (d) EFFECTIVE DATES.—The amendments made by  
4 this section shall apply to taxable years of foreign corpora-  
5 tions beginning after December 31, 2021, and to taxable  
6 years of United States shareholders in which or with which  
7 such taxable years of foreign corporations end.

8 (e) NO INFERENCE REGARDING CERTAIN MODIFICA-  
9 TIONS.—The amendments made by paragraphs (1) and  
10 (2) of subsection (c) shall not be construed to create any  
11 inference with respect to the proper application of any pro-  
12 vision of the Internal Revenue Code of 1986 with respect  
13 to any taxable year beginning before the taxable years to  
14 which such amendments apply.

15 **Subpart D—Inbound International Provisions**

16 **SEC. 138131. MODIFICATIONS TO BASE EROSION AND ANTI-**  
17 **ABUSE TAX.**

18 (a) MODIFICATIONS TO BASE EROSION MINIMUM  
19 TAX AMOUNT.—

20 (1) MODIFICATION OF RATES.—Section  
21 59A(b)(1)(A) is amended by striking “10 percent (5  
22 percent in the case of taxable years beginning in cal-  
23 endar year 2018)” and inserting “the applicable per-  
24 centage”.



1           (2) BASE EROSION MINIMUM TAX AMOUNT DE-  
2           TERMINED WITHOUT REGARD TO CREDITS.—Section  
3           59A(b)(1)(B) is amended to read as follows:

4                   “(B) an amount equal to the regular tax li-  
5                   ability (as defined in section 26(b)) of the tax-  
6                   payer for the taxable year.”.

7           (3)     APPLICABLE     PERCENTAGE.—Section  
8           59A(b)(2) is amended to read as follows:

9                   “(2) APPLICABLE PERCENTAGE.—For purposes  
10                  of this section, the term ‘applicable percentage’  
11                  means—

12                   “(A) in the case of any taxable year begin-  
13                   ning after December 31, 2021, and before Jan-  
14                   uary 1, 2023, 10 percent,

15                   “(B) in the case of any taxable year begin-  
16                   ning after December 31, 2022, and before Jan-  
17                   uary 1, 2024, 12.5 percent,

18                   “(C) in the case of any taxable year begin-  
19                   ning after December 31, 2023, and before Jan-  
20                   uary 1, 2025, 15 percent, and

21                   “(D) in the case of any taxable year begin-  
22                   ning after December 31, 2024, 18 percent.”.

23           (4) TAXPAYERS SUBJECT TO RULES FOR BANKS  
24           AND SECURITIES DEALERS.—Section 59A(b)(3)(B)  
25           is amended to read as follows:

1           “(B) TAXPAYER DESCRIBED.—A taxpayer  
2 is described in this subparagraph if such tax-  
3 payer is—

4                   “(i) a bank (as defined in section  
5 585(a)(2)),

6                   “(ii) a securities dealer registered  
7 under section 15(a) of the Securities Ex-  
8 change Act of 1934, or

9                   “(iii) a member of an affiliated group  
10 (as defined in section 1504(a)(1), deter-  
11 mined without regard to section  
12 1504(b)(3)) which includes any person de-  
13 scribed in clause (i) or (ii).”.

14           (5) TERMINATION OF INCREASED RATE FOR  
15 BANKS AND SECURITIES DEALERS.—Section  
16 59A(b)(3) is amended by adding at the end the fol-  
17 lowing new subparagraph:

18                   “(C) TERMINATION.—Subparagraph (A)  
19 shall not apply to any taxable year beginning  
20 after December 31, 2024.”.

21           (6) GENERAL BUSINESS CREDIT ALLOWED  
22 AGAINST BASE EROSION AND ANTI-ABUSE TAX.—  
23 Section 38(c)(1) is amended by striking “the tax im-  
24 posed by section 55” and inserting “the taxes im-  
25 posed by sections 55 and 59A”.

1 (7) CONFORMING AMENDMENTS.—

2 (A) Section 59A(b)(3)(A) is amended by  
3 striking “paragraphs (1)(A) and (2)(A) shall  
4 each” and inserting “paragraph (2) shall”.

5 (B) Section 59A(b) is amended by striking  
6 paragraph (4).

7 (b) MODIFICATION OF RULES FOR DETERMINING  
8 MODIFIED TAXABLE INCOME.—

9 (1) IN GENERAL.—Section 59A(c) is amended  
10 to read as follows:

11 “(c) MODIFIED TAXABLE INCOME.—For purposes of  
12 this section—

13 “(1) IN GENERAL.—The term ‘modified taxable  
14 income’ means the taxable income of the taxpayer  
15 computed under this chapter for the taxable year  
16 with the following adjustments:

17 “(A) BASE EROSION PAYMENTS.—Taxable  
18 income shall be determined without regard to  
19 any base erosion tax benefit, including for pur-  
20 poses of determining the adjusted basis of prop-  
21 erty described in subsection (d)(2).

22 “(B) ADJUSTMENTS WITH RESPECT TO  
23 COST OF GOODS SOLD.—Cost of goods sold  
24 shall be determined without regard to any base

1 erosion payment described in subparagraph (A)  
2 or (B) of subsection (d)(5).

3 “(C) NET OPERATING LOSSES.—The net  
4 operating loss deduction for the taxable year  
5 under section 172 shall be determined—

6 “(i) by substituting ‘modified taxable  
7 income (as determined under section  
8 59A(c)(1) without regard to subparagraph  
9 (C) thereof)’ for ‘taxable income’ in section  
10 172(a)(2)(B)(ii)(I),

11 “(ii) by determining any net operating  
12 loss arising in any taxable year beginning  
13 after December 31, 2021, without regard  
14 to any base erosion tax benefit (determined  
15 with respect to each such taxable year),  
16 and

17 “(iii) by making appropriate adjust-  
18 ments in the application of section  
19 172(b)(2) to take into account clauses (i)  
20 and (ii) of this subparagraph.

21 “(D) APPLICATION OF CERTAIN OTHER  
22 ADJUSTMENTS.—Except as otherwise provided  
23 by the Secretary, rules similar to the rules of  
24 subsections (g) and (h) of section 59 shall  
25 apply.

1           “(2) BASE EROSION TAX BENEFIT.—The term  
2           ‘base erosion tax benefit’ means—

3                   “(A) any deduction allowed under this  
4                   chapter for the taxable year with respect to any  
5                   base erosion payment described in subsection  
6                   (d)(1),

7                   “(B) in the case of a base erosion payment  
8                   described in subsection (d)(2), any deduction al-  
9                   lowed under this chapter for the taxable year  
10                  for depreciation (or amortization in lieu of de-  
11                  preciation) with respect to property referred to  
12                  in subparagraph (A) or (B) of such subsection  
13                  to the extent of the amounts described in such  
14                  subsection with respect to such property,

15                  “(C) in the case of a base erosion payment  
16                  described in subsection (d)(3)—

17                           “(i) any reduction under section  
18                           803(a)(1)(B) in the gross amount of pre-  
19                           miums and other consideration on insur-  
20                           ance and annuity contracts for premiums  
21                           and other consideration arising out of in-  
22                           demnity insurance, and

23                           “(ii) any deduction under section  
24                           832(b)(4)(A) from the amount of gross  
25                           premiums written on insurance contracts

1           during the taxable year for premiums paid  
2           for reinsurance, and

3           “(D) in the case of a base erosion payment  
4           described in subsection (d)(4), any reduction in  
5           gross receipts with respect to such payment in  
6           computing gross income of the taxpayer for the  
7           taxable year for purposes of this chapter.”.

8           (2) CERTAIN PAYMENTS WITH RESPECT TO  
9           PROPERTY PRODUCED BY THE TAXPAYER.—Section  
10          59A(d)(2) is amended to read as follows:

11          “(2) TREATMENT OF CERTAIN RELATED-PARTY  
12          PAYMENTS WITH RESPECT TO DEPRECIABLE PROP-  
13          ERTY.—Such term shall also include any amount  
14          paid or accrued by the taxpayer to a foreign person  
15          which is a related party of the taxpayer in connec-  
16          tion with—

17                 “(A) the acquisition by the taxpayer from  
18                 such person of property of a character subject  
19                 to the allowance for depreciation (or amortiza-  
20                 tion in lieu of depreciation), or

21                 “(B) property produced by the taxpayer  
22                 that is of a character subject to the allowance  
23                 for depreciation (or amortization in lieu of de-  
24                 preciation) if such amount is required to be

1           capitalized under section 263A, including pay-  
2           ments in respect of indebtedness or services.”.

3           (3) CERTAIN PAYMENTS WITH RESPECT TO IN-  
4           VENTORY TREATED AS BASE EROSION PAYMENTS.—  
5           Section 59A(d) is amended by redesignating para-  
6           graph (5) as paragraph (6) and by inserting after  
7           paragraph (4) the following new paragraph:

8           “(5) CERTAIN PAYMENTS WITH RESPECT TO IN-  
9           VENTORY.—

10           “(A) INDIRECT COSTS INCLUDED IN IN-  
11           VENTORY UNDER SECTION 263A.—Such term  
12           shall also include any amount paid or incurred  
13           by the taxpayer to a foreign person which is a  
14           related party of the taxpayer if such amount is  
15           described in paragraph (2)(B) of section  
16           263A(a) and required to be included in inven-  
17           tory costs of the taxpayer under paragraph  
18           (1)(A) of such section. Such term shall also in-  
19           clude any amount paid or incurred by the tax-  
20           payer to a foreign person which is a related  
21           party of the taxpayer if such amount is capital-  
22           ized to the basis of property that is of a char-  
23           acter subject to the allowance for depreciation  
24           (or amortization in lieu of depreciation), and  
25           the depreciation (or amortization in lieu of de-

1           preciation) is required to be included in inven-  
2           tory costs of the taxpayer under section  
3           263A(a)(1)(A).

4           “(B) CERTAIN COSTS OF FOREIGN RE-  
5           LATED PARTIES.—Such term shall also include  
6           so much of any amount which is paid or in-  
7           curred by the taxpayer to a foreign person  
8           which is a related party of the taxpayer, is de-  
9           scribed in paragraph (2)(A) of section 263A(a),  
10          and is required to be included in inventory costs  
11          of the taxpayer under paragraph (1)(A) of such  
12          section, as exceeds the sum of—

13                 “(i) the direct costs of such property  
14                 in the hands of such foreign person, plus

15                 “(ii) so much of the costs described in  
16                 section 263A(a)(2)(B) with respect to such  
17                 property in the hands of such foreign per-  
18                 son as the taxpayer demonstrates to the  
19                 satisfaction of the Secretary are attrib-  
20                 utable to amounts—

21                         “(I) paid or incurred by such for-  
22                         eign person to a United States person  
23                         or a person which is not a related  
24                         party of the taxpayer, or



1                   “(II) otherwise subject to the tax  
2                   imposed by this chapter.

3                   “(C) APPLICATION TO RELATED-PARTY  
4                   TRANSACTIONS.—In the case of direct costs  
5                   otherwise described in clause (i) of subpara-  
6                   graph (B) which are paid or incurred by the  
7                   foreign person referred to in such clause to an-  
8                   other foreign person which is a related party of  
9                   the taxpayer, such costs shall be taken into ac-  
10                  count under such clause only to the extent that  
11                  the taxpayer demonstrates to the satisfaction of  
12                  the Secretary that such costs are attributable to  
13                  amounts—

14                   “(i) paid or incurred (directly or indi-  
15                   rectly) to a United States person or a per-  
16                   son which is not a related party of the tax-  
17                   payer, or

18                   “(ii) otherwise subject to the tax im-  
19                   posed by this chapter.

20                   “(D) SAFE HARBOR WITH RESPECT TO IN-  
21                   DIRECT COSTS OF FOREIGN RELATED PAR-  
22                   TIES.—In the case of a taxpayer which elects  
23                   the application of this subparagraph (at such  
24                   time, in such manner, and with respect to such  
25                   inventory property, as the Secretary may pro-

1           vide), the amount described in subparagraph  
2           (B)(ii) with respect to such property shall be  
3           treated for purposes of this section as being  
4           equal to 20 percent of the amount paid or in-  
5           curred by the taxpayer to the related party of  
6           the taxpayer in connection with the acquisition  
7           of such property.

8           “(E) APPLICATION OF CERTAIN RULES.—  
9           Rules similar to the rules of subparagraphs (B)  
10          and (C) of subsection (i)(1) shall apply for pur-  
11          poses of determining whether any amount is  
12          treated as subject to the tax imposed by this  
13          chapter for purposes of subparagraph (B) or  
14          (C) of this paragraph.”.

15          (4) EXPANSION AND CONSOLIDATION OF RULES  
16          TO EXEMPT CERTAIN PAYMENTS FROM TREATMENT  
17          AS BASE EROSION PAYMENTS.—

18                 (A) IN GENERAL.—Section 59A is amend-  
19                 ed by redesignating subsection (i) as subsection  
20                 (j) and by inserting after subsection (h) the fol-  
21                 lowing new subsection:

22                 “(i) CERTAIN PAYMENT NOT TREATED AS BASE  
23                 EROSION PAYMENTS.—

24                         “(1) EXCEPTION FOR PAYMENTS ON WHICH  
25                         TAX IS IMPOSED.—

1           “(A) IN GENERAL.—An amount shall not  
2           be treated as a base erosion payment if tax is  
3           (or was at the time of payment or accrual) im-  
4           posed by this chapter with respect to such  
5           amount (other than by this section).

6           “(B) TREATMENT OF CERTAIN DEDUC-  
7           TIONS.—For purposes of subparagraph (A), tax  
8           shall be treated as imposed by this chapter  
9           without regard to any deduction allowed under  
10          part VIII of subchapter B.

11          “(C) APPLICATION OF CERTAIN RULES.—  
12          The amount not treated as a base erosion pay-  
13          ment by reason of this paragraph shall be de-  
14          termined under rules similar to the rules of sec-  
15          tion 163(j)(5) (as in effect before the date of  
16          the enactment of Public Law 115-97).

17          “(2) EXCEPTION FOR CERTAIN PAYMENTS SUB-  
18          JECT TO SUFFICIENT FOREIGN TAX.—

19                 “(A) IN GENERAL.—An amount shall not  
20                 be treated as a base erosion payment if the tax-  
21                 payer establishes to the satisfaction of the Sec-  
22                 retary that such amount was made to a foreign  
23                 person which is a related party of the taxpayer  
24                 that is subject to an effective rate of foreign in-

1           come tax (as defined in section 904(d)(2)(F))  
2           which is not less than the lesser of—

3                     “(i) 15 percent, or

4                     “(ii) the applicable percentage in ef-  
5                     fect under subsection (b)(2) (determined  
6                     without regard to subsection (b)(3)) for  
7                     the taxable year in which such amount is  
8                     paid or accrued.

9                     “(B) CERTAIN PAYMENTS TO RELATED  
10                    PARTIES.—To the extent provided by the Sec-  
11                    retary in regulations, an amount paid to a for-  
12                    eign person which is a related party of the tax-  
13                    payer shall be treated as paid to another for-  
14                    eign person which is a related party of the tax-  
15                    payer if such second foreign person is subject to  
16                    an effective rate of foreign income tax (as de-  
17                    fined in section 904(d)(2)(F)) which is less  
18                    than the lesser of 15 percent or the percentage  
19                    described in subparagraph (A)(ii), to the extent  
20                    the amount so paid directly or indirectly funds  
21                    a payment to such second foreign person.

22                    “(C) DETERMINATION ON BASIS OF APPLI-  
23                    CABLE FINANCIAL STATEMENTS.—Except as  
24                    otherwise provided by the Secretary under sub-  
25                    paragraph (D), the effective rate of foreign in-

1           come tax with respect to any amount may be  
2           established on the basis of applicable financial  
3           statements (as defined in section 451(b)(3)).

4           “(D) REGULATIONS.—The Secretary shall  
5           issue such regulations or other guidance as may  
6           be necessary or appropriate to carry out the  
7           purposes of this paragraph, including regula-  
8           tions or other guidance providing procedures for  
9           determining the effective rate of foreign income  
10          tax to which any amount is subject. Such proce-  
11          dures may require that any transaction or se-  
12          ries of transactions among multiple parties be  
13          recharacterized as one or more transactions di-  
14          rectly among any 2 or more of such parties  
15          where the Secretary determines that such re-  
16          characterization is appropriate to carry out, or  
17          prevent avoidance of, the purposes of this sec-  
18          tion.

19          “(3) EXCEPTION FOR CERTAIN AMOUNTS WITH  
20          RESPECT TO SERVICES.—Subsections (d)(1) and  
21          (d)(5)(A) shall not apply to so much of any amount  
22          paid or accrued by a taxpayer for services as does  
23          not exceed the total services cost of such services.  
24          The preceding sentence shall not apply unless such  
25          services meet the requirements for eligibility for use

1 of the services cost method under section 482 (deter-  
2 mined without regard to the requirement that the  
3 services not contribute significantly to fundamental  
4 risks of business success or failure).”.

5 (B) CONFORMING AMENDMENT.—Section  
6 59A(d), as amended by paragraph (2), is  
7 amended by striking paragraph (6).

8 (c) TERMINATION OF EXEMPTION FROM BASE ERO-  
9 SION AND ANTI-ABUSE TAX FOR TAXPAYERS WITH LOW  
10 BASE EROSION PERCENTAGE.—Section 59A(e)(1)(C) is  
11 amended by striking “the base erosion percentage (as de-  
12 termined under subsection (c)(4))” and inserting “in the  
13 case of any taxable year beginning before January 1,  
14 2024, the base erosion percentage (as determined under  
15 subsection (c)(4) as in effect before the date of the enact-  
16 ment of the Act enacted during the 117th Congress which  
17 is entitled ‘An Act to provide for reconciliation pursuant  
18 to title II of S. Con. Res. 14.’”.

19 (d) TREATMENT OF APPLICABLE TAXPAYERS.—Sec-  
20 tion 59A(e) is amended by adding at the end the following  
21 new paragraph:

22 “(4) CONTINUATION OF TREATMENT AS APPLI-  
23 CABLE TAXPAYER.—If a taxpayer is an applicable  
24 taxpayer with respect to any taxable year beginning  
25 after December 31, 2021 (other than by reason of

1 this paragraph), such taxpayer (and any successor of  
2 such taxpayer) shall be an applicable taxpayer with  
3 respect to each of the 10 succeeding taxable years.”.

4 (e) OTHER MODIFICATIONS.—

5 (1) Section 59A(b)(1) is amended by striking  
6 “Except as provided in paragraphs (2) and (3), the”  
7 and inserting “The”.

8 (2) Section 59A(h)(2)(B) is amended by strik-  
9 ing “section 6038B(b)(2)” and inserting “section  
10 6038A(b)(2)”.

11 (3) Section 59A(j)(2), as redesignated by sub-  
12 section (b), is amended by striking “subsection  
13 (g)(3)” and inserting “subsection (h)(3)”.

14 (f) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2021.

17 **Subpart E—Other Business Tax Provisions**

18 **SEC. 138141. CREDIT FOR CLINICAL TESTING OF ORPHAN**  
19 **DRUGS LIMITED TO FIRST USE OR INDICA-**  
20 **TION.**

21 (a) IN GENERAL.—Section 45C(b)(2)(B) is amended  
22 to read as follows:

23 “(B) TESTING MUST BE RELATED TO  
24 FIRST USE OR INDICATION FOR RARE DISEASE  
25 OR CONDITION.—Human clinical testing may be

1 taken into account under subparagraph (A)  
2 only to the extent such testing is related to the  
3 first use or indication with respect to which a  
4 drug for a rare disease or condition is des-  
5 ignated under section 526 of the Federal Food,  
6 Drug, and Cosmetic Act.”.

7 (b) ELIGIBLE TESTING MUST BE CONDUCTED BE-  
8 FORE APPROVAL FOR ANY USE OR INDICATION.—Section  
9 45C(b)(2)(A)(ii)(II) is amended to read as follows:

10 “(II) before the first date on  
11 which an application (with respect to  
12 any use or indication with respect to  
13 any disease or condition) with respect  
14 to such drug is approved under sec-  
15 tion 505(c) of such Act or, if the drug  
16 is a biological product, before the first  
17 date on which a license (with respect  
18 to any use or indication with respect  
19 to any disease or condition) for such  
20 drug is issued under section 351(a) of  
21 the Public Health Service Act, and”.

22 (c) ELIGIBILITY OF BIOLOGICAL PRODUCTS.—

23 (1) IN GENERAL.—Section 45C(b)(2)(A)(i) is  
24 amended by inserting “or, if the drug is a biological



1 product, section 351(a)(3) of the Public Health  
2 Service Act” before the comma at the end.

3 (2) CONFORMING AMENDMENT.—Section  
4 45C(b)(2)(A)(ii)(I) is amended by striking “such  
5 Act” and inserting “the Federal Food, Drug, and  
6 Cosmetic Act”.

7 (d) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to taxable years beginning after  
9 December 31, 2021.

10 **SEC. 138142. MODIFICATIONS TO TREATMENT OF CERTAIN**  
11 **LOSSES.**

12 (a) LOSSES FROM CERTAIN CAPITAL ASSETS WHICH  
13 BECOME WORTHLESS.—

14 (1) WHEN TREATED AS LOSS.—Section  
15 165(g)(1) is amended by striking “on the last day  
16 of the taxable year” and inserting “at the time of  
17 the identifiable event establishing worthlessness”.

18 (2) TREATMENT OF PARTNERSHIP INDEBTED-  
19 NESS.—Section 165(g)(2)(C) is amended by insert-  
20 ing “, by a partnership,” after “by a corporation”.

21 (3) TREATMENT OF ABANDONMENT.—Section  
22 165(g) is amended by adding at the end the fol-  
23 lowing new paragraph:

24 “(4) TREATMENT OF ABANDONMENT.—For  
25 purposes of this subsection and subsection (m),

1       abandonment shall be treated as an identifiable  
2       event establishing worthlessness.”.

3               (4) TREATMENT OF PARTNERSHIP INTEREST.—

4       Section 165 is amended by redesignating subsection  
5       (m) as subsection (n) and by inserting after sub-  
6       section (l) the following new subsection:

7       “(m) WORTHLESS PARTNERSHIP INTEREST.—If any  
8       interest in a partnership becomes worthless during the  
9       taxable year, the loss resulting therefrom shall, for pur-  
10      poses of this subtitle, be treated as a loss from the sale  
11      or exchange of the interest in the partnership at the time  
12      of the identifiable event establishing worthlessness.”.

13              (b) DEFERRAL OF LOSSES IN CERTAIN CONTROLLED  
14      GROUP CORPORATE LIQUIDATIONS.—Section 267 is  
15      amended by adding at the end the following new sub-  
16      section:

17              “(h) DEFERRAL OF LOSSES IN CERTAIN CON-  
18      TROLLED GROUP LIQUIDATIONS.—

19              “(1) IN GENERAL.—In the case of any specified  
20      controlled group liquidation, no loss shall be recog-  
21      nized by any member of the controlled group on any  
22      stock or security of the liquidating corporation until  
23      all property received by members of the controlled  
24      group in connection with such liquidation has been  
25      transferred to one or more persons who are not re-

1       lated (within the meaning of subsection (b)(3) or  
2       section 707(b)(1)) to the member which received  
3       such property.

4           “(2) SPECIFIED CONTROLLED GROUP LIQUIDA-  
5       TION.—For purposes of this subsection, the term  
6       ‘specified controlled group liquidation’ means, with  
7       respect to any corporation which is a member of a  
8       controlled group—

9           “(A) one or more distributions in complete  
10       liquidation (within the meaning of section 346)  
11       of such corporation,

12           “(B) any other transfer (including any se-  
13       ries of transfers) of property of such corpora-  
14       tion if any stock or security of such corporation  
15       becomes worthless in connection with such  
16       transfer, and

17           “(C) any issuance of debt by such corpora-  
18       tion to one or more persons who are related  
19       (within the meaning of subsection (b)(3) or sec-  
20       tion 707(b)(1)) to such corporation if any stock  
21       or security of such corporation becomes worth-  
22       less in connection with such issuance.

23           “(3) REGULATIONS.—The Secretary shall issue  
24       such regulations or other guidance as may be nec-  
25       essary or appropriate to carry out the purposes of

1 this subsection, including to apply the principles of  
2 this subsection to liquidating corporation stock or  
3 securities owned by a corporation indirectly through  
4 1 or more partnerships.”.

5 (c) CROSS REFERENCE.—Section 331(c) is amend-  
6 ed—

7 (1) by striking “CROSS REFERENCE” and all  
8 that follows through “For general rule” and insert-  
9 ing the following: “CROSS REFERENCE.—

10 “(1) For general rule”, and

11 (2) by adding at the end the following new  
12 paragraph:

13 “(2) For losses in controlled group liquidations,  
14 see section 267(h).”.

15 (d) EFFECTIVE DATE.—

16 (1) SUBSECTION (a).—The amendments made  
17 by this section shall apply to losses arising in taxable  
18 years beginning after December 31, 2021.

19 (2) SUBSECTION (b).—The amendment made  
20 by subsection (b) shall apply to liquidations on or  
21 after the date of the enactment of this Act.

22 **SEC. 138143. ADJUSTED BASIS LIMITATION FOR DIVISIVE**  
23 **REORGANIZATION.**

24 (a) IN GENERAL.—Section 361 is amended by adding  
25 at the end the following new subsections:

1       “(d) ADJUSTED BASIS LIMITATION FOR DIVISIVE  
2 REORGANIZATIONS.—

3               “(1) IN GENERAL.—Except as provided in para-  
4 graph (2), in the case of a reorganization described  
5 in section 368(a)(1)(D) with respect to which stock  
6 or securities of the controlled corporation (within the  
7 meaning of section 355) are distributed by the dis-  
8 tributing corporation (within the meaning of such  
9 section) in a transaction which qualifies under such  
10 section, subsections (b)(3) and (c)(3) shall not apply  
11 to so much of the amount described in clauses (ii)  
12 and (iii) of subparagraph (A) as does not exceed the  
13 excess (if any) of—

14                       “(A) the sum of—

15                               “(i) the total amount of the liabilities  
16 assumed (within the meaning of section  
17 357(c)) by the controlled corporation, and

18                               “(ii) the total amount of money and  
19 the fair market value of other property  
20 transferred to the creditors,

21                               “(iii) the fair market value of the  
22 stock described in section 354(a)(2)(C)  
23 and the total principal amount of obliga-  
24 tions of the controlled corporation de-  
25 scribed in subsection (c)(2)(B) which are

1 qualified property (as defined in subsection  
2 (c)(2)(B)) transferred to the creditors,  
3 over

4 “(B) the total adjusted bases of the assets  
5 transferred by the distributing corporation to  
6 the controlled corporation.

7 “(2) EXCEPTION REGARDING CERTAIN STOCK  
8 OR RIGHTS TO ACQUIRE STOCK.—Paragraph (1)  
9 shall not apply to any stock (or right to acquire  
10 stock) described in subsection (c)(2)(B).

11 “(3) REGULATIONS.—The Secretary shall issue  
12 such regulations or other guidance as may be nec-  
13 essary or appropriate to carry out the purposes of  
14 this subsection and to prevent avoidance of tax  
15 through abuse or circumvention of subsection (b)(3),  
16 subsection (c)(3), or this subsection, including to de-  
17 termine whether a disposition of property or any  
18 other transaction is in connection with the reorga-  
19 nization or pursuant to the plan of reorganization.

20 “(e) CROSS-REFERENCES.—For provisions providing  
21 for the inclusion of income or recognition of gain in certain  
22 distributions, see subsections (d), (e), (f), (g), and (h) of  
23 section 355.”.

24 (b) CONFORMING AMENDMENTS.—

25 (1) Section 361(b)(3) is amended—

1 (A) in the first sentence, by inserting “,  
2 and except as provided in subsection (d)” after  
3 “paragraph (1)”, and

4 (B) by striking the second and third sen-  
5 tences.

6 (2) Section 361(c) is amended—

7 (A) in paragraph (3), by inserting “, and  
8 except as provided in subsection (d)” after “this  
9 subsection”, and

10 (B) by striking paragraph (5).

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to reorganizations occurring on or  
13 after the date of the enactment of this Act.

14 (d) TRANSITION RULE.—The amendments made by  
15 this section shall not apply to any exchange pursuant to  
16 a transaction which is—

17 (1) made pursuant to a written agreement  
18 which was binding on the date of the enactment of  
19 this Act, and at all times thereafter,

20 (2) described in a ruling request submitted to  
21 the Internal Revenue Service on or before such date,  
22 or

23 (3) described on or before such date in a public  
24 announcement or in a filing with the Securities and  
25 Exchange Commission.

1 **SEC. 138144. RENTS FROM PRISON FACILITIES NOT TREAT-**  
2 **ED AS QUALIFIED INCOME FOR PURPOSES OF**  
3 **REIT INCOME TESTS.**

4 (a) IN GENERAL.—Section 856(d)(2) is amended by  
5 striking “and” at the end of subparagraph (B), by striking  
6 the period at the end of subparagraph (C) and inserting  
7 “, and”, and by adding at the end the following new sub-  
8 paragraph:

9 “(D) any amount received or accrued, di-  
10 rectly or indirectly, with respect to any real or  
11 personal property which is primarily used in  
12 connection with any correctional, detention, or  
13 penal facility.”.

14 (b) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2021.

17 **SEC. 138145. MODIFICATIONS TO EXEMPTION FOR PORT-**  
18 **FOLIO INTEREST.**

19 (a) IN GENERAL.—Section 871(h)(3)(B)(i) is amend-  
20 ed to read as follows:

21 “(i) in the case of an obligation issued  
22 by a corporation—

23 “(I) any person who owns 10  
24 percent or more of the total combined  
25 voting power of all classes of stock of  
26 such corporation entitled to vote, or



1                   “(II) any person who owns 10  
2                   percent or more of the total value of  
3                   the stock of such corporation, and”.

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

7 **SEC. 138146. CERTAIN PARTNERSHIP INTEREST DERIVA-**  
8                   **TIVES.**

9           (a) IN GENERAL.—Section 871(m) is amended by  
10 adding at the end the following new paragraph:

11                   “(8) SPECIFIED PARTNERSHIP INTEREST IN-

12                   COME EQUIVALENT PAYMENTS.—

13                   “(A) IN GENERAL.—For purposes of this  
14                   subsection, any payment made pursuant to a  
15                   specified notional principal contract that (di-  
16                   rectly or indirectly) is contingent upon, or is de-  
17                   termined by reference to, any income or gain in  
18                   respect of an interest in a specified partnership  
19                   (or any other payment the Secretary determines  
20                   to be substantially similar) shall be treated as  
21                   a dividend equivalent. For purposes of the pre-  
22                   ceding sentence, income or gain includes any in-  
23                   come or gain from the deemed disposition of  
24                   such interest as a result of the termination of,  
25                   or payment with respect to, such contract (de-

1           terminated in the same manner as under section  
2           864(c)(8) but without regard to subparagraph  
3           (C) thereof) and any income or gain described  
4           in subsection (a)(1) or section 881(a).

5           “(B) SPECIFIED PARTNERSHIP.—For pur-  
6           poses of this paragraph, the term ‘specified  
7           partnership’ means—

8                   “(i) any publicly traded partnership  
9                   (as defined in section 7704(b)) which is  
10                  not treated as a corporation under such  
11                  section, or

12                  “(ii) any other partnership as the Sec-  
13                  retary may by regulation prescribe.

14           “(C) EXCEPTIONS.—

15                   “(i) CERTAIN PAYMENTS.—Subpara-  
16                   graph (A) shall not apply to any payment  
17                   the Secretary determines does not have the  
18                   potential for tax avoidance.

19                   “(ii) CERTAIN INCOME.—Under such  
20                   regulations as the Secretary shall pre-  
21                   scribe, there shall not be taken into ac-  
22                   count under subparagraph (A) any pay-  
23                   ment to the extent determined by reference  
24                   to income or gain in respect of an interest  
25                   in a specified partnership which would be,

1 if earned by a nonresident alien individual  
2 or a foreign corporation—

3 “(I) exempt from tax under this  
4 chapter, or

5 “(II) from sources without the  
6 United States and not effectively con-  
7 nected with the conduct of a trade or  
8 business within the United States.

9 “(D) TREATMENT OF DEFINITIONS AND  
10 SPECIAL RULES WITH RESPECT TO PARTNER-  
11 SHIPS.—For purposes of this paragraph, rules  
12 similar to the rules and definitions in para-  
13 graphs (3), (4), (5), (6), and (7) shall apply to  
14 an interest in a specified partnership in a man-  
15 ner similar to an underlying security, and to in-  
16 come or gain in respect of an interest in a spec-  
17 ified partnership in a manner similar to a divi-  
18 dend.

19 “(E) REGULATIONS.—The Secretary shall  
20 issue such regulations or other guidance as the  
21 Secretary determines is necessary or appro-  
22 priate to carry out the purposes of this para-  
23 graph, including to apply this paragraph to  
24 payments determined under sale-repurchase  
25 agreements or securities lending transactions

1 with respect to interests in specified partner-  
2 ships, to determine the amount of a distribution  
3 by a specified partnership that is income or  
4 gain of the partnership (including the portion  
5 thereof that is excepted under subparagraph  
6 (C)) in a manner consistent with section  
7 1441(g), and to require the provision of infor-  
8 mation by specified partnerships necessary to  
9 determine such amount.”.

10 (b) WITHHOLDING OF TAX ON NONRESIDENT  
11 ALIENS.—Section 1441 is amended by redesignating sub-  
12 section (g) as subsection (h) and by inserting after sub-  
13 section (f) the following new subsection:

14 “(g) DIVIDEND EQUIVALENTS IN CASE OF CERTAIN  
15 SPECIFIED PARTNERSHIPS.—The Secretary may pre-  
16 scribe regulations, under rules similar to the rules of sec-  
17 tion 1446, to determine the amount of a payment in re-  
18 spect of income and gain of a specified partnership (as  
19 defined in 871(m)(8)) which is a dividend equivalent.”.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to payments made after December  
22 31, 2022.

1 **SEC. 138147. ADJUSTMENTS TO EARNINGS AND PROFITS OF**  
2 **CONTROLLED FOREIGN CORPORATIONS.**

3 (a) IN GENERAL.—Section 312(n) is amended by  
4 adding at the end the following new paragraph:

5 “(9) SPECIAL RULES FOR CONTROLLED FOR-  
6 EIGN CORPORATIONS.—Earnings and profits of any  
7 controlled foreign corporation shall be determined  
8 without regard to paragraphs (4), (5), and (6).”.

9 (b) CONFORMING AMENDMENT.—Section 952(e) is  
10 amended by striking paragraph (3).

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to taxable years of foreign corpora-  
13 tions ending after the date of the enactment of this Act,  
14 and to taxable years of United States shareholders in  
15 which or with which such taxable years of foreign corpora-  
16 tions end.

17 **SEC. 138148. CERTAIN DIVIDENDS OF CONTROLLED FOR-**  
18 **EIGN CORPORATIONS TREATED AS EXTRAOR-**  
19 **DINARY DIVIDENDS.**

20 (a) IN GENERAL.—Section 1059 is amended by re-  
21 designating subsection (g) as subsection (h) and by insert-  
22 ing after subsection (f) the following new subsection:

23 “(g) TREATMENT OF CERTAIN DIVIDENDS OF CON-  
24 TROLLED FOREIGN CORPORATIONS.—

25 “(1) IN GENERAL.—Except as otherwise pro-  
26 vided by the Secretary, any disqualified CFC divi-

1       dend shall be treated as an extraordinary dividend to  
2       which paragraphs (1) and (2) of subsection (a)  
3       apply without regard to the period the taxpayer held  
4       the stock with respect to which such dividend is  
5       paid.

6               “(2) DISQUALIFIED CFC DIVIDEND.— For pur-  
7       poses of this subsection—

8               “(A) IN GENERAL.—The term ‘disqualified  
9       CFC dividend’ means any dividend paid by a  
10       controlled foreign corporation to the extent such  
11       dividend is attributable to earnings and profits  
12       which—

13               “(i) were earned during any period  
14       that such corporation was not a controlled  
15       foreign corporation, or

16               “(ii) are attributable to disqualified  
17       CFC dividends received by such controlled  
18       foreign corporation from another controlled  
19       foreign corporation.

20               “(B) APPLICATION TO CORPORATIONS NOT  
21       WHOLLY OWNED BY UNITED STATES SHARE-  
22       HOLDERS.—If not all of the stock of any con-  
23       trolled foreign corporation is owned (within the  
24       meaning of section 958(a)) by one or more  
25       United States shareholders at the time that any

1 earnings and profits are earned, the portion of  
2 such earnings and profits which is properly at-  
3 tributable to stock not so owned by United  
4 States shareholders shall be treated for pur-  
5 poses of subparagraph (A) as earned during a  
6 period that such corporation was not a con-  
7 trolled foreign corporation.

8 “(C) TREATMENT OF DOMESTIC PARTNER-  
9 SHIPS AND CERTAIN TRUSTS.—For purposes of  
10 subparagraph (B)—

11 “(i) a domestic partnership shall not  
12 be treated as a United States shareholder,  
13 and

14 “(ii) to the extent provided by the  
15 Secretary in regulations or other guidance,  
16 a trust described in section 7701(a)(30)(E)  
17 shall not be treated as a United States  
18 shareholder.

19 “(D) SPECIAL RULE RELATED TO CON-  
20 STRUCTIVE OWNERSHIP.—In the case of the  
21 last taxable year of a foreign corporation begin-  
22 ning before January 1, 2018, and each subse-  
23 quent taxable year of such foreign corporation  
24 which begins before the date of the enactment  
25 of this subsection, if such foreign corporation

1 would not have been a controlled foreign cor-  
2 poration for any such taxable year if section  
3 958(b)(4) (as applicable to taxable years begin-  
4 ning after the date of the enactment of this  
5 subsection) had applied to such taxable year,  
6 such corporation shall not be treated as a con-  
7 trolled foreign corporation for such taxable year  
8 for purposes of this subsection.”.

9 (b) REGULATIONS.—Section 1059(h), as redesi-  
10 gnated by subsection (a), is amended—

11 (1) by striking “regulations” both places it ap-  
12 pears and inserting “regulations or other guidance”,  
13 and

14 (2) by striking “and” at the end of paragraph  
15 (1), by striking the period at the end of paragraph  
16 (2) and inserting “, and”, and by adding at the end  
17 the following new paragraph:

18 “(3) providing for the coordination of sub-  
19 section (g) with the other provisions of this chapter,  
20 including section 1248.”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to dividends paid (or amounts  
23 treated as dividends) after the date of the enactment of  
24 this Act.



1 **SEC. 138149. LIMITATION ON CERTAIN SPECIAL RULES FOR**  
2 **SECTION 1202 GAINS.**

3 (a) IN GENERAL.—Section 1202(a) is amended by  
4 adding at the end the following new paragraph:

5 “(5) LIMITATION ON CERTAIN SPECIAL  
6 RULES.—In the case of the sale or exchange of  
7 qualified small business stock after September 13,  
8 2021, paragraphs (3) and (4) shall not apply to any  
9 taxpayer if—

10 “(A) the adjusted gross income of such  
11 taxpayer (determined without regard to this  
12 section and sections 911, 931, and 933) equals  
13 or exceeds \$400,000, or

14 “(B) such taxpayer is a trust or estate.”.

15 (b) EFFECTIVE DATE.—Except as provided in sub-  
16 section (c), the amendment made by this section shall  
17 apply to sales and exchanges after September 13, 2021.

18 (c) BINDING CONTRACT EXCEPTION.—The amend-  
19 ment made by this section shall not apply to any sale or  
20 exchange which is made pursuant to a written binding  
21 contract which was in effect on September 13, 2021, and  
22 is not modified in any material respect thereafter.

23 **SEC. 138150. CONSTRUCTIVE SALES.**

24 (a) APPLICATION TO APPRECIATED DIGITAL AS-  
25 SETS.—

1           (1) IN GENERAL.—Section 1259(b)(1) is  
2 amended by inserting “digital asset,” after “debt in-  
3 strument,”.

4           (2) EXCEPTION FOR SALES OF NONPUBLICLY  
5 TRADED PROPERTY.—Section 1259(c)(2) is amended  
6 by adding at the end the following: “A similar rule  
7 shall apply in the case of a contract for sale of any  
8 digital asset.”.

9           (3) DIGITAL ASSET.—Section 1259(d) is  
10 amended by adding at the end the following new  
11 paragraph:

12           “(3) DIGITAL ASSET.—Except as otherwise pro-  
13 vided by the Secretary, the term ‘digital asset’  
14 means any digital representation of value which is  
15 recorded on a cryptographically secured distributed  
16 ledger or any similar technology as specified by the  
17 Secretary.”.

18           (b) TREATMENT OF CERTAIN CONTRACTS.—Section  
19 1259(c)(1)(D) is amended by inserting “or enters into a  
20 contract to acquire” after “acquires”.

21           (c) EFFECTIVE DATE.—

22           (1) IN GENERAL.—The amendments made by  
23 subsection (a) shall apply to constructive sales (de-  
24 termined after the application of the amendment

1 made by subsection (b)) after the date of the enact-  
2 ment of this Act.

3 (2) TREATMENT OF CERTAIN CONTRACTS.—

4 The amendment made by subsection (b) shall apply  
5 to contracts entered into after the date of the enact-  
6 ment of this Act.

7 **SEC. 138151. RULES RELATING TO COMMON CONTROL.**

8 (a) IN GENERAL.—Section 52 is amended by striking  
9 subsections (a) and (b) and inserting the following new  
10 subsections:

11 “(a) TREATMENT OF CONTROLLED GROUPS OF COR-  
12 PORATIONS.—

13 “(1) IN GENERAL.—For purposes of this sub-  
14 part, all employees of all corporations which are  
15 component members of the same controlled group of  
16 corporations shall be treated as employed by a single  
17 employer. In any such case, the credit (if any) deter-  
18 mined under section 51(a) with respect to each such  
19 member shall be its proportionate share of the wages  
20 giving rise to such credit.

21 “(2) CONTROLLED GROUP OF CORPORA-  
22 TIONS.—For purposes of this subsection, the term  
23 ‘controlled group of corporations’ has the meaning  
24 given to such term by section 1563(a), except that—

1           “(A) ‘more than 50 percent’ shall be sub-  
2           stituted for ‘at least 80 percent’ each place it  
3           appears in section 1563(a)(1), and

4           “(B) the determination shall be made with-  
5           out regard to subsections (a)(4) and (e)(3)(C)  
6           of section 1563.

7           “(3) COMPONENT MEMBER.—For purposes of  
8           this subsection, the term ‘component member’ has  
9           the meaning given such term by section 1563(b), ex-  
10          cept that the determination shall be made without  
11          regard to whether such member is an excluded mem-  
12          ber (within the meaning of section 1563(b)(2)).

13          “(b) EMPLOYEES OF PARTNERSHIPS, PROPRIETOR-  
14          SHIPS, ETC., WHICH ARE UNDER COMMON CONTROL.—  
15          For purposes of this subpart, under regulations prescribed  
16          by the Secretary—

17                 “(1) all employees of trades or business (wheth-  
18                 er or not incorporated) which are under common  
19                 control shall be treated as employed by a single em-  
20                 ployer, and

21                 “(2) the credit (if any) determined under sec-  
22                 tion 51(a) with respect to each trade or business  
23                 shall be its proportionate share of the wages giving  
24                 rise to such credit.

1 The regulations prescribed under this subsection shall be  
2 based on principles similar to the principles which apply  
3 in the case of subsection (a). For purposes of this sub-  
4 section, the term ‘trade or business’ includes any activity  
5 treated as a trade or business under paragraph (5) or (6)  
6 of section 469(c) (determined without regard to the phrase  
7 ‘To the extent provided in regulations’ in such paragraph  
8 (6)).”.

9 (b) CONFORMING AMENDMENT.—Section  
10 1563(b)(2)(C) is amended to read as follows:

11 “(C) is a foreign corporation not engaged  
12 in a trade or business within the United  
13 States.”.

14 (c) EFFECTIVE DATE.—The amendment made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2021.

17 **SEC. 138152. MODIFICATION OF WASH SALE RULES.**

18 (a) IN GENERAL.—Section 1091 is amended to read  
19 as follows:

20 **“SEC. 1091. LOSS FROM WASH SALES OF SPECIFIED ASSETS.**

21 “(a) DISALLOWANCE OF LOSS DEDUCTION.—In the  
22 case of any loss claimed to have been sustained from any  
23 sale or disposition (including any termination) of specified  
24 assets where it appears that, within a period beginning  
25 30 days before the date of such sale or disposition and

1 ending 30 days after such date, the taxpayer (or related  
2 party) has acquired (by purchase or by an exchange on  
3 which the entire amount of gain or loss was recognized  
4 by law), or has entered into, or has entered into a contract  
5 or option so to acquire or a long notional principal con-  
6 tract in respect of, substantially identical specified assets,  
7 then no deduction shall be allowed under section 165 un-  
8 less the taxpayer is a dealer in specified assets and the  
9 loss is sustained in a transaction made in the ordinary  
10 course of such business.

11       “(b) AMOUNT OF SPECIFIED ASSETS DIFFERENT  
12 FROM AMOUNT OF SPECIFIED ASSETS SOLD.—If the  
13 amount of specified assets acquired (or covered by the con-  
14 tract or option to acquire or long notional principal con-  
15 tract in respect of) is different from the amount of speci-  
16 fied assets sold or otherwise disposed of, then the par-  
17 ticular specified assets the acquisition of which (or the  
18 contract or option to acquire or long notional principal  
19 contract which) resulted in the nondeductibility of the loss  
20 shall be determined under regulations prescribed by the  
21 Secretary.

22       “(c) ADJUSTMENT TO BASIS IN CASE OF WASH  
23 SALE.—If the taxpayer (or the taxpayer’s spouse) ac-  
24 quires or enters into substantially identical specified assets  
25 during the period which—

1           “(1) begins 30 days before the disposition with  
2           respect to which a deduction was disallowed under  
3           subsection (a), and

4           “(2) ends with the close of the taxpayer’s first  
5           taxable year which begins after such disposition,  
6           the basis of such specified assets shall be increased by the  
7           amount of the deduction so disallowed (reduced by any  
8           amount of such deduction taken into account under this  
9           subsection to increase the basis of specified assets pre-  
10          viously acquired).

11          “(d) CERTAIN SHORT SALES OF SPECIFIED ASSETS  
12          AND CONTRACTS TO SELL.—Rules similar to the rules of  
13          subsection (a) shall apply to any loss realized on the clos-  
14          ing of a short sale of (or the sale, exchange, or termination  
15          of a contract or option to sell or a short notional principal  
16          contract in respect of) specified assets if, within a period  
17          beginning 30 days before the date of such closing and end-  
18          ing 30 days after such date—

19                 “(1) substantially identical specified assets were  
20                 sold or terminated by the taxpayer (or a related  
21                 party), or

22                 “(2) another short sale of (or contract or option  
23                 to sell or short notional principal contract in respect  
24                 of) substantially identical specified assets was en-  
25                 tered into by the taxpayer (or related party).

1       “(e) CASH SETTLEMENT.—This section shall not fail  
2 to apply to a contract or option to acquire or sell specified  
3 assets solely by reason of the fact that the contract or  
4 option settles in (or could be settled in) cash or property  
5 other than such specified assets.

6       “(f) RELATED PARTY.—For purposes of this sec-  
7 tion—

8               “(1) IN GENERAL.—The term ‘related party’  
9 means—

10                       “(A) the taxpayer’s spouse,

11                       “(B) any dependent of the taxpayer and  
12 any other taxpayer with respect to whom the  
13 taxpayer is a dependent,

14                       “(C) any individual, corporation, partner-  
15 ship, trust, or estate which controls, or is con-  
16 trolled by, (within the meaning of section  
17 954(d)(3)) the taxpayer or any individual de-  
18 scribed in subparagraph (A) or (B) with respect  
19 to the taxpayer (or any combination thereof),

20                       “(D) to the extent provided by the Sec-  
21 retary in regulations or other guidance, any in-  
22 dividual who bears a relationship to the tax-  
23 payer described in section 267(b) if such tax-  
24 payer is an individual,



1           “(E) any individual retirement plan, Ar-  
2 cher MSA (as defined in section 220(d)), or  
3 health savings account (as defined in section  
4 223(d)), of the taxpayer or of any individual de-  
5 scribed in subparagraph (A) or (B) with respect  
6 to the taxpayer,

7           “(F) any account under a qualified tuition  
8 program described in section 529 or a Coverdell  
9 education savings account (as defined in section  
10 530(b)) if the taxpayer, or any individual de-  
11 scribed in subparagraph (A) or (B) with respect  
12 to the taxpayer, is the designated beneficiary of  
13 such account or has the right to make any deci-  
14 sion with respect to the investment of any  
15 amount in such account, and

16           “(G) any account under—

17           “(i) a plan described in section  
18 401(a),

19           “(ii) an annuity plan described in sec-  
20 tion 403(a),

21           “(iii) an annuity contract described in  
22 section 403(b), or

23           “(iv) an eligible deferred compensa-  
24 tion plan described in section 457(b) and

1           maintained by an employer described in  
2           section 457(e)(1)(A),  
3           if the taxpayer or any individual described in  
4           subparagraph (A) or (B) with respect to the  
5           taxpayer has the right to make any decision  
6           with respect to the investment of any amount in  
7           such account.

8           “(2) RULES FOR DETERMINING STATUS.—

9           “(A) RELATIONSHIPS DETERMINED AT  
10          TIME OF ACQUISITION.—Determinations under  
11          paragraph (1) shall be made as of the time of  
12          the purchase or exchange (or entering into a  
13          contract, option, or notional principal contract)  
14          referred to in subsection (a) except that deter-  
15          minations under subparagraphs (A) and (B) of  
16          paragraph (1) shall be made for the taxable  
17          year which includes such purchase or exchange  
18          (or entering into).

19          “(B) DETERMINATION OF MARITAL STA-  
20          TUS.—

21                 “(i) IN GENERAL.—Except as pro-  
22                 vided in clause (ii), marital status shall be  
23                 determined under section 7703.

1                   “(ii) SPECIAL RULE FOR MARRIED IN-  
2                   DIVIDUALS FILING SEPARATELY AND LIV-  
3                   ING APART.—A husband and wife who—

4                               “(I) file separate returns for any  
5                               taxable year, and

6                               “(II) live apart at all times dur-  
7                               ing such taxable year,

8                   shall not be treated as married individuals.

9                   “(3) REGULATIONS.—The Secretary shall issue  
10                   such regulations or other guidance as may be nec-  
11                   essary to prevent the avoidance of the purposes of  
12                   this subsection, including regulations which treat  
13                   persons as related parties if such persons are formed  
14                   or availed of to avoid the purposes of this sub-  
15                   section.

16                   “(g) SPECIFIED ASSET.—For purposes of this sec-  
17                   tion, the term ‘specified asset’ means any of the following:

18                               “(1) Any security described in subparagraph  
19                               (A), (B), (C), (D), or (E) of section 475(c)(2).

20                               “(2) Any foreign currency.

21                               “(3) Any commodity described in subparagraph  
22                               (A), (B), or (C) of section 475(e)(2).

23                               “(4) Except as otherwise provided by the Sec-  
24                               retary, any digital representation of value which is  
25                               recorded on a cryptographically secured distributed

1 ledger or any similar technology as specified by the  
2 Secretary.

3 Such term shall, except as provided in regulations, include  
4 contracts or options to acquire or sell, or notional principal  
5 contracts in respect of, any specified assets.

6 “(h) EXCEPTION FOR BUSINESS NEEDS AND HEDG-  
7 ING TRANSACTIONS.—Except as provided in regulations  
8 prescribed by the Secretary, subsection (a) shall not apply  
9 in the case of any sale or other disposition—

10 “(1) of a foreign currency or commodity de-  
11 scribed in subsection (h), and

12 “(2) which—

13 “(A) is directly related to the business  
14 needs of a trade or business of the taxpayer  
15 (other than the trade or business of trading for-  
16 eign currencies or commodities described in  
17 subsection (h)), or

18 “(B) is part of a hedging transaction (as  
19 defined in section 1221(b)(2)).”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 6045(g)(2)(B) is amended—

22 (A) in clause (i)(I)—

23 (i) by striking “security (other than  
24 stock” and inserting “covered security  
25 (other than stock”, and

1                   (ii) by striking “stock sold or trans-  
2                   ferred” and inserting “covered security  
3                   sold or transferred”, and

4                   (B) in clause (ii)—

5                   (i) by striking “stock or securities”  
6                   and inserting “specified assets”, and

7                   (ii) by striking “identical securities”  
8                   and inserting “identical specified assets (as  
9                   defined in section 1091(g))”.

10                  (2) The table of sections for part VII of sub-  
11                  chapter O of chapter 1 is amended by striking the  
12                  item relation to section 1091 and inserting the fol-  
13                  lowing new item:

“Sec. 1091. Loss from wash sales of specified assets.”.

14                  (c) **EFFECTIVE DATE.**—The amendments made by  
15                  this section shall apply to sales, dispositions, and termi-  
16                  nations after December 31, 2021.

17                  (d) **NO INFERENCE.**—Nothing in this section or the  
18                  amendments made by this section shall be construed to  
19                  create any inference with respect to the proper treatment  
20                  of related parties under section 1091 of the Internal Rev-  
21                  enue Code of 1986 with respect to sales, dispositions, and  
22                  terminations before January 1, 2022.

1 **SEC. 138153. RESEARCH AND EXPERIMENTAL EXPENDI-**  
2 **TURES.**

3 (a) IN GENERAL.—Section 13206 of Public Law  
4 115–97 is amended—

5 (1) in subsection (b)(3), by striking “2021”  
6 and inserting “2025”, and

7 (2) in subsection (e), by striking “2021” and  
8 inserting “2025”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall take effect on the date of the enactment  
11 of this Act.

12 **PART 2—TAX INCREASES FOR HIGH-INCOME**  
13 **INDIVIDUALS**

14 **SEC. 138201. APPLICATION OF NET INVESTMENT INCOME**  
15 **TAX TO TRADE OR BUSINESS INCOME OF**  
16 **CERTAIN HIGH INCOME INDIVIDUALS.**

17 (a) IN GENERAL.—Section 1411 is amended by add-  
18 ing at the end the following new subsection:

19 “(f) APPLICATION TO CERTAIN HIGH INCOME INDI-  
20 VIDUALS.—

21 “(1) IN GENERAL.—In the case of any indi-  
22 vidual whose modified adjusted gross income for the  
23 taxable year exceeds the high income threshold  
24 amount, subsection (a)(1) shall be applied by sub-  
25 stituting ‘the greater of specified net income or net

1 investment income' for 'net investment income' in  
2 subparagraph (A) thereof.

3 “(2) PHASE-IN OF INCREASE.—The increase in  
4 the tax imposed under subsection (a)(1) by reason of  
5 the application of paragraph (1) of this subsection  
6 shall not exceed the amount which bears the same  
7 ratio to the amount of such increase (determined  
8 without regard to this paragraph) as—

9 “(A) the excess described in paragraph (1),  
10 bears to

11 “(B) \$100,000 ( $\frac{1}{2}$  such amount in the  
12 case of a married taxpayer (as defined in sec-  
13 tion 7703) filing a separate return).

14 “(3) HIGH INCOME THRESHOLD AMOUNT.—For  
15 purposes of this subsection, the term 'high income  
16 threshold amount' means—

17 “(A) except as provided in subparagraph  
18 (B) or (C), \$400,000,

19 “(B) in the case of a taxpayer making a  
20 joint return under section 6013 or a surviving  
21 spouse (as defined in section 2(a)), \$500,000,  
22 and

23 “(C) in the case of a married taxpayer (as  
24 defined in section 7703) filing a separate re-

1           turn, 1/2 of the dollar amount determined under  
2           subparagraph (B).

3           “(4) SPECIFIED NET INCOME.—For purposes of  
4           this section, the term ‘specified net income’ means  
5           net investment income determined—

6                   “(A) without regard to the phrase ‘other  
7                   than such income which is derived in the ordi-  
8                   nary course of a trade or business not described  
9                   in paragraph (2),’ in subsection (c)(1)(A)(i),

10                   “(B) without regard to the phrase ‘de-  
11                   scribed in paragraph (2)’ in subsection  
12                   (c)(1)(A)(ii),

13                   “(C) without regard to the phrase ‘other  
14                   than property held in a trade or business not  
15                   described in paragraph (2)’ in subsection  
16                   (c)(1)(A)(iii),

17                   “(D) without regard to paragraphs (2),  
18                   (3), and (4) of subsection (c), and

19                   “(E) by treating paragraphs (5) and (6) of  
20                   section 469(c) (determined without regard to  
21                   the phrase ‘To the extent provided in regula-  
22                   tions,’ in such paragraph (6)) as applying for  
23                   purposes of subsection (c) of this section.”.

24           (b) APPLICATION TO TRUSTS AND ESTATES.—Sec-  
25           tion 1411(a)(2)(A) is amended by striking “undistributed



1 net investment income” and inserting “the greater of un-  
2 distributed specified net income or undistributed net in-  
3 vestment income”.

4 (c) CLARIFICATIONS WITH RESPECT TO DETER-  
5 MINATION OF NET INVESTMENT INCOME.—

6 (1) CERTAIN EXCEPTIONS.—Section 1411(c)(6)  
7 is amended to read as follows:

8 “(6) SPECIAL RULES.—Net investment income  
9 shall not include—

10 “(A) any item taken into account in deter-  
11 mining self-employment income for such taxable  
12 year on which a tax is imposed by section  
13 1401(b),

14 “(B) wages received with respect to em-  
15 ployment on which a tax is imposed under sec-  
16 tion 3101(b) or 3201(a) (including amounts  
17 taken into account under section 3121(v)(2)),  
18 and

19 “(C) wages received from the performance  
20 of services earned outside the United States for  
21 a foreign employer.”.

22 (2) NET OPERATING LOSSES NOT TAKEN INTO  
23 ACCOUNT.—Section 1411(c)(1)(B) is amended by in-  
24 serting “(other than section 172)” after “this sub-  
25 title”.

1           (3) INCLUSION OF CERTAIN FOREIGN IN-  
2 COME.—

3           (A) IN GENERAL.—Section 1411(c)(1)(A)  
4 is amended by striking “and” at the end of  
5 clause (ii), by striking “over” at the end of  
6 clause (iii) and inserting “and”, and by adding  
7 at the end the following new clause:

8                   “(iv) any amount includible in gross  
9 income under section 951, 951A, 1293, or  
10 1296, over”.

11           (B) PROPER TREATMENT OF CERTAIN  
12 PREVIOUSLY TAXED INCOME.—Section 1411(c)  
13 is amended by adding at the end the following  
14 new paragraph:

15           “(7) CERTAIN PREVIOUSLY TAXED INCOME.—  
16 The Secretary shall issue regulations or other guid-  
17 ance providing for the treatment of—

18                   “(A) distributions of amounts previously  
19 included in gross income for purposes of chap-  
20 ter 1 but not previously subject to tax under  
21 this section, and

22                   “(B) distributions described in section  
23 962(d).”.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2021.

4 (e) TRANSITION RULE.—The regulations or other  
5 guidance issued by the Secretary under section 1411(c)(7)  
6 of the Internal Revenue Code of 1986 (as added by this  
7 section) shall include provisions which provide for the  
8 proper coordination and application of clauses (i) and (iv)  
9 of section 1411(c)(1)(A) with respect to—

10 (1) taxable years beginning on or before De-  
11 cember 31, 2021, and

12 (2) taxable years beginning after such date.

13 **SEC. 138202. LIMITATIONS ON EXCESS BUSINESS LOSSES**  
14 **OF NONCORPORATE TAXPAYERS.**

15 (a) LIMITATION MADE PERMANENT.—

16 (1) IN GENERAL.—Section 461(l)(1) is amend-  
17 ed to read as follows:

18 “(1) LIMITATION.—In the case of any taxpayer  
19 other than a corporation, any excess business loss of  
20 the taxpayer for the taxable year shall not be al-  
21 lowed.”.

22 (2) CONFORMING AMENDMENT.—Section 461 is  
23 amended by striking subsection (j).

24 (b) MODIFICATION OF CARRYOVER OF DISALLOWED  
25 LOSSES.—Section 461(l)(2) is amended to read as follows:



1 **“SEC. 1A. SURCHARGE ON HIGH INCOME INDIVIDUALS, ES-**  
2 **TATES, AND TRUSTS.**

3 “(a) GENERAL RULE.—In the case of a taxpayer  
4 other than a corporation, there is hereby imposed (in addi-  
5 tion to any other tax imposed by this subtitle) a tax equal  
6 to the sum of—

7 “(1) 5 percent of so much of the modified ad-  
8 justed gross income of the taxpayer as exceeds—

9 “(A) \$10,000,000, in the case of any tax-  
10 payer not described in subparagraph (B) or  
11 (C),

12 “(B) \$5,000,000, in the case of a married  
13 individual filing a separate return, and

14 “(C) \$200,000, in the case of an estate or  
15 trust, plus

16 “(2) 3 percent of so much of the modified ad-  
17 justed gross income of the taxpayer as exceeds—

18 “(A) \$25,000,000, in the case of any tax-  
19 payer not described in subparagraph (B) or  
20 (C),

21 “(B) \$12,500,000, in the case of a married  
22 individual filing a separate return, and

23 “(C) \$500,000, in the case of an estate or  
24 trust.

25 “(b) MODIFIED ADJUSTED GROSS INCOME.—For  
26 purposes of this section, the term ‘modified adjusted gross

1 income' means adjusted gross income reduced by any de-  
2 duction (not taken into account in determining adjusted  
3 gross income) allowed for investment interest (as defined  
4 in section 163(d)) or business interest (as defined in sec-  
5 tion 163(j)). In the case of an estate or trust, adjusted  
6 gross income shall be determined as provided in section  
7 67(e), and reduced by the amount allowed as a deduction  
8 under section 642(c).

9 “(c) SPECIAL RULES.—

10 “(1) NONRESIDENT ALIEN.—In the case of a  
11 nonresident alien individual (other than an indi-  
12 vidual described in section 876(a) or 877(a)), only  
13 amounts taken into account in connection with the  
14 tax imposed under section 871(b) shall be taken into  
15 account under this section.

16 “(2) CITIZENS AND RESIDENTS LIVING  
17 ABROAD.—Each dollar amount which is applicable to  
18 any taxpayer under subsection (a) shall be decreased  
19 (but not below zero) by the excess (if any) of—

20 “(A) the amounts excluded from the tax-  
21 payer's gross income under section 911, over

22 “(B) the amounts of any deductions or ex-  
23 clusions disallowed under section 911(d)(6)  
24 with respect to the amounts described in sub-  
25 paragraph (A).

1           “(3) CHARITABLE TRUSTS.—Subsection (a)  
2 shall not apply to a trust all the unexpired interests  
3 in which are devoted to one or more of the purposes  
4 described in section 170(c)(2)(B).

5           “(4) NOT TREATED AS TAX IMPOSED BY THIS  
6 CHAPTER FOR CERTAIN PURPOSES.—The tax im-  
7 posed under this section shall not be treated as tax  
8 imposed by this chapter for purposes of determining  
9 the amount of any credit under this chapter (other  
10 than sections 27 and 901) or for purposes of section  
11 55.

12           “(5) ELECTING SMALL BUSINESS TRUSTS.—For  
13 purposes of the determination of adjusted gross in-  
14 come, section 641(c)(1)(A) shall not apply and all  
15 portions of any electing small business trust shall be  
16 treated as a single trust.

17           “(d) REGULATIONS.—The Secretary shall issue such  
18 regulations or other guidance as may be necessary or ap-  
19 propriate to carry out the purposes of this section, includ-  
20 ing regulations or other guidance to prevent the avoidance  
21 of the purposes of this section.”.

22           (b) COORDINATION WITH CERTAIN PROVISIONS.—

23           (1) INTEREST ON CERTAIN DEFERRED TAX LI-  
24 ABILITY.—Section 453A(c) is amended by redesign-  
25 ating paragraph (6) as paragraph (7) and by in-

1       serting after paragraph (5) the following new para-  
2       graph:

3               “(6) SURCHARGE ON HIGH INCOME INDIVID-  
4       UALS TAKEN INTO ACCOUNT IN DETERMINING MAX-  
5       IMUM RATE OF TAX.—For purposes of paragraph  
6       (3)(B), the maximum rate of tax in effect under sec-  
7       tion 1 shall be treated as being equal to the sum of  
8       such rate and the rates in effect under paragraphs  
9       (1) and (2) of section 1A(a).”.

10              (2) ALIEN RESIDENTS OF PUERTO RICO, GUAM,  
11       AMERICAN SAMOA, OR THE NORTHERN MARIANA IS-  
12       LANDS.—Section 876(a) is amended by striking sec-  
13       tion 1 and inserting “sections 1 and 1A”.

14              (3) EXPATRIATION TO AVOID TAX.—Section  
15       877(b) is amended by inserting “and section 1A”  
16       after “section 1 or 55”.

17              (4) LIMITATION ON FOREIGN TAX CREDIT.—

18                      (A) Section 904(b)(3)(E)(i)(I) is amended  
19       by inserting “increased by the sum of the rates  
20       set forth in paragraphs (1) and (2) of section  
21       1A(a)” after “(whichever applies)”.

22                      (B) Section 904(d)(2)(F) is amended by  
23       adding at the end the following: “For purposes  
24       of the first sentence of this subparagraph, the  
25       highest rate of tax specified in section 1 shall



1           be treated as being equal to the sum of such  
2           rate and the rates in effect under paragraphs  
3           (1) and (2) of section 1A(a).”.

4           (5) ELECTION BY INDIVIDUALS TO BE SUBJECT  
5           TO TAX AT CORPORATE RATES.—Section 962(a)(1)  
6           is amended by inserting “, 1A,” after “sections 1”.

7           (6) INTEREST ON CERTAIN TAX DEFERRAL.—  
8           Section 1291(c)(2) is amended by adding at the end  
9           the following: “For purposes of the preceding sen-  
10          tence, the highest rate of tax in effect under section  
11          1 shall be treated as being equal to the sum of such  
12          rate and the rates in effect under paragraphs (1)  
13          and (2) of section 1A(a).”.

14          (7) AVERAGING OF FARM INCOME.—Section  
15          1301(a) is amended by striking “section 1” both  
16          places it appears and inserting “sections 1 and 1A”.

17          (8) TITLE 11 CASES.—Section 1398(c)(2) is  
18          amended by inserting “and tax shall be imposed  
19          under section 1A by treating the estate as a married  
20          individual filing a separate return” before the period  
21          at the end.

22          (9) WITHHOLDING OF TAX ON FOREIGN PART-  
23          NERS’ SHARE OF EFFECTIVELY CONNECTED IN-  
24          COME.—Section 1446(b)(2) is amended by adding at  
25          the end the following flush sentence:

1 “For purposes of subparagraph (A), the highest rate  
2 of tax in effect under section 1 shall be treated as  
3 being equal to the sum of such rate and the rates  
4 in effect under paragraphs (1) and (2) of section  
5 1A(a).”.

6 (10) RELIEF FROM JOINT AND SEVERAL LI-  
7 ABILITY ON JOINT RETURN.—Section 6015(d)(2)(B)  
8 is amended by inserting “, 1A,” after “section 1”.

9 (11) PARTNERSHIP ADJUSTMENTS.—

10 (A) Section 6225(b)(1) is amended by add-  
11 ing at the end the following flush sentence:

12 “For purposes of subparagraph (B), the highest rate  
13 of tax in effect under section 1 shall be treated as  
14 being equal to the sum of such rate and the rates  
15 in effect under paragraphs (1) and (2) of section  
16 1A(a).”.

17 (B) Section 6225(c)(4)(A) is amended—

18 (i) by striking “subsection (b)(1)(A)”  
19 and inserting “subsection (b)(1)(B)”, and

20 (ii) by striking “or” at the end of  
21 clause (i), by adding “or” at the end of  
22 clause (ii), and by inserting after clause  
23 (ii) the following new clause:

24 “(iii) is not an individual subject to  
25 one or both of the rates of tax in effect

1 under paragraphs (1) and (2) of section  
2 1A(a),”.

3 (12) REQUIRED PAYMENTS FOR ENTITIES  
4 ELECTING NOT TO HAVE REQUIRED TAXABLE  
5 YEAR.—Section 7519(b) is amended by inserting  
6 “and increased by the sum of the rates in effect  
7 under paragraphs (1) and (2) of section 1A(a)” be-  
8 fore the period at the end.

9 (c) CLERICAL AMENDMENT.—The table of sections  
10 for part I of subchapter A of chapter 1 is amended by  
11 inserting after the item relating to section 1 the following  
12 new item:

“Sec. 1A. Surcharge on high income individuals.”.

13 (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 December 31, 2021.

16 **PART 3—MODIFICATIONS OF RULES RELATING**  
17 **TO RETIREMENT PLANS**

18 **Subpart A—Limitations on High-income Taxpayers**  
19 **With Large Retirement Account Balances**

20 **SEC. 138301. CONTRIBUTION LIMIT FOR INDIVIDUAL RE-**  
21 **TIREMENT PLANS OF HIGH-INCOME TAX-**  
22 **PAYERS WITH LARGE ACCOUNT BALANCES.**

23 (a) CONTRIBUTION LIMIT.—

1           (1) IN GENERAL.—Subpart A of part I of sub-  
2           chapter D of chapter 1 is amended by adding at the  
3           end the following:

4   **“SEC. 409B. CONTRIBUTION LIMIT ON INDIVIDUAL RETIRE-**  
5                           **MENT PLANS OF HIGH-INCOME TAXPAYERS**  
6                           **WITH LARGE ACCOUNT BALANCES.**

7           “(a) GENERAL RULE.—Notwithstanding any other  
8           provision of this title, in the case of an individual who is  
9           an applicable taxpayer for any taxable year, no annual ad-  
10          ditions for such taxable year shall be made by, or on behalf  
11          of, such individual to any individual retirement plan to the  
12          extent such annual additions exceed the excess (if any)  
13          of—

14                   “(1) the applicable dollar amount for such tax-  
15          able year, over

16                   “(2) the aggregate vested balances to the credit  
17          of the individual (whether as a participant, owner, or  
18          beneficiary) in all applicable retirement plans (deter-  
19          mined as of the close of the calendar year preceding  
20          the calendar year in which such taxable year begins).

21           “(b) DEFINITIONS AND SPECIAL RULES.—For pur-  
22          poses of this section—

23                   “(1) ANNUAL ADDITION.—

24                           “(A) IN GENERAL.—Except as provided in  
25          this paragraph, the term ‘annual addition’

1 means any contribution to an individual retire-  
2 ment plan.

3 “(B) CONTRIBUTIONS TO SEP AND SIMPLE  
4 PLANS.—In the case of any employer or em-  
5 ployee contributions by, or on behalf of, an indi-  
6 vidual to a simplified employee pension under  
7 section 408(k) or a simple retirement account  
8 under section 408(p)—

9 “(i) such contributions shall not be  
10 treated as annual additions for purposes of  
11 applying the limitation under subsection  
12 (a), but

13 “(ii) the excess described in sub-  
14 section (a) shall be reduced by the amount  
15 of such contributions in applying such limi-  
16 tation to other annual additions with re-  
17 spect to such individual.

18 “(C) ROLLOVER CONTRIBUTIONS DIS-  
19 REGARDED.—A rollover contribution under sec-  
20 tion 402(e), 403(a)(4), 403(b)(8), 408(d)(3), or  
21 457(e)(16) shall not be treated as an annual  
22 addition.

23 “(D) ACCOUNTS ACQUIRED BY DEATH OR  
24 DIVORCE OR SEPARATION.—The acquisition of  
25 an individual retirement plan (or the transfer to

1 or contribution of amounts to an individual re-  
2 tirement plan) by reason of—

3 “(i) the death of another individual,  
4 or

5 “(ii) divorce or separation (pursuant  
6 to section 408(d)(6)),

7 shall not be treated as an annual addition.

8 “(2) APPLICABLE DOLLAR AMOUNT.—The term  
9 ‘applicable dollar amount’ means \$10,000,000.

10 “(3) APPLICABLE RETIREMENT PLAN.—The  
11 term ‘applicable retirement plan’ means—

12 “(A) a defined contribution plan to which  
13 section 401(a) or 403(a) applies,

14 “(B) an annuity contract under section  
15 403(b),

16 “(C) an eligible deferred compensation  
17 plan described in section 457(b) which is main-  
18 tained by an eligible employer described in sec-  
19 tion 457(e)(1)(A), or

20 “(D) an individual retirement plan.

21 “(4) APPLICABLE TAXPAYER.—

22 “(A) IN GENERAL.—The term ‘applicable  
23 taxpayer’ means, with respect to any taxable  
24 year, a taxpayer whose modified adjusted gross

1 income for such taxable year exceeds the  
2 amount determined under subparagraph (B).

3 “(B) DOLLAR LIMIT.—The amount deter-  
4 mined under this subparagraph for any taxable  
5 year is—

6 “(i) \$400,000 for an individual who is  
7 a taxpayer not described in clause (ii) or  
8 (iii),

9 “(ii) \$425,000 in the case of an indi-  
10 vidual who is a head of household (as de-  
11 fined in section 2(b)), and

12 “(iii) \$450,000 in the case of an indi-  
13 vidual who is a married individual filing a  
14 joint return or a surviving spouse (as de-  
15 fined in section 2(a)).

16 “(C) MODIFIED ADJUSTED GROSS IN-  
17 COME.—For purposes of this paragraph, the  
18 term ‘modified adjusted gross income’ means  
19 adjusted gross income determined without re-  
20 gard to sections 911, 931, and 933, without re-  
21 gard to any deduction for annual additions to  
22 individual retirement plans to which subsection  
23 (a) applies, and without regard to any increase  
24 in minimum required distributions by reason of  
25 section 4974(e).

1 “(5) ADJUSTMENTS FOR INFLATION.—

2 “(A) IN GENERAL.—In the case of any  
3 taxable year beginning after 2029, the dollar  
4 amounts in paragraphs (2) and (4)(B) shall be  
5 increased by an amount equal to the product  
6 of—

7 “(i) such dollar amount, and

8 “(ii) the cost-of-living adjustment  
9 under section 1(f)(3) for the calendar year  
10 in which such taxable year begins, deter-  
11 mined by substituting ‘calendar year 2028’  
12 for ‘calendar year 2016’ in subparagraph  
13 (A)(ii) thereof.

14 “(B) ROUNDING.—If any amount as ad-  
15 justed under subparagraph (A) is not—

16 “(i) in the case of the dollar amount  
17 under paragraph (2), a multiple of  
18 \$250,000, such amount shall be rounded  
19 to the next lowest multiple of \$250,000.

20 “(ii) in the case of a dollar amount  
21 under paragraph (4)(B), a multiple of  
22 \$1,000, such amount shall be rounded to  
23 the next lowest multiple of \$1,000.

24 “(c) REGULATIONS.—The Secretary shall prescribe  
25 such regulations and guidance as are necessary or appro-



1 piate to carry out the purposes of this section, including  
2 regulations or guidance that provide for the application  
3 of this section and section 4974(e) in the case of plans  
4 with a valuation date other than the last day of a calendar  
5 year.”.

6 (2) CONFORMING AMENDMENTS.—

7 (A) The table of contents for subpart A of  
8 part I of subchapter D of chapter 1 is amended  
9 by adding after the item relating to section  
10 409A the following new item:

“Sec. 409B. Contribution limit on individual retirement plans of high-income taxpayers with large account balances.”.

11 (B) Section 408(r) is amended by adding  
12 at the end the following new paragraph:

13 “(3) For additional limitations on contributions  
14 to individual retirement plans with large account  
15 balances, see sections 408A(e)(3) and 409B.”.

16 (b) EXCISE TAX ON EXCESS ANNUAL ADDITIONS.—

17 (1) IN GENERAL.—Section 4973 is amended by  
18 adding at the end the following new subsection:

19 “(i) SPECIAL RULE FOR INDIVIDUAL RETIREMENT  
20 PLANS WITH EXCESS ANNUAL ADDITIONS.—For pur-  
21 poses of this section, in the case of individual retirement  
22 plans, the term ‘excess contributions’, with respect to any  
23 taxable year, is increased by the sum of—

1           “(1) the excess of the annual additions (within  
2 the meaning of section 409B(b)(1)) to such plans  
3 over the limitation under section 409B(a) for such  
4 taxable year, reduced by the amount of any excess  
5 contributions determined under subsections (b) and  
6 (f), and

7           “(2) the lesser of—

8           “(A) the amount determined under this  
9 subsection for the preceding taxable year with  
10 respect to such plans, reduced by the aggregate  
11 distributions from such plans for the taxable  
12 year (including distributions required under sec-  
13 tion 4974(e)) to the extent not contributed in  
14 a rollover contribution to another eligible retire-  
15 ment plan in accordance with section 402(e),  
16 403(a)(4), 403(b)(8), 408(d)(3), and  
17 457(e)(16), or

18           “(B) the amount (if any) by which the  
19 amount determined under section 409B(a)(2)  
20 for the taxable year exceeds the applicable dol-  
21 lar amount under section 409B(b)(2) for the  
22 taxable year.”.

23           (2) CONFORMING AMENDMENTS.—Subsections  
24 (b) and (f) of section 4973 are each amended by in-

1       serting “, except as further provided in subsection  
2       (i)” after “For purposes of this section”.

3       (c) REPORTING REQUIREMENTS.—Section 6057(a) is  
4 amended by adding at the end the following:

5           “(3) ADDITIONAL INFORMATION REGARDING  
6 HIGH ACCOUNT BALANCES.—

7           “(A) IN GENERAL.—If, as of the close of  
8 any plan year, 1 or more participants or bene-  
9 ficiaries in an applicable retirement plan (as de-  
10 fined in section 409B(b)(3) without regard to  
11 subparagraph (D) thereof) have a vested ac-  
12 count balance of at least \$2,500,000, the plan  
13 administrator shall file a statement with the  
14 Secretary, within the period described in para-  
15 graph (1), which includes—

16           “(i) the name and identifying number  
17 of each such participant (without regard to  
18 whether such participant has separated  
19 from employment) or beneficiaries,

20           “(ii) the amount of the vested account  
21 balance of each such participant or bene-  
22 ficiary, and

23           “(iii) a separate accounting of such  
24 vested account balances in designated Roth  
25 accounts (within the meaning of section

1           402A) and all other vested account bal-  
2           ances.

3           “(B) INCLUSION IN REGISTRATION STATE-  
4           MENT.—If both subparagraph (A) and para-  
5           graph (1) apply to a plan, the plan adminis-  
6           trator shall include the information required  
7           under subparagraph (A) in the registration  
8           statement under paragraph (1) rather than file  
9           a statement under subparagraph (A).

10          “(C) ADJUSTMENTS FOR INFLATION.—In  
11          the case of any plan year beginning after 2029,  
12          the \$2,500,000 amount under subparagraph  
13          (A) shall be increased by an amount equal to  
14          the product of—

15                 “(i) such dollar amount, and

16                 “(ii) the cost-of-living adjustment  
17                 under section 1(f)(3) for the calendar year  
18                 in which such taxable year begins, deter-  
19                 mined by substituting ‘calendar year 2028’  
20                 for ‘calendar year 2016’ in subparagraph  
21                 (A)(ii) thereof.

22          If the amount as adjusted under the preceding  
23          sentence is not a multiple of \$250,000, such  
24          amount shall be rounded to the next lowest  
25          multiple of \$250,000.”.

1 (d) EFFECTIVE DATES.—

2 (1) IN GENERAL.—The amendments made by  
3 subsections (a) and (b) shall apply to taxable years  
4 beginning after December 31, 2028.

5 (2) PLAN REQUIREMENTS.—The amendments  
6 made by subsection (c) shall apply to plan years be-  
7 ginning after December 31, 2028.

8 **SEC. 138302. INCREASE IN MINIMUM REQUIRED DISTRIBUTIONS FOR HIGH-INCOME TAXPAYERS WITH**  
9 **LARGE RETIREMENT ACCOUNT BALANCES.**  
10

11 (a) IN GENERAL.—Section 4974 is amended by add-  
12 ing at the end the following:

13 “(e) INCREASE IN MINIMUM REQUIRED DISTRIBUTIONS FOR HIGH-INCOME TAXPAYERS WITH LARGE AG-  
14 GREGATE ACCOUNT BALANCES.—

15  
16 “(1) IN GENERAL.—If this subsection applies to  
17 a payee who is an applicable taxpayer (as defined in  
18 section 409B(b)(4)) for a taxable year—

19 “(A) all qualified retirement plans and eli-  
20 gible deferred compensation plans of the payee  
21 which are applicable retirement plans taken into  
22 account in computing the excess described in  
23 paragraph (3)(A) shall be treated as 1 plan  
24 solely for purposes of applying this section to  
25 the increase in minimum required distributions

1 for such taxable year determined under sub-  
2 paragraph (B), and

3 “(B) the minimum required distributions  
4 under this section for all plans treated as 1  
5 plan under subparagraph (A) with respect to  
6 such payee for such taxable year shall be in-  
7 creased by the excess (if any) of—

8 “(i) the sum of—

9 “(I) if paragraph (2) applies to  
10 such taxable year, the applicable Roth  
11 excess amount, plus

12 “(II) 50 percent of the excess de-  
13 termined under paragraph (3)(A), re-  
14 duced by the applicable Roth excess  
15 amount, over

16 “(ii) the sum of the minimum re-  
17 quired distributions (determined without  
18 regard to this subsection) for all such  
19 plans.

20 “(2) APPLICABLE ROTH EXCESS AMOUNT.—

21 “(A) APPLICATION.—For purposes of  
22 paragraph (1)(B)(i), this paragraph applies to a  
23 taxable year of a payee if the aggregate vested  
24 balances to the credit of the payee (whether as  
25 a participant, owner, or beneficiary) in all appli-

1 cable retirement plans (determined as of the  
2 close of the calendar year preceding the cal-  
3 endar year in which the taxable year begins) ex-  
4 ceed 200 percent of the applicable dollar  
5 amount for the calendar year in which the tax-  
6 able year begins.

7 “(B) APPLICABLE ROTH EXCESS  
8 AMOUNT.—The applicable Roth excess amount  
9 for any taxable year to which this paragraph  
10 applies is an amount equal to the lesser of—

11 “(i) the excess determined under sub-  
12 paragraph (A), or

13 “(ii) the aggregate balances to the  
14 credit of the payee (whether as a partici-  
15 pant, owner, or beneficiary) in all Roth  
16 IRAs and designated Roth accounts (with-  
17 in the meaning of section 402A) as of the  
18 time described in subparagraph (A).

19 “(3) APPLICATION.—This subsection shall  
20 apply to a payee for a taxable year—

21 “(A) if the aggregate vested balances to  
22 the credit of the payee (whether as a partici-  
23 pant, owner, or beneficiary) in all applicable re-  
24 tirement plans (determined as of the close of  
25 the calendar year preceding the calendar year

1 in which the taxable year begins) exceed the ap-  
2 plicable dollar amount for the calendar year in  
3 which the taxable year begins, and

4 “(B) without regard to whether amounts  
5 with respect to the payee are otherwise required  
6 to be distributed under section 401(a)(9),  
7 403(b)(10), 408(a)(6), 408(b)(3), or 457(d)(2).

8 “(4) COORDINATION AND ALLOCATION.—

9 “(A) MINIMUM DISTRIBUTION REQUIRE-  
10 MENTS.—If this subsection applies to a payee  
11 for any taxable year—

12 “(i) this section shall apply first to  
13 minimum required distributions deter-  
14 mined without regard to this subsection  
15 and then to any increase in minimum re-  
16 quired distributions by reason of this sub-  
17 section, and

18 “(ii) nothing in this subsection shall  
19 be construed to affect the amount of any  
20 minimum required distribution determined  
21 without regard to this subsection or the  
22 plan or plans from which it is required to  
23 be distributed.

24 “(B) ALLOCATION OF INCREASE IN MIN-  
25 IMUM REQUIRED DISTRIBUTIONS.—



1           “(i) IN GENERAL.—Except as pro-  
2           vided in clauses (ii) and (iii), the taxpayer  
3           may, in such form and manner as the Sec-  
4           retary may prescribe, allocate any increase  
5           in minimum required distributions by rea-  
6           son of this subsection to applicable retire-  
7           ment plans treated as 1 plan under sub-  
8           paragraph (A) in such manner as the tax-  
9           payer chooses.

10           “(ii) ALLOCATION TO ROTH IRAS AND  
11           ACCOUNTS.—In the case of a taxable year  
12           to which paragraph (2) applies, the portion  
13           of any increase in minimum required dis-  
14           tributions by reason of this subsection  
15           equal to the applicable Roth excess amount  
16           shall be allocated first to Roth IRAs and  
17           then to designated Roth accounts (within  
18           the meaning of section 402A) of the payee.

19           “(iii) SPECIAL RULES FOR EMPLOYEE  
20           STOCK OWNERSHIP PLANS.—

21           “(I) IN GENERAL.—In the case  
22           of a payee to which this subsection  
23           applies for any taxable year who has  
24           account balances in 1 or more em-  
25           ployee stock ownership plans (as de-

1            fined in section 4975(e)(7)) any por-  
2            tion of which is invested in employer  
3            securities which are not readily  
4            tradable on an established securities  
5            market, the increase in minimum re-  
6            quired distributions by reason of this  
7            subsection shall not be allocated to  
8            any such portion.

9                    “(II) EXCEPTION FOR AMOUNTS  
10                    ATTRIBUTABLE TO ROLLOVER.—Sub-  
11                    clause (I) shall not apply to so much  
12                    of any account balance as is attrib-  
13                    utable to a rollover contribution after  
14                    the date of the enactment of this sub-  
15                    section to the account in accordance  
16                    with section 402(c), 403(a)(4),  
17                    403(b)(8), 408(d)(3), or 457(e)(16).

18                    “(5) DISTRIBUTIONS NOT ELIGIBLE FOR ROLL-  
19                    OVERS.—For purposes of determining whether a dis-  
20                    tribution is an eligible rollover distribution, any dis-  
21                    tribution from an applicable retirement plan which is  
22                    attributable to any increase in minimum required  
23                    distributions by reason of this subsection shall be  
24                    treated as a distribution required under section

1 401(a)(9), 403(b)(10), 408(a)(6), 408(b)(3), or  
2 457(d)(2), whichever is applicable.

3 “(6) ROTH DISTRIBUTIONS TREATED AS QUALI-  
4 FIED DISTRIBUTIONS.—In the case of any distribu-  
5 tion from a Roth IRA, or designated Roth account  
6 (within the meaning of section 402A), of the payee  
7 by reason of the allocation of an increase in min-  
8 imum required distributions under this subsection,  
9 such distribution shall be treated as a qualified dis-  
10 tribution under section 408A(d)(2) or 402A(d)(2),  
11 as the case may be.

12 “(7) DEFINITIONS.—For purposes of this sub-  
13 section, any term used in this subsection which is  
14 also used in section 409B shall have the same mean-  
15 ing as when such term is used in such section.”.

16 (b) SPECIAL RULES.—

17 (1) DISTRIBUTION RIGHTS.—

18 (A) QUALIFIED TRUSTS.—

19 (i) IN GENERAL.—Section 401(a) is  
20 amended by inserting after paragraph (38)  
21 the following new paragraph:

22 “(39) IMMEDIATE DISTRIBUTION RIGHT.—A  
23 trust forming part of a defined contribution plan  
24 shall not constitute a qualified trust under this sec-  
25 tion unless an employee who certifies to the plan

1 that the employee is a taxpayer who is subject to the  
2 distribution requirements of section 4974(e) may  
3 elect to receive a distribution from the employee's  
4 account balance under the plan in such amount as  
5 the employee may elect, including any amounts at-  
6 tributable to a qualified cash or deferred arrange-  
7 ment (as defined in subsection (k)(2)). The pre-  
8 ceding sentence shall not apply in the case of any  
9 portion of an account balance to which section  
10 4974(e)(4)(B)(iii)(I) applies.”.

11 (ii) APPLICATION TO EMPLOYEE'S AN-  
12 NUITIES.—Section 404(a)(2) is amended  
13 by striking “and (37)” and inserting  
14 “(37), and (39)”.

15 (B) ANNUITY CONTRACTS.—

16 (i) CUSTODIAL ACCOUNTS.—Section  
17 403(b)(7)(A) is amended by adding at the  
18 end the following new flush sentence:

19 “Notwithstanding clause (i), the custodial ac-  
20 count shall permit an employee who certifies  
21 that the employee is a taxpayer who is subject  
22 to the distribution requirements of section  
23 4974(e) to elect to receive a distribution from  
24 the employee's custodial account in such  
25 amount as the employee may elect.”.

1                   (ii) ANNUITY CONTRACTS.—Section  
2                   403(b)(11) is amended by adding at the  
3                   end the following new sentence: “Notwith-  
4                   standing subparagraphs (A), (B), (C), and  
5                   (D), the annuity contract shall permit an  
6                   employee who certifies that the employee is  
7                   a taxpayer who is subject to the distribu-  
8                   tion requirements of section 4974(e) to  
9                   elect to receive a distribution of contribu-  
10                  tions made pursuant to a salary reduction  
11                  agreement (within the meaning of section  
12                  402(g)(3)) from the employee’s annuity  
13                  contract in such amount as the employee  
14                  may elect.”

15                  (C) GOVERNMENTAL PLANS.—Section  
16                  457(d)(1) is amended by adding at the end the  
17                  following new flush sentence:

18                  “Notwithstanding subparagraph (A), an eligible de-  
19                  ferred compensation plan of an employer described  
20                  in subsection (e)(1)(A) shall permit a participant or  
21                  beneficiary who certifies that the participant or ben-  
22                  eficiary is a taxpayer who is subject to the distribu-  
23                  tion requirements of section 4974(e) to elect to re-  
24                  ceive a distribution from the plan in such amount as  
25                  the participant or beneficiary may elect.”

1           (2) EXCEPTION FROM 10 PERCENT ADDITIONAL  
2 TAX ON EARLY DISTRIBUTIONS.—Section 72(t)(2) is  
3 amended by adding at the end the following new  
4 subparagraph:

5           “(I) DISTRIBUTIONS OF EXCESS BAL-  
6 ANCES.—Distributions from an applicable re-  
7 tirement plan (within the meaning of section  
8 409B)) to the extent such distributions for the  
9 taxable year do not exceed the amount required  
10 to be distributed from such plan under section  
11 4974(e).”.

12           (3) WITHHOLDING.—Section 3405(b) is amend-  
13 ed by adding at the end the following new para-  
14 graph:

15           “(3) ADDITIONAL WITHHOLDING FOR RE-  
16 QUIRED DISTRIBUTIONS FROM HIGH BALANCE RE-  
17 TIREMENT ACCOUNTS.—

18           “(A) IN GENERAL.—For purposes of this  
19 section, a distribution pursuant to section  
20 401(a)(39), the last sentence of section  
21 403(b)(7)(A), the last sentence of section  
22 403(b)(11), and the last sentence of section  
23 457(d)(1) shall be treated as a nonperiodic dis-  
24 tribution, except that in applying this sub-  
25 section to such distribution—

1 “(i) paragraph (1) shall be applied by  
2 substituting ‘35 percent’ for ‘10 percent’,  
3 and

4 “(ii) no election may be made under  
5 paragraph (2) with respect to such dis-  
6 tribution.

7 “(B) EXCEPTION.—Subparagraph (A)  
8 shall not apply to any qualified distribution  
9 from a designated Roth account (within the  
10 meaning of section 402A).”.

11 (c) EFFECTIVE DATES.—

12 (1) IN GENERAL.—The amendments made by  
13 subsection (a) shall apply to taxable years beginning  
14 after December 31, 2028.

15 (2) PLAN REQUIREMENTS.—The amendments  
16 made by subsection (b) shall apply to plan years be-  
17 ginning after December 31, 2028.

18 **Subpart B—Other Provisions Relating to Individual**

19 **Retirement Plans**

20 **SEC. 138311. TAX TREATMENT OF ROLLOVERS TO ROTH**  
21 **IRAS AND ACCOUNTS.**

22 (a) ROLLOVERS AND CONVERSIONS LIMITED TO  
23 TAXABLE AMOUNTS.—

24 (1) ROTH IRAS.—

1           (A) IN GENERAL.—Paragraph (1) of sec-  
2           tion 408A(e) is amended by adding at the end  
3           the following new sentence: “A qualified rollover  
4           contribution shall not include any rollover con-  
5           tribution from any eligible retirement plan de-  
6           scribed in subparagraph (B) (other than from a  
7           designated Roth account (within the meaning of  
8           section 402A)) if any portion of the distribution  
9           from which such contribution is made would  
10          (without regard to such contribution) be treated  
11          as not includible in gross income.”

12          (B) CONVERSIONS.—Subparagraph (C) of  
13          section 408A(d)(3) is amended by adding at the  
14          end the following new sentence: “This subpara-  
15          graph shall not apply if any portion of the plan  
16          being converted would be treated as not includ-  
17          ible in gross income if distributed at the time  
18          of the conversion.”

19          (2) DESIGNATED ROTH ACCOUNTS.—Section  
20          402A(c)(4)(B) is amended by inserting “, deter-  
21          mined after the application of the last sentence of  
22          paragraph (1) thereof” after “section 408A(e)”.

23          (3) EFFECTIVE DATE.—The amendments made  
24          by this subsection shall apply to distributions, trans-



1 fers, and contributions made after December 31,  
2 2021.

3 (b) NO ROLLOVERS OR CONVERSIONS FOR HIGH-IN-  
4 COME TAXPAYERS.—

5 (1) ROTH IRAS.—

6 (A) QUALIFIED ROLLOVER CONTRIBU-  
7 TION.—Section 408A(e), as amended by sub-  
8 section (a), is amended by adding at the end  
9 the following:

10 “(3) HIGH-INCOME TAXPAYERS MAY ONLY  
11 ROLLOVER FROM ROTH IRAS AND ACCOUNTS.—If—

12 “(A) a taxpayer is an applicable taxpayer  
13 (as defined in section 409B(b)(4)) for the tax-  
14 able year in which a distribution is made, and

15 “(B) such distribution is contributed to a  
16 Roth IRA in a rollover contribution,

17 such contribution shall be treated as a qualified roll-  
18 over contribution under paragraph (1) only if it is  
19 made from another Roth IRA or from a designated  
20 Roth account (within the meaning of section  
21 402A).”.

22 (B) ELIMINATION OF CONVERSIONS.—  
23 Paragraph (3) of section 408A(d), as amended  
24 by subsection (a), is amended by adding at the  
25 end the following:

1           “(G) PARAGRAPH NOT TO APPLY TO HIGH-  
2 INCOME TAXPAYERS.—If a taxpayer is an appli-  
3 cable taxpayer (as defined in section  
4 409B(b)(4)) for any taxable year, this para-  
5 graph shall not apply to any distribution to  
6 which this paragraph otherwise applies (or to  
7 any conversion described in subparagraph (C))  
8 which is made during such taxable year.”.

9           (2) DESIGNATED ROTH ACCOUNTS.—Paragraph  
10 (4) of section 402A(c) is amended by adding at the  
11 end the following:

12           “(F) PARAGRAPH NOT TO APPLY TO HIGH-  
13 INCOME TAXPAYERS.—If a taxpayer is an appli-  
14 cable taxpayer (as defined in section  
15 409B(b)(4)) for any taxable year, this para-  
16 graph shall not apply to any distribution to  
17 which this paragraph otherwise applies and  
18 which is made during such taxable year.”.

19           (3) CONFORMING AMENDMENT.—Section  
20 409B(b)(4)(C), as added by this Act, is amended—

21           (A) by striking “and without regard to”  
22 and inserting “without regard to”, and

23           (B) by inserting before the period at the  
24 end the following: “, and without regard to the  
25 inclusion in gross income of any converted or

1 contributed amount described in section  
2 408A(e)(3), 408A(d)(3)(G), or  
3 402A(c)(4)(F).”.

4 (4) EFFECTIVE DATE.—The amendments made  
5 by this subsection shall apply to distributions, trans-  
6 fers, and contributions made in taxable years begin-  
7 ning after December 31, 2031.

8 **SEC. 138312. STATUTE OF LIMITATIONS WITH RESPECT TO**  
9 **IRA NONCOMPLIANCE.**

10 (a) IN GENERAL.—Subsection (c) of section 6501 is  
11 amended by adding at the end the following new para-  
12 graph:

13 “(13) NONCOMPLIANCE RELATING TO AN INDI-  
14 VIDUAL RETIREMENT PLAN.—

15 “(A) MISREPORTING.—In the case of any  
16 substantial error (willful or otherwise) in the re-  
17 porting on a return of any information relating  
18 to the valuation of investment assets with re-  
19 spect to an individual retirement plan, the time  
20 for assessment of any tax imposed by this title  
21 with respect to such plan shall not expire before  
22 the date which is 6 years after the return con-  
23 taining such error was filed (whether or not  
24 such return was filed on or after the date pre-  
25 scribed).

1           “(B) PROHIBITED TRANSACTIONS.—The  
2           time for assessment of any tax imposed by sec-  
3           tion 4975 shall not expire before the date which  
4           is 6 years after the return was filed (whether  
5           or not such return was filed on or after the  
6           date prescribed).”.

7           (b) EFFECTIVE DATE.—The amendment made by  
8           this section shall apply to taxes with respect to which the  
9           3-year period under section 6501(a) of the Internal Rev-  
10          enue Code of 1986 (without regard to the amendment  
11          made by this section) ends after December 31, 2021.

12 **SEC. 138313. IRA OWNERS TREATED AS DISQUALIFIED PER-**  
13                           **SONS FOR PURPOSES OF PROHIBITED**  
14                           **TRANSACTION RULES.**

15          (a) IN GENERAL.—Paragraph (2) of section 4975(e)  
16          is amended—

17               (1) by striking “or” at the end of subparagraph  
18               (H),

19               (2) by striking the period at the end of sub-  
20               paragraph (I) and inserting “; or”,

21               (3) by inserting after subparagraph (I) the fol-  
22               lowing new subparagraph:

23                       “(J) the individual for whose benefit a  
24                       plan described in subparagraph (B) or (C) of  
25                       paragraph (1) is maintained.”,

1           (4) by striking “or (E)” both places it appears  
2           in subparagraphs (F) and (G) and inserting “(E), or  
3           (J) (in the case of a plan described in subparagraph  
4           (B) or (C) of paragraph (1))”,

5           (5) by striking “or (G)” in subparagraph (I)  
6           and inserting “(G), or (J) (in the case of a plan de-  
7           scribed in subparagraph (B) or (C) of paragraph  
8           (1))”, and

9           (6) by adding at the end the following: “For  
10          purposes of subparagraphs (G) and (I), any asset or  
11          interest held by a plan described in subparagraph  
12          (B) or (C) of paragraph (1) shall be treated as  
13          owned by the individual described in subparagraph  
14          (J) with respect to such plan.”.

15          (b) CONFORMING AMENDMENT.—Subparagraph (A)  
16          of section 408(e)(2) is amended to read as follows:

17                 “(A) EMPLOYEE ENGAGING IN PROHIB-  
18                 ITED TRANSACTION.—If, during any taxable  
19                 year of the individual for whose benefit any in-  
20                 dividual retirement account is maintained, that  
21                 individual engages in any transaction prohibited  
22                 by section 4975 with respect to such account,  
23                 such account ceases to be an individual retire-  
24                 ment account as of the first day of such taxable  
25                 year. For purposes of this paragraph, the sepa-

1 rate account for the benefit of any individual  
2 within an individual retirement account main-  
3 tained by an employer or association of employ-  
4 ees is treated as a separate individual retire-  
5 ment account.”.

6 (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to transactions occurring after De-  
8 cember 31, 2021.

9 **PART 4—FUNDING THE INTERNAL REVENUE**  
10 **SERVICE AND IMPROVING TAXPAYER COM-**  
11 **PLIANCE**

12 **SEC. 138401. ENHANCEMENT OF INTERNAL REVENUE SERV-**  
13 **ICE RESOURCES.**

14 (a) APPROPRIATIONS.—

15 (1) IN GENERAL.—The following sums are ap-  
16 propriated, out of any money in the Treasury not  
17 otherwise appropriated, for the fiscal year ending  
18 September 30, 2022:

19 (A) INTERNAL REVENUE SERVICE.—

20 (i) IN GENERAL.—

21 (I) TAXPAYER SERVICES.—For  
22 necessary expenses of the Internal  
23 Revenue Service to provide taxpayer  
24 services, including pre-filing assistance  
25 and education, filing and account

1 services, taxpayer advocacy services,  
2 and other services as authorized by 5  
3 U.S.C. 3109, at such rates as may be  
4 determined by the Commissioner,  
5 \$1,931,500,000, to remain available  
6 until September 30, 2031: *Provided*,  
7 That these amounts shall be in addi-  
8 tion to amounts otherwise available  
9 for such purposes.

10 (II) ENFORCEMENT.—For nec-  
11 essary expenses for tax enforcement  
12 activities of the Internal Revenue  
13 Service to determine and collect owed  
14 taxes, to provide legal and litigation  
15 support, to conduct criminal investiga-  
16 tions (including investigative tech-  
17 nology), to provide digital asset moni-  
18 toring and compliance activities, to  
19 enforce criminal statutes related to  
20 violations of internal revenue laws and  
21 other financial crimes, to purchase  
22 and hire passenger motor vehicles (31  
23 U.S.C. 1343(b)), and to provide other  
24 services as authorized by 5 U.S.C.  
25 3109, at such rates as may be deter-

1           mined by the Commissioner,  
2           \$44,887,500,000, to remain available  
3           until September 30, 2031: *Provided*,  
4           That these amounts shall be in addi-  
5           tion to amounts otherwise available  
6           for such purposes.

7           (III) OPERATIONS SUPPORT.—

8           For necessary expenses of the Inter-  
9           nal Revenue Service to support tax-  
10          payer services and enforcement pro-  
11          grams, including rent payments; fa-  
12          cilities services; printing; postage;  
13          physical security; headquarters and  
14          other IRS-wide administration activi-  
15          ties; research and statistics of income;  
16          telecommunications; information tech-  
17          nology development, enhancement, op-  
18          erations, maintenance, and security;  
19          the hire of passenger motor vehicles  
20          (31 U.S.C. 1343(b)); the operations of  
21          the Internal Revenue Service Over-  
22          sight Board; and other services as au-  
23          thorized by 5 U.S.C. 3109, at such  
24          rates as may be determined by the  
25          Commissioner, \$27,376,300,000, to



1 remain available until September 30,  
2 2031: *Provided*, That these amounts  
3 shall be in addition to amounts other-  
4 wise available for such purposes.

5 (IV) BUSINESS SYSTEMS MOD-  
6 ERNIZATION.—For necessary expenses  
7 of the Internal Revenue Service’s  
8 business systems modernization pro-  
9 gram, including development of call-  
10 back technology and other technology  
11 to provide a more personalized cus-  
12 tomer service but not including the  
13 operation and maintenance of legacy  
14 systems, \$4,750,700,000, to remain  
15 available until September 30, 2031:  
16 *Provided*, That these amounts shall be  
17 in addition to amounts otherwise  
18 available for such purposes.

19 (ii) TASK FORCE TO DESIGN AN IRS-  
20 RUN FREE “DIRECT EFILE” TAX RETURN  
21 SYSTEM.—For necessary expenses of the  
22 Internal Revenue Service to deliver to Con-  
23 gress, within nine months following the  
24 date of the enactment of this Act, a report  
25 on (I) the cost (including options for dif-

1           ferential coverage based on taxpayer ad-  
2           justed gross income and return complexity)  
3           of developing and running a free direct  
4           efile tax return system, including costs to  
5           build and administer each release, with a  
6           focus on multi-lingual and mobile-friendly  
7           features and safeguards for taxpayer data;  
8           (II) taxpayer opinions, expectations, and  
9           level of trust, based on surveys, for such a  
10          free direct efile system; and (III) the opin-  
11          ions of an independent third-party on the  
12          overall feasibility, approach, schedule, cost,  
13          organizational design, and Internal Rev-  
14          enue Service capacity to deliver such a di-  
15          rect efile tax return system, \$15,000,000,  
16          to remain available until September 30,  
17          2022: *Provided*, That these amounts shall  
18          be in addition to amounts otherwise avail-  
19          able for such purposes.

20           (B) TREASURY INSPECTOR GENERAL FOR  
21          TAX ADMINISTRATION.—For necessary expenses  
22          of the Treasury Inspector General for Tax Ad-  
23          ministration in carrying out the Inspector Gen-  
24          eral Act of 1978, as amended, including pur-  
25          chase and hire of passenger motor vehicles (31

1 U.S.C. 1343(b)); and services authorized by 5  
2 U.S.C. 3109, at such rates as may be deter-  
3 mined by the Inspector General for Tax Admin-  
4 istration, \$403,000,000, to remain available  
5 until September 30, 2031: *Provided*, That these  
6 amounts shall be in addition to amounts other-  
7 wise available for such purposes.

8 (C) OFFICE OF TAX POLICY.—For nec-  
9 essary expenses of the Office of Tax Policy of  
10 the Department of the Treasury to carry out  
11 functions related to promulgating regulations  
12 under the Internal Revenue Code of 1986,  
13 \$104,533,803, to remain available until Sep-  
14 tember 30, 2031: *Provided*, That these amounts  
15 shall be in addition to amounts otherwise avail-  
16 able for such purposes.

17 (D) UNITED STATES TAX COURT.—For  
18 necessary expenses of the United States Tax  
19 Court, including contract reporting and other  
20 services as authorized by 5 U.S.C. 3109;  
21 \$153,000,000, to remain available until Sep-  
22 tember 30, 2031: *Provided*, That these amounts  
23 shall be in addition to amounts otherwise avail-  
24 able for such purposes.

25 (2) MULTI-YEAR OPERATIONAL PLAN.—

1 (A) IN GENERAL.—Not later than 6  
2 months after the date of the enactment of this  
3 Act, the Commissioner of Internal Revenue  
4 shall submit to Congress a plan detailing how  
5 the funds appropriated under paragraph  
6 (1)(A)(i) will be spent over the ten-year period  
7 ending with fiscal year 2031.

8 (B) QUARTERLY UPDATES.—

9 (i) IN GENERAL.—Not later than the  
10 last day of each calendar quarter beginning  
11 during the applicable period, the Commis-  
12 sioner of Internal Revenue shall submit to  
13 Congress a report on the plan established  
14 under subparagraph (A), including—

15 (I) any updates to the plan;

16 (II) progress made in imple-  
17 menting the plan; and

18 (III) any changes in cir-  
19 cumstances or challenges in imple-  
20 menting the plan.

21 (ii) APPLICABLE PERIOD.—For pur-  
22 poses of clause (i), the applicable period is  
23 the period beginning 1 year after the date  
24 the report under subparagraph (A) is due  
25 and ending on September 30, 2031.

1 (C) REDUCTION IN APPROPRIATION.—

2 (i) IN GENERAL.—In the case of any  
3 failure to submit a plan required under  
4 subparagraph (A) or a report required  
5 under subparagraph (B) by the required  
6 date, the amounts made available under  
7 paragraph (1)(A)(i) shall be reduced by  
8 \$100,000 for each day after such required  
9 date that report has not been submitted to  
10 Congress.

11 (ii) REQUIRED DATE.—For purposes  
12 of clause (i), the required date is the date  
13 that is 60 days after the date the plan or  
14 report is required to be submitted under  
15 subparagraph (A) or (B), as the case may  
16 be.

17 (3) NO TAX INCREASES ON CERTAIN TAX-  
18 PAYERS.—Nothing in this subsection is intended to  
19 increase taxes on any taxpayer with a taxable in-  
20 come below \$400,000.

21 (b) PERSONNEL FLEXIBILITIES.—The Secretary of  
22 the Treasury (or the Secretary's delegate) may use the  
23 funds made available under subsection (a)(1)(A), subject  
24 to such policies as the Secretary (or the Secretary's dele-  
25 gate) may establish, to take such personnel actions as the

1 Secretary (or the Secretary's delegate) determines nec-  
2 essary to administer the Internal Revenue Code of 1986,  
3 including—

4 (1) utilizing direct hire authority to recruit and  
5 appoint qualified applicants, without regard to any  
6 notice or preference requirements, directly to posi-  
7 tions in the competitive service;

8 (2) in addition to the authority under section  
9 7812(1) of the Internal Revenue Code of 1986, ap-  
10 pointing not more than 200 individuals to positions  
11 in the Internal Revenue Service under streamlined  
12 critical pay authority, except that—

13 (A) the authority to offer streamlined crit-  
14 ical pay under this paragraph shall expire on  
15 September 30, 2031; and

16 (B) the positions for which streamlined  
17 critical pay is authorized under this paragraph  
18 may include positions critical to the purposes  
19 described in subclauses (I), (II), and (III) of  
20 subsection (a)(1)(A)(i); and

21 (3) appointing, without approval of the Office  
22 of Personnel Management, not more than 300 indi-  
23 viduals to critical pay positions in the Internal Rev-  
24 enue Service for which—

1 (A) the rate of basic pay may not exceed  
2 the salary set in accordance with section 104 of  
3 title 3, United States Code; and

4 (B) the total annual compensation paid to  
5 an employee in such a position, including allow-  
6 ances, differentials, bonuses, awards, and simi-  
7 lar cash payments, may not exceed the max-  
8 imum amount of total annual compensation  
9 payable at the salary set in accordance with  
10 section 104 of title 3, United States Code.

11 **SEC. 138402. APPLICATION OF BACKUP WITHHOLDING**  
12 **WITH RESPECT TO THIRD PARTY NETWORK**  
13 **TRANSACTIONS.**

14 (a) IN GENERAL.—Section 3406(b) is amended by  
15 adding at the end the following new paragraph:

16 “(8) OTHER REPORTABLE PAYMENTS INCLUDE  
17 PAYMENTS IN SETTLEMENT OF THIRD PARTY NET-  
18 WORK TRANSACTIONS ONLY WHERE AGGREGATE FOR  
19 CALENDAR YEAR IS \$600 OR MORE.—Any payment in  
20 settlement of a third party network transaction re-  
21 quired to be shown on a return required under sec-  
22 tion 6050W which is made during any calendar year  
23 shall be treated as a reportable payment only if—

24 “(A) the aggregate amount of such pay-  
25 ment and all previous such payments made by

1 the third party settlement organization to the  
2 participating payee during such calendar year  
3 equals or exceeds \$600, or

4 “(B) the third party settlement organiza-  
5 tion was required under section 6050W to file  
6 a return for the preceding calendar year with  
7 respect to payments to the participating  
8 payee.”.

9 (b) CONFORMING AMENDMENT.—Section 6050W(e)  
10 is amended by inserting “equal or” before “exceed \$600”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to calendar years beginning after  
13 December 31, 2021.

14 (d) TRANSITIONAL RULE FOR 2022.—In the case of  
15 payments made during calendar year 2022, section  
16 3406(b)(8)(A) of the Internal Revenue Code of 1986 (as  
17 added by this section) shall be applied by inserting “and  
18 the aggregate number of third party network transactions  
19 settled by the third party settlement organization with re-  
20 spect to the participating payee during such calendar year  
21 exceeds 200” before the comma at the end.



1 **SEC. 138403. MODIFICATION OF PROCEDURAL REQUIRE-**  
2 **MENTS RELATING TO ASSESSMENT OF PEN-**  
3 **ALTIES.**

4 (a) REPEAL OF APPROVAL REQUIREMENT.—Section  
5 6751 is amended by striking subsection (b).

6 (b) QUARTERLY CERTIFICATIONS OF COMPLIANCE  
7 WITH PROCEDURAL REQUIREMENTS.—Section 6751, as  
8 amended by subsection (a) of this section, is amended by  
9 inserting after subsection (a) the following new subsection:

10 “(b) QUARTERLY CERTIFICATIONS OF COMPLI-  
11 ANCE.—Each appropriate supervisor of employees of the  
12 Internal Revenue Service shall certify quarterly by letter  
13 to the Commissioner of Internal Revenue whether or not  
14 the requirements of subsection (a) and administrative poli-  
15 cies intended to ensure voluntary compliance have been  
16 met with respect to notices of penalty issued by such em-  
17 ployees.”.

18 (c) EFFECTIVE DATES.—

19 (1) REPEAL OF APPROVAL REQUIREMENT.—  
20 The amendment made by subsection (a) shall take  
21 effect as if included in section 3306 of the Internal  
22 Revenue Service Restructuring and Reform Act of  
23 1998.

24 (2) QUARTERLY CERTIFICATIONS OF COMPLI-  
25 ANCE WITH PROCEDURAL REQUIREMENTS.—The  
26 amendment made by subsection (b) shall apply to

1 notices of penalty issued after the date of the enact-  
2 ment of this Act.

3 **PART 5—OTHER PROVISIONS**

4 **SEC. 138501. MODIFICATIONS TO LIMITATION ON DEDUC-**  
5 **TION OF EXCESSIVE EMPLOYEE REMUNERA-**  
6 **TION.**

7 (a) IN GENERAL.—Section 162(m) is amended by  
8 adding at the end the following new paragraph:

9 “(7) SPECIAL RULES RELATED TO LIMITATION  
10 ON DEDUCTION OF EXCESSIVE EMPLOYEE REMU-  
11 NERATION.—

12 “(A) AGGREGATION RULE.—A rule similar  
13 to the rule of paragraph (6)(C)(ii) shall apply  
14 for purposes of paragraph (1).

15 “(B) REGULATIONS.—The Secretary shall  
16 prescribe such regulations or other guidance as  
17 may be necessary or appropriate to carry out  
18 the purposes of paragraph (1), including regula-  
19 tions or other guidance to prevent the avoidance  
20 of such purposes, including through the per-  
21 formance of services other than as an employee  
22 or by providing compensation through a pass-  
23 through or other entity.”.

24 (b) APPLICABLE EMPLOYEE REMUNERATION.—Sec-  
25 tion 162(m)(4)(A) is amended—



1 “; or”, and by adding at the end the following new sub-  
2 paragraph:

3 “(G) investment, at the direction of a dis-  
4 qualified person, by an individual retirement ac-  
5 count in an interest in a DISC or FSC that re-  
6 ceives any commission, or other payment, from  
7 an entity any stock or interest in which is  
8 owned by the individual for whose benefit the  
9 account is maintained.”.

10 (b) SPECIAL RULES OF APPLICATION.—Section  
11 4975(c) is amended by adding at the end the following  
12 new paragraph:

13 “(8) SPECIAL RULES OF APPLICATION FOR  
14 DISC AND FSC INVESTMENTS.—

15 “(A) INDIRECT HOLDING OF DISC OR  
16 FSC.—For purposes of paragraph (1)(G), in-  
17 vestment by an individual retirement account in  
18 an interest in an entity that owns (directly or  
19 indirectly) an interest in a DISC or FSC shall  
20 be treated as investment by such account in an  
21 interest in such DISC or FSC.

22 “(B) CONSTRUCTIVE OWNERSHIP.—For  
23 purposes of determining ownership of stock (or  
24 any other interest) in an entity under para-  
25 graph (1)(G) and ownership of an interest in a

1 DISC or FSC under subparagraph (A), the  
2 rules prescribed by section 318 for determining  
3 ownership shall apply, except that such section  
4 shall be applied by substituting ‘10 percent’ for  
5 ‘50 percent’ each place it appears.

6 “(C) DISC AND FSC.—For purposes of  
7 this subsection, the terms ‘DISC’ and ‘FSC’  
8 shall have the respective meanings given such  
9 terms by section 992(a)(1)) and section 922(a)  
10 (as in effect before its repeal by the FSC Re-  
11 peal and Extraterritorial Income Exclusion Act  
12 of 2000).”.

13 (c) APPLICATION OF TAX TO TERMINATED INDI-  
14 VIDUAL RETIREMENT ACCOUNTS.—Section 4975(c)(3) is  
15 amended by adding at the end the following: “The pre-  
16 ceding sentence shall not apply in the case of a prohibited  
17 transaction described in paragraph (1)(G).”.

18 (d) RELATED RULES FOR INDIVIDUAL RETIREMENT  
19 ACCOUNTS.—

20 (1) IN GENERAL.—Section 408(a) is amended  
21 by inserting after paragraph (6) the following new  
22 paragraph:

23 “(7) No part of the trust funds will be invested  
24 in any interest in a DISC or a FSC that receives  
25 any commission, or other payment, from an entity

1 any stock or interest in which is owned by the indi-  
2 vidual for whose benefit the trust is maintained. For  
3 purposes of the preceding sentence, the definitions  
4 and rules of section 4975(c)(8) shall apply.”.

5 (e) LOSS OF EXEMPTION OF ACCOUNT.—Section  
6 408(e)(2), as amended by the preceding provisions of this  
7 Act, is amended—

8 (1) by redesignating subparagraph (B) as sub-  
9 paragraph (C),

10 (2) by inserting after subparagraph (A) the fol-  
11 lowing new subparagraph:

12 “(B) PROHIBITED INVESTMENT.—If, dur-  
13 ing any taxable year of the individual for whose  
14 benefit any individual retirement account is  
15 maintained, the investment of any part of the  
16 funds of such individual retirement account  
17 does not comply with subsection (a)(7), such  
18 account ceases to be an individual retirement  
19 account as of the first day of such taxable year.  
20 For purposes of this subparagraph, the sepa-  
21 rate account for the benefit of any individual  
22 within an individual retirement account main-  
23 tained by an employer or association of employ-  
24 ees is treated as a separate individual retire-  
25 ment account.”,

1           (3) by striking “WHERE EMPLOYEE ENGAGES  
2           IN PROHIBITED TRANSACTION” in the heading and  
3           inserting “IN CASE OF CERTAIN PROHIBITED TRANS-  
4           ACTIONS AND INVESTMENTS”,

5           (4) by striking “(A)” in subparagraph (C), as  
6           so redesignated, and inserting “(A) or (B)”.

7           (f) CONFORMING AMENDMENTS.—

8           (1) Section 408(e)(1) is amended by striking  
9           “(1) through (6)” and inserting “(1) through (7)”.

10          (2) Section 4975(c)(3) is amended—

11                 (A) striking “established” and inserting  
12                 “maintained”,

13                 (B) by striking “transaction” both places  
14                 it appears and inserting “transaction or invest-  
15                 ment”, and

16                 (C) by striking “section 408(e)(2)(A)” and  
17                 inserting “subparagraph (A) or (B) of section  
18                 408(e)(2)”.

19          (g) EFFECTIVE DATE.—The amendments made by  
20          this section shall apply to stock and other interests ac-  
21          quired or held on or after December 31, 2021.

1 **SEC. 138504. CLARIFICATION OF TREATMENT OF DISC**  
2 **GAINS AND DISTRIBUTIONS OF CERTAIN**  
3 **FOREIGN SHAREHOLDERS.**

4 (a) **IN GENERAL.**—Section 996(g) is amended by  
5 striking “of such shareholder” and inserting “deemed to  
6 be had by such shareholder”.

7 (b) **EFFECTIVE DATE.**—The amendments made by  
8 subsection (a) shall apply to gains and distributions after  
9 December 31, 2021.

10 (c) **APPLICATION TO FOREIGN SALES CORPORA-**  
11 **TIONS.**—In the case of any distribution after December  
12 31, 2021, section 926(b)(1) of the Internal Revenue Code  
13 of 1986 (prior to its repeal by the FSC Repeal and  
14 Extraterritorial Income Exclusion Act of 2000) shall be  
15 applied by substituting “deemed to be had by such share-  
16 holder” for “of such shareholder”.

17 (d) **NO INFERENCE.**—This section (and the amend-  
18 ments made by this section) shall not be construed to cre-  
19 ate any inference with respect to the proper application  
20 of any provision of the Internal Revenue Code of 1986  
21 with respect to gains and distributions before January 1,  
22 2022.

23 **SEC. 138505. TREATMENT OF CERTAIN QUALIFIED SOUND**  
24 **RECORDING PRODUCTIONS.**

25 (a) **ELECTION TO TREAT COSTS AS EXPENSES.**—  
26 Section 181(a)(1) is amended by striking “qualified film



1 or television production, and any qualified live theatrical  
2 production,” and inserting “qualified film or television  
3 production, any qualified live theatrical production, and  
4 any qualified sound recording production”.

5 (b) DOLLAR LIMITATION.—Section 181(a)(2) is  
6 amended by adding at the end the following new subpara-  
7 graph:

8 “(C) QUALIFIED SOUND RECORDING PRO-  
9 Duction.—Paragraph (1) shall not apply to so  
10 much of the aggregate cost of any qualified  
11 sound recording production, or to so much of  
12 the aggregate, cumulative cost of all such quali-  
13 fied sound recording productions in the taxable  
14 year, as exceeds \$150,000.”.

15 (c) NO OTHER DEDUCTION OR AMORTIZATION DE-  
16 Duction ALLOWABLE.—Section 181(b) is amended by  
17 striking “qualified film or television production or any  
18 qualified live theatrical production” and inserting “quali-  
19 fied film or television production, any qualified live theat-  
20 rical production, or any qualified sound recording produc-  
21 tion”.

22 (d) ELECTION.—Section 181(c)(1) is amended by  
23 striking “qualified film or television production or any  
24 qualified live theatrical production” and inserting “quali-  
25 fied film or television production, any qualified live theat-

1 rical production, or any qualified sound recording produc-  
2 tion”.

3 (e) QUALIFIED SOUND RECORDING PRODUCTION  
4 DEFINED.—Section 181 is amended by redesignating sub-  
5 sections (f) and (g) as subsections (g) and (h), respec-  
6 tively, and by inserting after subsection (e) the following  
7 new subsection:

8 “(f) QUALIFIED SOUND RECORDING PRODUCTION.—  
9 For purposes of this section, the term ‘qualified sound re-  
10 cording production’ means a sound recording (as defined  
11 in section 101 of title 17, United States Code) produced  
12 and recorded in the United States.”.

13 (f) TERMINATION.—Section 181(h) (as redesignated  
14 by subsection (e)) is amended by striking “or qualified live  
15 theatrical productions” and inserting “, qualified live the-  
16 atrical productions, or qualified sound recording produc-  
17 tions”.

18 (g) BONUS DEPRECIATION.—

19 (1) QUALIFIED SOUND RECORDING PRODUC-  
20 TION AS QUALIFIED PROPERTY.—Section  
21 168(k)(2)(A)(i) is amended—

22 (A) by striking “or” at the end of sub-  
23 clause (IV), by adding “or” at the end of sub-  
24 clause (V), and by inserting after subclause (V)  
25 the following:

1                   “(VI) which is a qualified sound  
2                   recording production (as defined in  
3                   subsection (f) of section 181) for  
4                   which a deduction would have been al-  
5                   lowable under section 181 without re-  
6                   gard to subsections (a)(2) and (h) of  
7                   such section or this subsection,” and  
8                   (B) in subclauses (IV) and (V) (as amend-  
9                   ed) by striking “without regard to subsections  
10                  (a)(2) and (g)” both places it appears and in-  
11                  serting “without regard to subsections (a)(2)  
12                  and (h)”.

13                  (2) PRODUCTION PLACED IN SERVICE.—Section  
14                  168(k)(2)(H) is amended by striking “and” at the  
15                  end of clause (i), by striking the period at the end  
16                  of clause (ii) and inserting “, and”, and by adding  
17                  after clause (ii) the following:

18                         “(iii) a qualified sound recording pro-  
19                         duction shall be considered to be placed in  
20                         service at the time of initial release or  
21                         broadcast.”.

22                  (h) CONFORMING AMENDMENTS.—

23                         (1) The heading for section 181 is amended to  
24                         read as follows: “**TREATMENT OF CERTAIN**  
25                         **QUALIFIED PRODUCTIONS.**”.



1 fuel or kerosene if such person removes from a ter-  
2 minal eligible indelibly dyed diesel fuel or kerosene.

3 “(2) ELIGIBLE INDELIBLY DYED DIESEL FUEL  
4 OR KEROSENE DEFINED.—The term ‘eligible indeli-  
5 bly dyed diesel fuel or kerosene’ means diesel fuel or  
6 kerosene—

7 “(A) with respect to which a tax under sec-  
8 tion 4081 was previously paid (and not credited  
9 or refunded), and

10 “(B) which is exempt from taxation under  
11 section 4082(a).

12 “(c) CROSS REFERENCE.—For civil penalty for ex-  
13 cessive claims under this section, see section 6675.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 6206 is amended—

16 (A) by striking “or 6427” each place it ap-  
17 pears and inserting “6427, or 6433”, and

18 (B) by striking “6420 and 6421” and in-  
19 serting “6420, 6421, and 6433”.

20 (2) Section 6430 is amended—

21 (A) by striking “or” at the end of para-  
22 graph (2), by striking the period at the end of  
23 paragraph (3) and inserting “or”, and by add-  
24 ing at the end the following new paragraph:

1           “(4) which are removed as eligible indelibly  
2 dyed diesel fuel or kerosene under section 6433.”.

3           (3) Section 6675 is amended—

4                 (A) in subsection (a), by striking “or 6427  
5 (relating to fuels not used for taxable pur-  
6 poses)” and inserting “6427 (relating to fuels  
7 not used for taxable purposes), or 6433 (relat-  
8 ing to eligible indelibly dyed fuel)”, and

9                 (B) in subsection (b)(1), by striking  
10 “6421, or 6427,” and inserting “6421, 6427,  
11 or 6433”.

12           (4) The table of sections for subchapter B of  
13 chapter 65 is amended by adding at the end the fol-  
14 lowing new item:

“Sec. 6433. Dyed fuel.”.

15           (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to eligible indelibly dyed diesel fuel  
17 or kerosene removed on or after the date that is 180 days  
18 after the date of the enactment of this section.

19 **SEC. 138507. TREATMENT OF FINANCIAL GUARANTY INSUR-**  
20 **ANCE COMPANIES AS QUALIFYING INSUR-**  
21 **ANCE CORPORATIONS UNDER PASSIVE FOR-**  
22 **IGN INVESTMENT COMPANY RULES.**

23           (a) IN GENERAL.—Section 1297(f)(3) is amended by  
24 adding at the end the following new subparagraph:

1                   “(C) SPECIAL RULES FOR FINANCIAL  
2                   GUARANTY INSURANCE COMPANIES.—

3                   “(i) IN GENERAL.—Notwithstanding  
4                   subparagraphs (A)(ii) and (B), the applica-  
5                   ble insurance liabilities of a financial guar-  
6                   anty insurance company shall include its  
7                   unearned premium reserves if—

8                   “(I) such company is prohibited  
9                   under generally accepted accounting  
10                  principles from reporting on its applica-  
11                  ble financial statements reserves for  
12                  losses and loss adjustment expenses  
13                  with respect to a financial guaranty  
14                  insurance or reinsurance contract ex-  
15                  cept to the extent that losses and loss  
16                  adjustment expenses are expected to  
17                  exceed the unearned premium reserves  
18                  on the contract,

19                  “(II) the applicable financial  
20                  statement of such company reports fi-  
21                  nancial guaranty exposure of at least  
22                  15-to-1 or State or local bond expo-  
23                  sure of at least 9-to-1 (8-to-1 in the  
24                  case of a taxable year of such com-

1           pany which ends on or before Decem-  
2           ber 31, 2018), and

3           “(III) such company includes in  
4           its insurance liabilities only its un-  
5           earned premium reserves relating to  
6           insurance written or assumed that is  
7           within the single risk limits set forth  
8           in subsection (D) of section 4 of the  
9           Financial Guaranty Insurance Guide-  
10          line (modified by using total share-  
11          holder’s equity as reported on the ap-  
12          plicable financial statement of the  
13          company rather than aggregate of the  
14          surplus to policyholders and contin-  
15          gency reserves).

16          “(ii) APPLICATION OF ALTERNATIVE  
17          FACTS AND CIRCUMSTANCES TEST.—A fi-  
18          nancial guaranty insurance company shall  
19          be treated as satisfying the requirements  
20          of paragraph (2)(B)(ii).

21          “(iii) FINANCIAL GUARANTY INSUR-  
22          ANCE COMPANY.—For purposes of this  
23          subparagraph, the term ‘financial guaranty  
24          insurance company’ means any insurance  
25          company the sole business of which is writ-



1           ing or reinsuring financial guaranty insur-  
2           ance (as defined in subsection (A) of sec-  
3           tion 1 of the Financial Guaranty Insurance  
4           Guideline) which is permitted under sub-  
5           section (B) of section 4 of such Guideline.

6           “(iv) FINANCIAL GUARANTY EXPO-  
7           SURE.—For purposes of this subpara-  
8           graph, the term ‘financial guaranty expo-  
9           sure’ means the ratio of—

10                   “(I) the net debt service out-  
11                   standing insured or reinsured by the  
12                   company that is within the single risk  
13                   limits set forth in the Financial Guar-  
14                   anty Insurance Guideline (as reported  
15                   on such company’s applicable financial  
16                   statement), to

17                   “(II) the company’s total assets  
18                   (as so reported).

19           “(v) STATE OR LOCAL BOND EXPO-  
20           SURE.—For purposes of this subpara-  
21           graph, the term ‘State or local bond expo-  
22           sure’ means the ratio of—

23                   “(I) the net unpaid principal of  
24                   State or local bonds (as defined in  
25                   section 103(c)(1)) insured or rein-

1           sured by the company that is within  
2           the single risk limits set forth in the  
3           Financial Guaranty Insurance Guide-  
4           line (as reported on such company’s  
5           applicable financial statement), to

6                   “(II) the company’s total assets  
7                   (as so reported).”

8                   “(vi) FINANCIAL GUARANTY INSUR-  
9           ANCE GUIDELINE.—For purposes of this  
10          subparagraph—

11                   “(I) IN GENERAL.—The term  
12           ‘Financial Guaranty Insurance Guide-  
13           line’ means the October 2008 model  
14           regulation that was adopted by the  
15           National Association of Insurance  
16           Commissioners on December 4, 2007.

17                   “(II) DETERMINATIONS MADE BY  
18           SECRETARY.—The determination of  
19           whether any provision of the Financial  
20           Guaranty Insurance Guideline has  
21           been satisfied shall be made by the  
22           Secretary.”.

23          (b) REPORTING OF CERTAIN ITEMS.—Section  
24   1297(f)(4) is amended by adding at the end the following  
25   new subparagraph:

1           “(C) CLARIFICATION THAT CERTAIN ITEMS  
2           ON APPLICABLE FINANCIAL STATEMENT BE  
3           SEPARATELY REPORTED WITH RESPECT TO  
4           CORPORATION.—An amount described in para-  
5           graph (1)(B) or clause (i)(II), (i)(III), (iv)(I),  
6           (iv)(II), (v)(I), or (v)(II) of paragraph (3)(C)  
7           shall be treated as reported on an applicable fi-  
8           nancial statement for purposes of this section  
9           if—

10                   “(i) such amount is separately re-  
11                   ported on such statement with respect to  
12                   the corporation referred to in paragraph  
13                   (1), or

14                   “(ii) such amount is separately deter-  
15                   mined for purposes of calculating an  
16                   amount which is reported on such state-  
17                   ment.

18           “(D) AUTHORITY OF SECRETARY TO RE-  
19           QUIRE REPORTING.—

20                   “(i) IN GENERAL.—Each United  
21                   States person who owns an interest in a  
22                   specified non-publicly traded foreign cor-  
23                   poration and who takes the position that  
24                   such corporation is not a passive foreign  
25                   investment company shall report to the

1 Secretary such information with respect to  
2 such corporation as the Secretary may re-  
3 quire.

4 “(ii) SPECIFIED NON-PUBLICLY TRAD-  
5 ED FOREIGN CORPORATION.—For purposes  
6 of this subparagraph, the term ‘specified  
7 non-publicly traded foreign corporation’  
8 means any foreign corporation—

9 “(I) which would be a passive  
10 foreign investment company if sub-  
11 section (b)(2)(B) did not apply, and

12 “(II) no interest in which is trad-  
13 ed on an established securities mar-  
14 ket.”.

15 (c) EFFECTIVE DATE.—

16 (1) IN GENERAL.—Except as otherwise pro-  
17 vided in this subsection, the amendments made by  
18 this section shall take effect as if included in section  
19 14501 of Public Law 115–97.

20 (2) REPORTING.—The amendment made by  
21 subsection (b) shall apply to reports made after the  
22 date of the enactment of this Act.

1 **SEC. 138508. EXTENSION OF PERIOD OF LIMITATION FOR**  
2 **CERTAIN LEGALLY MARRIED COUPLES.**

3 (a) IN GENERAL.—In the case of an individual first  
4 treated as married for purposes of the Internal Revenue  
5 Code of 1986 by the application of the holdings of Rev-  
6 enue Ruling 2013–17—

7 (1) if such individual filed a return (other than  
8 a joint return) for a taxable year ending before Sep-  
9 tember 16, 2013, for which a joint return could have  
10 been made by the individual and the individual’s  
11 spouse but for the fact that such holdings were not  
12 effective at the time of filing, such return shall be  
13 treated as a separate return within the meaning of  
14 section 6013(b) of such Code and the time pre-  
15 scribed by section 6013(b)(2)(A) of such Code for  
16 filing a joint return after filing a separate return  
17 shall not expire before the date prescribed by law  
18 (including extensions) for filing the return of tax for  
19 the taxable year that includes the date of the enact-  
20 ment of this Act, and

21 (2) in the case of a joint return filed pursuant  
22 to paragraph (1)—

23 (A) the period of limitation prescribed by  
24 section 6511(a) of such Code for any such tax-  
25 able year shall be extended until the date pre-  
26 scribed by law (including extensions) for filing

1 the return of tax for the taxable year that in-  
2 cludes the date of the enactment of this Act,  
3 and

4 (B) section 6511(b)(2) of such Code shall  
5 not apply to any claim of credit or refund with  
6 respect to such return.

7 (b) AMENDMENTS, ETC. RESTRICTED TO CHANGE IN  
8 MARITAL STATUS.—Subsection (a) shall apply only with  
9 respect to amendments to the return of tax, and claims  
10 for credit or refund, relating to a change in the marital  
11 status for purposes of the Internal Revenue Code of 1986  
12 of the individual.

13 **SEC. 138514. ALLOWANCE OF DEDUCTION FOR CERTAIN EX-**  
14 **PENSES OF THE TRADE OR BUSINESS OF**  
15 **BEING AN EMPLOYEE.**

16 (a) ABOVE-THE-LINE DEDUCTION FOR UNION  
17 DUES.—Section 62(a)(2) is amended by adding at the end  
18 the following new subparagraph:

19 “(F) UNION DUES.—In the case of any taxable  
20 year beginning after December 31, 2021, and before  
21 January 1, 2026, the deductions allowed by section  
22 162 which are both—

23 “(A) not in excess of \$250, and

24 “(B) attributable to a trade or business  
25 consisting of the performance of services by the

1 taxpayer as an employee if such deductions are  
2 for dues paid to a labor organization described  
3 in section 501(c)(5) and with respect to which  
4 such taxpayer remained a member through the  
5 end of the taxable year.”.

6 (b) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to taxable years beginning after  
8 December 31, 2021.

9 **SEC. 138515. TEMPORARY INCREASE IN EMPLOYER-PRO-**  
10 **VIDED CHILD CARE CREDIT.**

11 (a) IN GENERAL.—Section 45F is amended by add-  
12 ing at the end the following new subsection:

13 “(g) TEMPORARY INCREASE.—In the case of any tax-  
14 able year beginning after December 31, 2021, and before  
15 January 1, 2026—

16 “(1) INCREASE IN PERCENTAGE OF CREDIT  
17 FOR QUALIFIED CHILD CARE EXPENDITURES.—Sub-  
18 section (a)(1) shall be applied by substituting ‘50  
19 percent’ for ‘25 percent’.

20 “(2) INCREASE IN DOLLAR LIMITATION.—Sub-  
21 section (b) shall be applied by substituting  
22 ‘\$500,000’ for ‘\$150,000’.

23 “(3) PRESERVATION OF DOLLAR LIMITATION  
24 ON QUALIFIED CHILD CARE RESOURCE AND REFER-  
25 RAL EXPENDITURES.—The aggregate amount of

1 qualified child care resource and referral expendi-  
 2 tures which may be taken into account under sub-  
 3 section (a)(2) for any taxable year shall not exceed  
 4 \$1,500,000.”.

5 (b) EFFECTIVE DATE.—The amendment made by  
 6 this section shall apply to taxable years beginning after  
 7 December 31, 2021.

8 **SEC. 138516. PAYROLL CREDIT FOR COMPENSATION OF**  
 9 **LOCAL NEWS JOURNALISTS.**

10 (a) IN GENERAL.—Subchapter D of chapter 21 is  
 11 amended by adding at the end the following new section:

12 **“SEC. 3135. LOCAL NEWS JOURNALIST COMPENSATION**  
 13 **CREDIT.**

14 “(a) IN GENERAL.—In the case of an eligible local  
 15 news journalist employer, there shall be allowed as a credit  
 16 against the taxes imposed by section 3111(b) for each cal-  
 17 endar quarter an amount equal to the applicable percent-  
 18 age of wages paid by such employer to local news journal-  
 19 ists for such calendar quarter.

20 “(b) LIMITATIONS AND REFUNDABILITY.—

21 “(1) NUMBER OF LOCAL NEWS JOURNALISTS  
 22 TAKEN INTO ACCOUNT.—The number of local news  
 23 journalists which may be taken into account under  
 24 subsection (a) with respect to any eligible local news



1 journalist employer for any calendar quarter shall  
2 not exceed 1,500.

3 “(2) WAGES TAKEN INTO ACCOUNT.—The  
4 amount of wages paid with respect to any individual  
5 which may be taken into account under subsection  
6 (a) during any calendar quarter by the eligible local  
7 news journalist employer shall not exceed \$12,500.

8 “(3) CREDIT LIMITED TO EMPLOYMENT  
9 TAXES.—The credit allowed by subsection (a) with  
10 respect to any calendar quarter shall not exceed the  
11 taxes imposed by section 3111(b) on the wages paid  
12 with respect to the employment of all the employees  
13 of the eligible local news journalist employer for such  
14 calendar quarter.

15 “(4) REFUNDABILITY OF EXCESS CREDIT.—If  
16 the amount of the credit under subsection (a) ex-  
17 ceeds the limitation of paragraph (3) for any cal-  
18 endar quarter, such excess shall be treated as an  
19 overpayment that shall be refunded under sections  
20 6402(a) and 6413(b).

21 “(c) ELIGIBLE LOCAL NEWS JOURNALIST EM-  
22 PLOYER.—For purposes of this section—

23 “(1) IN GENERAL.—The term ‘eligible local  
24 news journalist employer’ means, with respect to any  
25 calendar quarter, any employer which—

1           “(A) is—

2                   “(i) an eligible local news organiza-  
3           tion, or

4                   “(ii) a qualifying broadcast station,  
5           and

6           “(B) employs local news journalists.

7           “(2) ELIGIBLE LOCAL NEWS ORGANIZATION.—

8           The term ‘eligible local news organization’ means,  
9           with respect to any calendar quarter, any em-  
10          ployer—

11                   “(A) which publishes one or more quali-  
12          fying publications during the calendar quarter,

13                   “(B) which is not a disqualified organiza-  
14          tion, and

15                   “(C) which did not derive more than 50  
16          percent of its gross receipts for such calendar  
17          quarter from disqualified organizations.

18           “(3) QUALIFYING BROADCAST STATION.—The  
19          term ‘qualifying broadcast station’ means, with re-  
20          spect to any calendar quarter, any employer—

21                   “(A) which owns or operates a broadcast  
22          station (as defined in section 3 of the Commu-  
23          nications Act of 1934),

24                   “(B) which is not a disqualified organiza-  
25          tion,

1           “(C) which did not derive more than 50  
2           percent of its gross receipts for such calendar  
3           quarter from disqualified organizations, and

4           “(D) which discloses its ownership to the  
5           public at such times and in such manner as  
6           identified by the Secretary.

7           “(d) OTHER DEFINITIONS.—For purposes of this  
8           section—

9           “(1) APPLICABLE PERCENTAGE.—The term  
10          ‘applicable percentage’ means—

11           “(A) in the case of each of the first 4 cal-  
12           endar quarters to which this section applies, 50  
13           percent, and

14           “(B) in the case of each calendar quarter  
15           thereafter, 30 percent.

16          “(2) LOCAL NEWS JOURNALIST.—

17           “(A) IN GENERAL.—The term ‘local news  
18           journalist’ means, with respect to any eligible  
19           local news journalist employer for any calendar  
20           quarter, any full-time employee (as defined in  
21           section 4980H(c)(4)) who—

22           “(i) provides qualified services for an  
23           average of not less than 30 hours per week  
24           for each week during which such employee  
25           is employed by the eligible local news jour-

1           nalist employer during the calendar quar-  
2           ter, and

3                   “(ii) resides within 50 miles of the  
4           local community with respect to the quali-  
5           fying publication or qualifying broadcast  
6           station with respect to which the qualified  
7           services are provided.

8                   “(B) QUALIFIED SERVICES.—For purposes  
9           of subparagraph (A)(ii), the term ‘qualified  
10          services’ means services—

11                   “(i) which consist of gathering, pre-  
12          paring, directing the recording of, pro-  
13          ducing, collecting, photographing, record-  
14          ing, writing, editing, reporting, presenting,  
15          or publishing original local community  
16          news for dissemination to the local commu-  
17          nity, and

18                   “(ii) which are provided with respect  
19          to—

20                           “(I) a qualifying publication of  
21                           an eligible local news organization, or

22                           “(II) the local community of a  
23                           qualifying broadcast station.

1           “(3) QUALIFYING PUBLICATION.—The term  
2           ‘qualifying publication’ means, with respect to any  
3           calendar quarter, any print or digital publication—

4                   “(A) the primary purpose of which is to  
5                   serve a local community by providing local  
6                   news,

7                   “(B) which—

8                           “(i) is published during the calendar  
9                           quarter, and

10                           “(ii) has been published during each  
11                           of the 4 calendar quarters preceding such  
12                           calendar quarter,

13                   “(C) which is covered by media liability in-  
14                   surance for such calendar quarter,

15                   “(D) which discloses its ownership to the  
16                   public at such times and in such manner as  
17                   identified by the Secretary, and

18                   “(E) which receives services from not more  
19                   than 1,500 persons during such calendar quar-  
20                   ter.

21           “(4) LOCAL COMMUNITY.—The term ‘local com-  
22           munity’ means, with respect to any qualifying broad-  
23           cast station or qualifying publication, a geographi-  
24           cally contiguous area that does not exceed the  
25           boundaries of—

1           “(A) in the case of a qualifying broadcast  
2 station, the area for which the qualifying broad-  
3 cast station is licensed to serve by the Federal  
4 Communications Commission under section 307  
5 of the Communications Act of 1934, and

6           “(B) in the case of a qualifying publica-  
7 tion—

8           “(i) the metropolitan or micropolitan  
9 statistical area, as defined by the Office of  
10 Management and Budget, in which the  
11 qualifying publication is primarily distrib-  
12 uted,

13           “(ii) if such qualifying publication is  
14 not primarily distributed in a metropolitan  
15 or micropolitan statistical area, political  
16 subdivision of the State in which such  
17 qualifying publication is primarily distrib-  
18 uted, or

19           “(iii) if such qualifying publication is  
20 not primarily distributed in a metropolitan  
21 or micropolitan statistical area or a polit-  
22 ical subdivision of a State, the State in  
23 which such qualifying publication is pri-  
24 marily distributed.

1 For purposes of subparagraph (B), in the case of a  
2 qualifying publication which is a digital publication,  
3 such qualifying publication shall be considered to be  
4 primarily distributed in the area where such publica-  
5 tion is primarily consumed.

6 “(5) DISQUALIFIED ORGANIZATION.—The term  
7 ‘disqualified organization’ means—

8 “(A) any organization described in section  
9 501(c)(4) and exempt from tax under section  
10 501(a),

11 “(B) any organization described in section  
12 527, and

13 “(C) any organization that is owned or  
14 controlled (directly or indirectly) by one or more  
15 organizations described in subparagraph (A) or  
16 (B).

17 “(6) GROSS RECEIPTS.—

18 “(A) IN GENERAL.—Except as provided in  
19 subparagraph (B), the term ‘gross receipts’ has  
20 the meaning given such term as used in section  
21 448(c).

22 “(B) TAX-EXEMPT ORGANIZATIONS.—In  
23 the case of an organization which is described  
24 in section 501(c) and exempt from tax under  
25 section 501(a), any reference in this section to

1 gross receipts shall be treated as a reference to  
2 gross receipts within the meaning of section  
3 6033.

4 “(7) OTHER TERMS.—Any term used in this  
5 section which is also used in this chapter shall have  
6 the same meaning as when used in such chapter.

7 “(e) AGGREGATION RULE.—All persons treated as a  
8 single employer under subsection (a) or (b) of section 52,  
9 or subsection (m) or (o) of section 414, shall be treated  
10 as one employer for purposes of this section.

11 “(f) CERTAIN RULES TO APPLY.—

12 “(1) IN GENERAL.—For purposes of this sec-  
13 tion—

14 “(A) except as provided in paragraph (2),  
15 rules similar to the rules of section 51(i)(1)  
16 shall apply, and

17 “(B) rules similar to the rules of section  
18 280C(a) shall apply.

19 “(2) EXCEPTION.—Paragraph (1)(A) shall not  
20 apply with respect to any local news journalist of an  
21 eligible local news journalist employer which employs  
22 fewer than 15 local news journalists during the cal-  
23 endar quarter.

24 “(g) CERTAIN GOVERNMENTAL EMPLOYERS.—



1           “(1) IN GENERAL.—This credit shall not apply  
2           to the Government of the United States, the govern-  
3           ment of any State or political subdivision thereof, or  
4           any agency or instrumentality of any of the fore-  
5           going.

6           “(2) EXCEPTION.—Paragraph (1) shall not  
7           apply to any public broadcasting entity (as defined  
8           in section 397(11) of the Communications Act of  
9           1934 (47 U.S.C. 397(11))).

10          “(h) ELECTION TO HAVE SECTION NOT APPLY.—  
11          This section shall not apply with respect to any eligible  
12          local news journalist employer for any calendar quarter  
13          if such employer elects (at such time and in such manner  
14          as the Secretary may prescribe) not to have this section  
15          apply.

16          “(i) SPECIAL RULES.—

17                 “(1) EMPLOYEE NOT TAKEN INTO ACCOUNT  
18                 MORE THAN ONCE.—An employee shall not be in-  
19                 cluded for purposes of this section for any period  
20                 with respect to any employer if such employer is al-  
21                 lowed a credit under section 51 with respect to such  
22                 employee for such period.

23                 “(2) DENIAL OF DOUBLE BENEFIT.—Any  
24                 wages taken into account in determining the credit  
25                 allowed under this section shall not be taken into ac-

1 count for purposes of determining the credit allowed  
2 under section 41, 45A, 45P, 45S, or 1396.

3 “(3) THIRD-PARTY PAYORS.—Any credit al-  
4 lowed under this section shall be treated as a credit  
5 described in section 3511(d)(2) of such Code.

6 “(j) TREATMENT OF DEPOSITS.—The Secretary shall  
7 waive any penalty under section 6656 for any failure to  
8 make a deposit of any taxes imposed under section  
9 3111(b) if the Secretary determines that such failure was  
10 due to the reasonable anticipation of the credit allowed  
11 under this section.

12 “(k) EXTENSION OF LIMITATION ON ASSESSMENT.—  
13 Notwithstanding section 6501, the limitation on the time  
14 period for the assessment of any amount attributable to  
15 a credit claimed under this section shall not expire before  
16 the date that is 5 years after the later of—

17 “(1) the date on which the original return  
18 which includes the calendar quarter with respect to  
19 which such credit is determined is filed, or

20 “(2) the date on which such return is treated  
21 as filed under section 6501(b)(2).

22 “(l) REGULATIONS AND GUIDANCE.—The Secretary  
23 shall issue such forms, instructions, regulations, and guid-  
24 ance as are necessary—

1           “(1) with respect to the application of the cred-  
2           it under subsection (a) to third-party payors (includ-  
3           ing professional employer organizations, certified  
4           professional employer organizations, or agents under  
5           section 3504), including regulations or guidance al-  
6           lowing such payors to submit documentation nec-  
7           essary to substantiate the eligible employer status of  
8           employers that use such payors, and

9           “(2) to prevent the avoidance of the purposes of  
10          the limitations under this section.

11 Any forms, instructions, regulations, or other guidance de-  
12 scribed in paragraph (1) shall require the customer to be  
13 responsible for the accounting of the credit and for any  
14 liability for improperly claimed credits and shall require  
15 the certified professional employer organization or other  
16 third-party payor to accurately report such tax credits  
17 based on the information provided by the customer.

18          “(m) APPLICATION.—This section shall only apply to  
19 wages paid in calendar quarters beginning after the date  
20 of the enactment of this section and beginning before the  
21 date that is 5 years after the first day of the first calendar  
22 quarter to which this section applies.”.

23          (b) REFUNDS.—Paragraph (2) of section 1324(b) of  
24 title 31, United States Code, is amended by inserting  
25 “3135,” after “3134,”.

1 (c) CLERICAL AMENDMENT.—The table of sections  
2 for subchapter D of chapter 21 is amended by adding at  
3 the end the following:

“Sec. 3135. Local news journalist compensation credit.”.

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

7 **SEC. 138517. ABOVE-THE-LINE DEDUCTION FOR EMPLOYEE**  
8 **UNIFORMS.**

9 (a) IN GENERAL.—Section 62(a)(2), as amended by  
10 the preceding provision of this Act, is amended by adding  
11 at the end the following new subparagraph:

12 “(G) WORK CLOTHES AND UNIFORMS.—In  
13 the case of any taxable year beginning after De-  
14 cember 31, 2021, and before January 1, 2025,  
15 the deductions allowed by section 162, not in  
16 excess of \$250, which are attributable to a  
17 trade or business consisting of the performance  
18 of services by the taxpayer as an employee if  
19 such deductions are for uniforms or work cloth-  
20 ing which are—

21 “(i) required to be worn as a condi-  
22 tion of employment, and

23 “(ii) not suitable for everyday wear.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2021.

4 **SEC. 138518. EXPENSES IN CONTINGENCY FEE CASES.**

5 (a) IN GENERAL.—Section 162 is amended by redес-  
6 ignating subsection (s) as subsection (t) and by inserting  
7 after subsection (r) the following new subsection:

8 “(s) EXPENSES IN CONTINGENCY FEE CASES.—In  
9 the case of any amount paid or incurred in the ordinary  
10 course of the trade or business of practicing law the repay-  
11 ment of which is contingent on a recovery by judgment  
12 or settlement in the action to which such amount relates—

13 “(1) the deduction under subsection (a) shall be  
14 determined by disregarding the possibility that such  
15 amount will be repaid, and

16 “(2) income attributable to any related recovery  
17 shall not be reduced by such amount.”.

18 (b) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to amounts paid, incurred, or re-  
20 ceived in taxable years beginning after the date of the en-  
21 actment of this Act.

22 **SEC. 138519. INCREASE IN RESEARCH CREDIT AGAINST**  
23 **PAYROLL TAX FOR SMALL BUSINESSES.**

24 (a) IN GENERAL.—Clause (i) of section 41(h)(4)(B)  
25 is amended—

1 (1) by striking “AMOUNT.—The amount” and  
2 inserting “AMOUNT.—

3 “(I) IN GENERAL.—The  
4 amount”, and

5 (2) by adding at the end the following new sub-  
6 clause:

7 “(II) INCREASE.—In the case of  
8 taxable years beginning after Decem-  
9 ber 31, 2021, the amount in subclause  
10 (I) shall be increased by \$250,000.”.

11 (b) ALLOWANCE OF CREDIT.—

12 (1) IN GENERAL.—Paragraph (1) of section  
13 3111(f) is amended—

14 (A) by striking “for a taxable year, there  
15 shall be allowed” and inserting “for a taxable  
16 year—

17 “(A) there shall be allowed”,

18 (B) by striking “equal to the” and insert-  
19 ing “equal to so much of the”,

20 (C) by striking the period at the end and  
21 inserting “as does not exceed the limitation of  
22 subclause (I) of section 41(h)(4)(B)(i) (applied  
23 without regard to subclause (II) thereof), and”,  
24 and

1 (D) by adding at the end the following new  
2 subparagraph:

3 “(B) there shall be allowed as a credit  
4 against the tax imposed by subsection (b) for  
5 the first calendar quarter which begins after the  
6 date on which the taxpayer files the return  
7 specified in section 41(h)(4)(A)(ii) an amount  
8 equal to so much of the payroll tax credit por-  
9 tion determined under section 41(h)(2) as is  
10 not allowed as a credit under subparagraph  
11 (A).”.

12 (2) LIMITATION.—Paragraph (2) of section  
13 3111(f) is amended—

14 (A) by striking “paragraph (1)” and in-  
15 serting “paragraph (1)(A)”, and

16 (B) by inserting “, and the credit allowed  
17 by paragraph (1)(B) shall not exceed the tax  
18 imposed by subsection (b) for any calendar  
19 quarter,” after “calendar quarter”.

20 (3) CARRYOVER.—Paragraph (3) of section  
21 3111(f) is amended by striking “the credit” and in-  
22 serting “any credit”.

23 (4) DEDUCTION ALLOWED.—Paragraph (4) of  
24 section 3111(f) is amended—

1 (A) by striking “credit” and inserting  
2 “credits”, and

3 (B) by striking “subsection (a)” and in-  
4 serting “subsection (a) or (b)”.

5 (c) AGGREGATION RULES.—Clause (ii) of section  
6 41(h)(5)(B) is amended by striking “the \$250,000  
7 amount” and inserting “each of the \$250,000 amounts”.

8 (d) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 December 31, 2021.

11 **SEC. 138520. IMPOSITION OF TAX ON NICOTINE.**

12 (a) IN GENERAL.—Section 5701 is amended by re-  
13 designating subsection (h) as subsection (i) and by insert-  
14 ing after subsection (g) the following new subsection:

15 “(h) NICOTINE.—On taxable nicotine, manufactured  
16 in or imported into the United States, there shall be im-  
17 posed a tax equal to the dollar amount specified in section  
18 5701(b)(1) (or, if greater, \$50.33) per 1,810 milligrams  
19 of nicotine (and a proportionate tax at the like rate on  
20 any fractional part thereof).”.

21 (b) TAXABLE NICOTINE.—Section 5702 is amended  
22 by adding at the end the following new subsection:

23 “(q) TAXABLE NICOTINE.—

24 “(1) IN GENERAL.—Except as otherwise pro-  
25 vided in this subsection, the term ‘taxable nicotine’



1 means any nicotine which has been extracted, con-  
2 centrated, or synthesized.

3 “(2) EXCEPTION FOR PRODUCTS APPROVED BY  
4 FOOD AND DRUG ADMINISTRATION.—Such term  
5 shall not include any nicotine if the manufacturer or  
6 importer thereof demonstrates to the satisfaction of  
7 the Secretary of Health and Human Services that  
8 such nicotine will be used in—

9 “(A) a drug—

10 “(i) that is approved under section  
11 505 of the Federal Food, Drug, and Cos-  
12 metic Act or licensed under section 351 of  
13 the Public Health Service Act; or

14 “(ii) for which an investigational use  
15 exemption has been authorized under sec-  
16 tion 505(i) of the Federal Food, Drug, and  
17 Cosmetic Act or under section 351(a) of  
18 the Public Health Service Act; or

19 “(B) a combination product (as described  
20 in section 503(g) of the Federal Food, Drug,  
21 and Cosmetic Act), the constituent parts of  
22 which were approved or cleared under section  
23 505, 510(k), or 515 of such Act.

24 “(3) COORDINATION WITH TAXATION OF OTHER  
25 TOBACCO PRODUCTS.—Tobacco products meeting

1 the definition of cigars, cigarettes, smokeless to-  
2 bacco, pipe tobacco, and roll-your-own tobacco in  
3 this section shall be classified and taxed as such de-  
4 spite any concentration of the nicotine inherent in  
5 those products or any addition of nicotine to those  
6 products during the manufacturing process.

7 “(4) REGULATIONS.—The Secretary shall pre-  
8 scribe such regulations or other guidance as is nec-  
9 essary or appropriate to carry out the purposes of  
10 this subsection, including regulations or other guid-  
11 ance for coordinating the taxation of tobacco prod-  
12 ucts and taxable nicotine to protect revenue and pre-  
13 vent double taxation.”.

14 (c) TAXABLE NICOTINE TREATED AS A TOBACCO  
15 PRODUCT.—Section 5702(c) is amended by striking “and  
16 roll-your-own tobacco” and inserting “roll-your-own to-  
17 bacco, and taxable nicotine”.

18 (d) MANUFACTURER OF TAXABLE NICOTINE.—Sec-  
19 tion 5702, as amended by subsection (b), is amended by  
20 adding at the end the following new subsection:

21 “(r) MANUFACTURER OF TAXABLE NICOTINE.—

22 “(1) IN GENERAL.—Any person who extracts,  
23 concentrates, or synthesizes nicotine shall be treated  
24 as a manufacturer of taxable nicotine (and as manu-  
25 facturing such taxable nicotine).

1           “(2) APPLICATION OF RULES RELATED TO  
2 MANUFACTURERS OF TOBACCO PRODUCTS.—Any  
3 reference to a manufacturer of tobacco products, or  
4 to manufacturing tobacco products, shall be treated  
5 as including a reference to a manufacturer of tax-  
6 able nicotine, or to manufacturing taxable nicotine,  
7 respectively.”.

8 (e) EFFECTIVE DATE.—

9           (1) IN GENERAL.—The amendments made by  
10 this section shall apply to articles removed in cal-  
11 endar quarters beginning after the date which is 180  
12 days after the date of the enactment of this Act.

13           (2) TRANSITION RULE FOR PERMIT AND BOND  
14 REQUIREMENTS.—A person which is lawfully en-  
15 gaged in business as a manufacturer or importer of  
16 taxable nicotine (within the meaning of subchapter  
17 A of chapter 52 of the Internal Revenue Code of  
18 1986, as amended by this section) on the date of the  
19 enactment of this Act, first becomes subject to the  
20 requirements of subchapter B of chapter 52 of such  
21 Code by reason of the amendments made by this  
22 section, and submits an application under such sub-  
23 chapter B to engage in such business not later than  
24 90 days after the date of the enactment of this Act,  
25 shall not be denied the right to carry on such busi-

1           ness by reason of such requirements before final ac-  
2           tion on such application.

3 **SEC. 138521. TERMINATION OF EMPLOYER CREDIT FOR**  
4                                   **PAID FAMILY AND MEDICAL LEAVE.**

5           Section 45S(i) is amended by striking “December 31,  
6 2025” and inserting “December 31, 2023”.

7                                   **Subtitle I—Drug Pricing**

8                   **PART 1—LOWERING PRICES THROUGH DRUG**  
9                                   **PRICE NEGOTIATION**

10 **SEC. 139001. PROVIDING FOR LOWER PRICES FOR CERTAIN**  
11                                   **HIGH-PRICED SINGLE SOURCE DRUGS.**

12           (a) PROGRAM TO LOWER PRICES FOR CERTAIN  
13 HIGH-PRICED SINGLE SOURCE DRUGS.—Title XI of the  
14 Social Security Act is amended by adding after section  
15 1184 (42 U.S.C. 1320e–3) the following new part:

16 **“PART E—PRICE NEGOTIATION PROGRAM TO**  
17                   **LOWER PRICES FOR CERTAIN HIGH-PRICED**  
18                   **SINGLE SOURCE DRUGS**

19 **“SEC. 1191. ESTABLISHMENT OF PROGRAM.**

20           “(a) IN GENERAL.—The Secretary shall establish a  
21 Drug Price Negotiation Program (in this part referred to  
22 as the ‘program’). Under the program, with respect to  
23 each price applicability period, the Secretary shall—

24                   “(1) publish a list of negotiation-eligible drugs  
25                   and selected drugs in accordance with section 1192;

1           “(2) enter into agreements with manufacturers  
2 of selected drugs with respect to such period, in ac-  
3 cordance with section 1193;

4           “(3) negotiate and, if applicable, renegotiate  
5 maximum fair prices for such selected drugs, in ac-  
6 cordance with section 1194; and

7           “(4) carry out the administrative duties de-  
8 scribed in section 1196.

9           “(b) DEFINITIONS RELATING TO TIMING.—For pur-  
10 poses of this part:

11           “(1) INITIAL PRICE APPLICABILITY YEAR.—The  
12 term ‘initial price applicability year’ means a year  
13 (beginning with 2025).

14           “(2) PRICE APPLICABILITY PERIOD.—The term  
15 ‘price applicability period’ means, with respect to a  
16 qualifying single source drug, the period beginning  
17 with the first initial price applicability year with re-  
18 spect to which such drug is a selected drug and end-  
19 ing with the last year during which the drug is a se-  
20 lected drug.

21           “(3) SELECTED DRUG PUBLICATION DATE.—  
22 The term ‘selected drug publication date’ means,  
23 with respect to each initial price applicability year,  
24 February 1 of the year that begins 2 years prior to  
25 such year.

1           “(4) NEGOTIATION PERIOD.—The term ‘nego-  
2           tiation period’ means, with respect to an initial price  
3           applicability year with respect to a selected drug, the  
4           period—

5                   “(A) beginning on the sooner of—

6                           “(i) the date on which the manufac-  
7                           turer of the drug and the Secretary enter  
8                           into an agreement under section 1193 with  
9                           respect to such drug; or

10                           “(ii) February 28 following the se-  
11                           lected drug publication date with respect to  
12                           such selected drug; and

13                           “(B) ending on November 1 of the year  
14                           that begins 2 years prior to the initial price ap-  
15                           plicability year.

16           “(c) OTHER DEFINITIONS.—For purposes of this  
17           part:

18                   “(1) MAXIMUM FAIR PRICE ELIGIBLE INDI-  
19                   VIDUAL.—The term ‘maximum fair price eligible in-  
20                   dividual’ means, with respect to a selected drug—

21                           “(A) in the case such drug is dispensed to  
22                           the individual at a pharmacy, by a mail order  
23                           service, or by another dispenser, an individual  
24                           who is enrolled under a prescription drug plan  
25                           under part D of title XVIII or an MA-PD plan

1 under part C of such title if coverage is pro-  
2 vided under such plan for such selected drug;  
3 and

4 “(B) in the case such drug is furnished or  
5 administered to the individual by a hospital,  
6 physician, or other provider of services or sup-  
7 plier, an individual who is enrolled under part  
8 B of title XVIII, including an individual who is  
9 enrolled under an MA plan under part C of  
10 such title, if such selected drug is covered under  
11 such part.

12 “(2) MAXIMUM FAIR PRICE.—The term ‘max-  
13 imum fair price’ means, with respect to a year dur-  
14 ing a price applicability period and with respect to  
15 a selected drug (as defined in section 1192(c)) with  
16 respect to such period, the price published pursuant  
17 to section 1195 in the Federal Register for such  
18 drug and year.

19 “(3) UNIT.—The term ‘unit’ means, with re-  
20 spect to a drug or biological, the lowest identifiable  
21 amount (such as a capsule or tablet, milligram of  
22 molecules, or grams) of the drug or biological that  
23 is dispensed or furnished. The determination of a  
24 unit, with respect to a drug or biological, pursuant

1 to this paragraph shall not be subject to administra-  
2 tive or judicial review.

3 “(4) TOTAL EXPENDITURES.—The term ‘total  
4 expenditures’ includes, in the case of expenditures  
5 with respect to part D of title XVIII, ingredient  
6 costs, dispensing fees, sales tax, and if applicable,  
7 vaccine administration fees. The term ‘total expendi-  
8 tures’ excludes, in the case of expenditures with re-  
9 spect to part B of such title, expenditures for a drug  
10 or biological that are bundled or packaged into the  
11 payment for another service.

12 **“SEC. 1192. SELECTION OF NEGOTIATION-ELIGIBLE DRUGS**  
13 **AS SELECTED DRUGS.**

14 “(a) IN GENERAL.—Not later than the selected drug  
15 publication date with respect to an initial price applica-  
16 bility year, in accordance with subsection (b), the Sec-  
17 retary shall select and publish in the Federal Register a  
18 list of—

19 “(1)(A) with respect to the initial price applica-  
20 bility year 2025, not more than 10 negotiation-eli-  
21 gible drugs described in subparagraph (A)(i) of sub-  
22 section (d)(1), but not subparagraph (B) of such  
23 subsection, with respect to such year;

24 “(B) with respect to the initial price applica-  
25 bility year 2026, not more than 15 negotiation-eli-



1 ble drugs described in subparagraph (A)(i) of sub-  
2 section (d)(1), but not subparagraph (B) of such  
3 subsection, with respect to such year;

4 “(C) with respect to the initial price applica-  
5 bility year 2027, not more than 15 negotiation-eligible  
6 ble drugs described in subparagraph (A) of sub-  
7 section (d)(1), but not subparagraph (B) of such  
8 subsection, with respect to such year; and

9 “(D) with respect to the initial price applica-  
10 bility year 2028 or a subsequent year, not more than  
11 20 negotiation-eligible drugs described in subpara-  
12 graph (A) of subsection (d)(1), but not subpara-  
13 graph (B) of such subsection, with respect to such  
14 year; and

15 “(2) all negotiation-eligible drugs described in  
16 subparagraph (B) of such subsection with respect to  
17 such year.

18 Subject to subsection (c)(2) and section 1194(f)(5), each  
19 drug published on the list pursuant to the previous sen-  
20 tence shall be subject to the negotiation process under sec-  
21 tion 1194 for the negotiation period with respect to such  
22 initial price applicability year (and the renegotiation proc-  
23 ess under such section as applicable for any subsequent  
24 year during the applicable price applicability period).

25 “(b) SELECTION OF DRUGS.—

1           “(1) IN GENERAL.—In carrying out subsection  
2           (a)(1), subject to paragraph (2), the Secretary shall,  
3           with respect to an initial price applicability year—

4                   “(A) rank a combined list of negotiation-el-  
5                   igible drugs described in subsection (d)(1)(A)  
6                   according to the total expenditures for such  
7                   drugs under parts B and D of title XVIII, as  
8                   determined by the Secretary, during the most  
9                   recent period of 12 months prior to the selected  
10                  drug publication date (but ending not later  
11                  than October 31 of the year prior to the year  
12                  of such drug publication date), with respect to  
13                  such year, for which data are available, with the  
14                  negotiation-eligible drugs with the highest total  
15                  expenditures being ranked the highest; and

16                  “(B) select from such ranked combined list  
17                  for inclusion on the published list described in  
18                  subsection (a) with respect to such year the ne-  
19                  gotiation-eligible drugs with the highest such  
20                  rankings.

21           “(2) HIGH SPEND PART D DRUGS FOR 2025 AND  
22           2026.—With respect to the initial price applicability  
23           year 2025 and with respect to the initial price appli-  
24           cability year 2026, the Secretary shall apply para-  
25           graph (1) as if the reference to ‘negotiation-eligible

1 drugs described in subsection (d)(1)(A)' were a ref-  
2 erence to 'negotiation-eligible drugs described in sub-  
3 section (d)(1)(A)(i)' and as if the reference to 'total  
4 expenditures for such drugs under parts B and D of  
5 title XVIII' were a reference to 'total expenditures  
6 for such drugs under part D of title XVIII'.

7 “(c) SELECTED DRUG.—

8 “(1) IN GENERAL.—For purposes of this part,  
9 consistent with subsection (e)(2) and subject to  
10 paragraph (2), each negotiation-eligible drug in-  
11 cluded on the list published under subsection (a)  
12 with respect to an initial price applicability year  
13 shall be referred to as a 'selected drug' with respect  
14 to such year and each subsequent year beginning be-  
15 fore the first year that begins after the date on  
16 which the Secretary determines at least one drug or  
17 biological product—

18 “(A) is approved or licensed (as applica-  
19 ble)—

20 “(i) under section 505(j) of the Fed-  
21 eral Food, Drug, and Cosmetic Act using  
22 such drug as the listed drug; or

23 “(ii) under section 351(k) of the Pub-  
24 lic Health Service Act using such drug as  
25 the reference product; and

1           “(B) is marketed pursuant to such ap-  
2           proval or licensure.

3           “(2) CLARIFICATION.—A negotiation-eligible  
4           drug—

5           “(A) that is included on the list published  
6           under subsection (a) with respect to an initial  
7           price applicability year; and

8           “(B) for which the Secretary makes a de-  
9           termination described in paragraph (1) before  
10          or during the negotiation period with respect to  
11          such initial price applicability year,

12          shall not be subject to the negotiation process under  
13          section 1194 with respect to such negotiation period  
14          and shall continue to be considered a selected drug  
15          under this part with respect to the number of nego-  
16          tiation-eligible drugs published on the list under sub-  
17          section (a) with respect to such initial price applica-  
18          bility year.

19          “(d) NEGOTIATION-ELIGIBLE DRUG.—

20                 “(1) IN GENERAL.—For purposes of this part,  
21                 subject to paragraph (2), the term ‘negotiation-eli-  
22                 gible drug’ means, with respect to the selected drug  
23                 publication date with respect to an initial price ap-  
24                 plicability year, a qualifying single source drug, as  
25                 defined in subsection (e), that is described in either

1 of the following subparagraphs (or, with respect to  
2 the initial price applicability year 2025 or 2026, that  
3 is described in subparagraph (A)(i) or (B)):

4 “(A) HIGH SPEND DRUGS.—The qualifying  
5 single source drug is, determined in accordance  
6 with subsection (e)(2)—

7 “(i) among the 50 qualifying single  
8 source drugs with the highest total expend-  
9 itures under part D of title XVIII, as de-  
10 termined by the Secretary in accordance  
11 with paragraph (3), during the most recent  
12 period for which data are available of at  
13 least 12 months prior to the selected drug  
14 publication date (but ending no later than  
15 October 31 of the year prior to the year of  
16 such drug publication date), with respect  
17 to such year; or

18 “(ii) among the 50 qualifying single  
19 source drugs with the highest total expend-  
20 itures under part B of title XVIII, as de-  
21 termined by the Secretary in accordance  
22 with paragraph (3), during such most re-  
23 cent period, as described in clause (i).

24 “(B) INSULIN.—The qualifying single  
25 source drug is described in subsection (e)(1)(C).

1           “(2) EXCEPTION FOR SMALL BIOTECH  
2 DRUGS.—

3           “(A) IN GENERAL.—Subject to subpara-  
4 graph (C), the term ‘negotiation-eligible drug’  
5 shall not include, with respect to the initial  
6 price applicability years 2025, 2026, and 2027,  
7 a qualifying single source drug that meets ei-  
8 ther of the following:

9           “(i) PART D DRUGS.—The total ex-  
10 penditures for the qualifying single source  
11 drug under part D of title XVIII, as deter-  
12 mined by the Secretary in accordance with  
13 paragraph (3), during 2021—

14           “(I) are equal to or less than 1  
15 percent of the total expenditures  
16 under such part D, as so determined,  
17 for all covered part D drugs during  
18 such year; and

19           “(II) are equal to at least 80 per-  
20 cent of the total expenditures under  
21 such part D, as so determined, for all  
22 covered part D drugs for which the  
23 manufacturer of the drug has an  
24 agreement in effect under section  
25 1860D–14A during such year.

1           “(ii) PART B DRUGS.—The total ex-  
2           penditures for the qualifying single source  
3           drug under part B of title XVIII, as deter-  
4           mined by the Secretary in accordance with  
5           paragraph (3), during 2021—

6                   “(I) are equal to or less than 1  
7                   percent of the total expenditures  
8                   under such part B, as so determined,  
9                   for all qualifying single source drugs  
10                  covered under such part B during  
11                  such year; and

12                  “(II) are equal to at least 80 per-  
13                  cent of the total expenditures under  
14                  such part B, as so determined, for all  
15                  qualifying single source drugs of the  
16                  manufacturer that are covered under  
17                  such part B during such year.

18           “(B) CLARIFICATIONS RELATING TO MAN-  
19           UFACTURERS.—

20                   “(i) AGGREGATION RULE.—All per-  
21                   sons treated as a single employer under  
22                   subsection (a) or (b) of section 52 of the  
23                   Internal Revenue Code of 1986 shall be  
24                   treated as one manufacturer for purposes  
25                   of this paragraph.

1           “(ii) LIMITATION.—A qualifying sin-  
2           gle source drug described in subparagraph  
3           (A) shall not include a qualifying single  
4           source drug of a manufacturer if such  
5           manufacturer is acquired after 2021 by  
6           another manufacturer that does not meet  
7           the definition of a specified manufacturer  
8           under section 1860D–14C(g)(4)(B)(ii), ef-  
9           fective at the beginning of the plan year  
10          immediately following such acquisition or,  
11          in the case of an acquisition before 2024,  
12          effective January 1, 2024.

13          “(C) DRUGS NOT INCLUDED AS SMALL  
14          BIOTECH DRUGS.—The following shall not be  
15          considered a qualifying single source drug de-  
16          scribed in subparagraph (A):

17                 “(i) A vaccine that is licensed under  
18                 section 351 of the Public Health Service  
19                 Act and is marketed pursuant to such sec-  
20                 tion.

21                 “(ii) A new formulation, such as an  
22                 extended release formulation, of a quali-  
23                 fying single source drug.

24                 “(iii) A qualifying single source drug  
25                 described in subsection (e)(1)(C).



1 “(3) CLARIFICATIONS AND DETERMINATIONS.—

2 “(A) PREVIOUSLY SELECTED DRUGS AND  
3 SMALL BIOTECH DRUGS EXCLUDED.—In apply-  
4 ing clauses (i) and (ii) of paragraph (1)(A), the  
5 Secretary shall not consider or count—

6 “(i) drugs that are already selected  
7 drugs; and

8 “(ii) for initial price applicability  
9 years 2025, 2026, and 2027, qualifying  
10 single source drugs described in paragraph  
11 (2)(A).

12 “(B) USE OF DATA.—In determining  
13 whether a qualifying single source drug satisfies  
14 any of the criteria described in paragraph (1)  
15 or (2), the Secretary shall use data that is ag-  
16 gregated across dosage forms and strengths of  
17 the drug, including new formulations of the  
18 drug, such as an extended release formulation,  
19 and not based on the specific formulation or  
20 package size or package type of the drug.

21 “(4) PUBLICATION.—Not later than the se-  
22 lected drug publication date with respect to an ini-  
23 tial price applicability year, the Secretary shall pub-  
24 lish in the Federal Register a list of negotiation-eli-

1 gible drugs with respect to such selected drug publi-  
2 cation date.

3 “(e) QUALIFYING SINGLE SOURCE DRUG.—

4 “(1) IN GENERAL.—For purposes of this part,  
5 the term ‘qualifying single source drug’ means, with  
6 respect to an initial price applicability year, subject  
7 to paragraphs (2) and (3), a covered part D drug  
8 (as defined in section 1860D–2(e)) that is described  
9 in any of the following or a drug or biological prod-  
10 uct covered under part B of title XVIII that is de-  
11 scribed in any of the following:

12 “(A) DRUG PRODUCTS.—A drug—

13 “(i) that is approved under section  
14 505(e) of the Federal Food, Drug, and  
15 Cosmetic Act and is marketed pursuant to  
16 such approval;

17 “(ii) for which, as of the selected drug  
18 publication date with respect to such initial  
19 price applicability year, at least 7 years  
20 will have elapsed since the date of such ap-  
21 proval; and

22 “(iii) that is not the listed drug for  
23 any drug that is approved and marketed  
24 under section 505(j) of such Act.

1           “(B) BIOLOGICAL PRODUCTS.—A biological  
2           product—

3                   “(i) that is licensed under section  
4                   351(a) of the Public Health Service Act  
5                   and is marketed under section 351 of such  
6                   Act;

7                   “(ii) for which, as of the selected drug  
8                   publication date with respect to such initial  
9                   price applicability year, at least 11 years  
10                  will have elapsed since the date of such li-  
11                  censure; and

12                  “(iii) that is not the reference product  
13                  for any biological product that is licensed  
14                  and marketed under section 351(k) of such  
15                  Act.

16           “(C) INSULIN PRODUCT.—Any insulin  
17           product that is approved under section 505 of  
18           the Federal Food, Drug, and Cosmetic Act or  
19           licensed under section 351 of the Public Health  
20           Service Act and marketed pursuant to such ap-  
21           proval or licensure, including any insulin prod-  
22           uct that has been deemed to be licensed under  
23           section 351 of the Public Health Service Act  
24           pursuant to section 7002(e)(4) of the Biologics  
25           Price Competition and Innovation Act of 2009

1 and is marketed pursuant to such section, re-  
2 gardless of whether such insulin product would  
3 be described in subparagraph (A) or (B).

4 “(2) TREATMENT OF AUTHORIZED GENERIC  
5 DRUGS.—

6 “(A) IN GENERAL.—In the case of a quali-  
7 fying single source drug described in subpara-  
8 graph (A) or (B) of paragraph (1) that is the  
9 listed drug (as such term is used in section  
10 505(j) of the Federal Food, Drug, and Cos-  
11 metic Act) or the reference product (as defined  
12 in section 351(i) of the Public Health Service  
13 Act), with respect to an authorized generic  
14 drug, in applying the provisions of this part,  
15 such authorized generic drug and such listed  
16 drug or reference product shall be treated as  
17 the same qualifying single source drug.

18 “(B) AUTHORIZED GENERIC DRUG DE-  
19 FINED.—For purposes of this paragraph, the  
20 term ‘authorized generic drug’ means—

21 “(i) in the case of a drug, an author-  
22 ized generic drug (as such term is defined  
23 in section 505(t)(3) of the Federal Food,  
24 Drug, and Cosmetic Act); and

1           “(ii) in the case of a biological prod-  
2           uct, a reference product (as such term is  
3           defined in section 351(i) of the Public  
4           Health Service Act) that—

5                   “(I) has been licensed under sec-  
6                   tion 351(a) of such Act; and

7                   “(II) is marketed, sold, or dis-  
8                   tributed directly or indirectly to retail  
9                   class of trade under a different label-  
10                  ing, packaging (other than repack-  
11                  aging as the reference product in blis-  
12                  ter packs, unit doses, or similar pack-  
13                  aging for use in institutions), product  
14                  code, labeler code, trade name, or  
15                  trade mark than the reference prod-  
16                  uct.

17           “(3) EXCLUSIONS.—In this part, the term  
18           ‘qualifying single source drug’ does not include any  
19           of the following:

20                   “(A) CERTAIN ORPHAN DRUGS.—A drug  
21                   that is designated as a drug for only one rare  
22                   disease or condition under section 526 of the  
23                   Federal Food, Drug, and Cosmetic Act and for  
24                   which the only approved indication (or indica-  
25                   tions) is for such disease or condition.

1           “(B) LOW SPEND MEDICARE DRUGS.—A  
2           drug or biological product (other than an insu-  
3           lin product described in paragraph (1)(C)) with  
4           respect to which the total expenditures under  
5           parts B and D of title XVIII, as determined by  
6           the Secretary, during the most recent period for  
7           which data are available of at least 12 months  
8           prior to the selected drug publication date (but  
9           ending no later than October 31 of the year  
10          prior to the year of such drug publication date),  
11          with respect to such year is less than—

12                   “(i) with respect to 2021,  
13                   \$200,000,000; or

14                   “(ii) with respect to a subsequent  
15                   year, the dollar amount specified in this  
16                   subparagraph for the previous year in-  
17                   creased by the annual percentage increase  
18                   in the consumer price index (all items;  
19                   U.S. city average) as of December of such  
20                   previous year.

21          “(f) NO ADMINISTRATIVE OR JUDICIAL REVIEW OF  
22          DETERMINATIONS AND SELECTIONS.—The determination  
23          of negotiation-eligible drugs under subsection (d) and the  
24          selection of drugs under this section are not subject to  
25          administrative or judicial review.

1 **“SEC. 1193. MANUFACTURER AGREEMENTS.**

2       “(a) IN GENERAL.—For purposes of section  
3 1191(a)(2), the Secretary shall enter into agreements with  
4 manufacturers of selected drugs with respect to a price  
5 applicability period, by not later than February 28 fol-  
6 lowing the selected drug publication date with respect to  
7 such selected drug, under which—

8               “(1) during the negotiation period for the initial  
9 price applicability year for the selected drug, the  
10 Secretary and manufacturer, in accordance with sec-  
11 tion 1194, negotiate to determine (and, by not later  
12 than the last date of such period, agree to) a max-  
13 imum fair price for such selected drug of the manu-  
14 facturer in order for the manufacturer to provide ac-  
15 cess to such price—

16               “(A) to maximum fair price eligible indi-  
17 viduals who with respect to such drug are de-  
18 scribed in subparagraph (A) of section  
19 1191(c)(1) and are dispensed such drug (and to  
20 pharmacies, mail order services, and other dis-  
21 pensers, with respect to such maximum fair  
22 price eligible individuals who are dispensed such  
23 drugs) during, subject to subparagraph (2), the  
24 price applicability period; and

25               “(B) to hospitals, physicians, and other  
26 providers of services and suppliers with respect

1 to maximum fair price eligible individuals who  
2 with respect to such drug are described in sub-  
3 paragraph (B) of such section and are fur-  
4 nished or administered such drug during, sub-  
5 ject to subparagraph (2), the price applicability  
6 period;

7 “(2) the Secretary and the manufacturer shall,  
8 in accordance with section 1194, renegotiate (and,  
9 by not later than the last date of such period, agree  
10 to) the maximum fair price for such drug, in order  
11 for the manufacturer to provide access to such max-  
12 imum fair price (as so renegotiated)—

13 “(A) to maximum fair price eligible indi-  
14 viduals who with respect to such drug are de-  
15 scribed in subparagraph (A) of section  
16 1191(c)(1) and are dispensed such drug (and to  
17 pharmacies, mail order services, and other dis-  
18 pensers, with respect to such maximum fair  
19 price eligible individuals who are dispensed such  
20 drugs) during any year during the price appli-  
21 cability period (beginning after such renegoti-  
22 ation) with respect to such selected drug; and

23 “(B) to hospitals, physicians, and other  
24 providers of services and suppliers with respect  
25 to maximum fair price eligible individuals who



1 with respect to such drug are described in sub-  
2 paragraph (B) of such section and are fur-  
3 nished or administered such drug during any  
4 year described in subparagraph (A);

5 “(3) access to the maximum fair price (includ-  
6 ing as renegotiated pursuant to paragraph (2)), with  
7 respect to such a selected drug, shall be provided by  
8 the manufacturer to—

9 “(A) maximum fair price eligible individ-  
10 uals, who with respect to such drug are de-  
11 scribed in subparagraph (A) of section  
12 1191(c)(1), at the pharmacy, mail order service,  
13 or other dispenser at the point-of-sale of such  
14 drug (and shall be provided by the manufac-  
15 turer to the pharmacy, mail order service, or  
16 other dispenser, with respect to such maximum  
17 fair price eligible individuals who are dispensed  
18 such drugs), as described in paragraph (1)(A)  
19 or (2)(A), as applicable; and

20 “(B) hospitals, physicians, and other pro-  
21 viders of services and suppliers with respect to  
22 maximum fair price eligible individuals who  
23 with respect to such drug are described in sub-  
24 paragraph (B) of such section and are fur-

1 nished or administered such drug, as described  
2 in paragraph (1)(B) or (2)(B), as applicable;

3 “(4) the manufacturer, subject to subsection  
4 (d), submits to the Secretary, through an online por-  
5 tal established by the Secretary or other form and  
6 manner specified by the Secretary, for the negotia-  
7 tion period for the price applicability period (and, if  
8 applicable, before any period of renegotiation pursu-  
9 ant to section 1194(f)) with respect to such drug—

10 “(A) information on the non-Federal aver-  
11 age manufacturer price for the drug for the ap-  
12 plicable year or period; and

13 “(B) all other information that the Sec-  
14 retary requires to carry out the negotiation (or  
15 renegotiation process) under this part, including  
16 information described in section 1194(e)(1);  
17 and

18 “(5) the manufacturer complies with require-  
19 ments imposed by the Secretary for purposes of ad-  
20 ministering the program, including with respect to  
21 the duties described in section 1196.

22 “(b) AGREEMENT IN EFFECT UNTIL DRUG IS NO  
23 LONGER A SELECTED DRUG.—An agreement entered into  
24 under this section shall be effective, with respect to a se-

1 lected drug, until such drug is no longer considered a se-  
2 lected drug under section 1192(c).

3 “(c) CONFIDENTIALITY OF INFORMATION.—Informa-  
4 tion submitted to the Secretary under this part by a man-  
5 ufacturer of a selected drug that is proprietary informa-  
6 tion of such manufacturer (as determined by the Sec-  
7 retary) shall be used only by the Secretary or disclosed  
8 to and used by the Comptroller General of the United  
9 States or the Medicare Payment Advisory Commission for  
10 purposes of carrying out this part.

11 “(d) IMPLEMENTATION FOR 2025 AND 2026.—Not-  
12 withstanding any other provision of this part, the Sec-  
13 retary shall implement this section for 2025 and 2026 by  
14 program instruction or otherwise.

15 **“SEC. 1194. NEGOTIATION AND RENEGOTIATION PROCESS.**

16 “(a) IN GENERAL.—For purposes of this part, under  
17 an agreement under section 1193 between the Secretary  
18 and a manufacturer of a selected drug, with respect to  
19 the period for which such agreement is in effect and in  
20 accordance with subsections (b), (c), and (d), the Sec-  
21 retary and the manufacturer—

22 “(1) shall during the negotiation period with re-  
23 spect to such drug, in accordance with this section,  
24 negotiate a maximum fair price for such drug for  
25 the purpose described in section 1193(a)(1); and

1           “(2) renegotiate, in accordance with the process  
2           specified pursuant to subsection (f), such maximum  
3           fair price for such drug if such drug is a renegoti-  
4           ation-eligible drug under such subsection.

5           “(b) NEGOTIATION PROCESS REQUIREMENTS.—

6           “(1) METHODOLOGY AND PROCESS.—The Sec-  
7           retary shall develop and use a consistent method-  
8           ology and process, in accordance with paragraph (2),  
9           for negotiations under subsection (a) that aims to  
10          achieve the lowest maximum fair price for each se-  
11          lected drug.

12          “(2) SPECIFIC ELEMENTS OF NEGOTIATION  
13          PROCESS.—As part of the negotiation process under  
14          this section, with respect to a selected drug and the  
15          negotiation period with respect to the initial price  
16          applicability year with respect to such drug, the fol-  
17          lowing shall apply:

18          “(A) SUBMISSION OF INFORMATION.—Not  
19          later than March 1 of the year of the selected  
20          drug publication date, with respect to the se-  
21          lected drug, the manufacturer of the drug shall  
22          submit to the Secretary, in accordance with sec-  
23          tion 1193(a)(4), the information described in  
24          such section.

1           “(B) INITIAL OFFER BY SECRETARY.—Not  
2 later than the June 1 following the selected  
3 drug publication date, the Secretary shall pro-  
4 vide the manufacturer of a selected drug with  
5 a written initial offer that contains the Sec-  
6 retary’s proposal for the maximum fair price of  
7 the drug and a list of the considerations de-  
8 scribed in section 1194(e) that were used in de-  
9 veloping such offer.

10           “(C) RESPONSE TO INITIAL OFFER.—

11           “(i) IN GENERAL.—Not later than 30  
12 days after the date of receipt of an initial  
13 offer under subparagraph (B), the manu-  
14 facturer shall either accept such offer or  
15 propose a counteroffer to such offer.

16           “(ii) COUNTEROFFER REQUIRE-  
17 MENTS.—If a manufacturer proposes a  
18 counteroffer, such counteroffer—

19                   “(I) shall be in writing; and

20                   “(II) shall be justified based on  
21 the factors described in subsection (e).

22           “(D) RESPONSE TO COUNTEROFFER.—

23 After receiving a counteroffer under subpara-  
24 graph (C), the Secretary shall respond in writ-  
25 ing to such counteroffer.

1           “(E) DEADLINE.—All negotiations shall  
2 end prior to the first day of November following  
3 the selected drug publication date, with respect  
4 to the initial price applicability year.

5           “(F) LIMITATIONS ON OFFER AMOUNT.—  
6 In negotiating the maximum fair price of a se-  
7 lected drug, with respect to an initial price ap-  
8 plicability year for the selected drug, and, as  
9 applicable, in renegotiating the maximum fair  
10 price for such drug, with respect to a subse-  
11 quent year during the price applicability period  
12 for such drug, the Secretary shall not offer (or  
13 agree to a counteroffer for) a maximum fair  
14 price for the selected drug that—

15                   “(i) exceeds the ceiling determined  
16 under subsection (e) for the selected drug  
17 and year; or

18                   “(ii) as applicable, is less than the  
19 floor determined under subsection (d) for  
20 the selected drug and year.

21           “(G) TREATMENT OF DETERMINATION.—  
22 The establishment of a maximum fair price  
23 under this section is not subject to administra-  
24 tive or judicial review.

25           “(c) CEILING FOR MAXIMUM FAIR PRICE.—

1           “(1) IN GENERAL.—The maximum fair price  
2 negotiated under this section for a selected drug,  
3 with respect to the first year of the price applica-  
4 bility period with respect to such drug, shall not ex-  
5 ceed the applicable percent described in paragraph  
6 (2), with respect to such drug, of the following:

7           “(A) INITIAL PRICE APPLICABILITY YEAR  
8 2025.—In the case of a selected drug with re-  
9 spect to which such initial price applicability  
10 year is 2025, the average of the non-Federal  
11 average manufacturer price for such drug for  
12 the first 3 calendar quarters of 2021 (or, in the  
13 case that there is not a non-Federal average  
14 manufacturer price available for such drug for  
15 any of such first 3 calendar quarters of 2021,  
16 for the first full year following the market entry  
17 for such drug), increased by the percentage in-  
18 crease in the consumer price index for all urban  
19 consumers (all items; United States city aver-  
20 age) from September 2021 (or such first full  
21 year following the market entry), as applicable,  
22 to the year prior to the selected drug publica-  
23 tion date with respect to such initial price appli-  
24 cability year.

1           “(B) INITIAL PRICE APPLICABILITY YEAR  
2           2026 AND SUBSEQUENT YEARS.—In the case of  
3           a selected drug with respect to which such ini-  
4           tial price applicability year is 2026 or a subse-  
5           quent year, the lower of—

6                   “(i) the average of the non-Federal  
7                   average manufacturer price for such drug  
8                   for the first 3 calendar quarters of 2021  
9                   (or, in the case that there is not a non-  
10                  Federal average manufacturer price avail-  
11                  able for such drug for any of such first 3  
12                  calendar quarters of 2021, for the first full  
13                  year following the market entry for such  
14                  drug), increased by the percentage increase  
15                  in the consumer price index for all urban  
16                  consumers (all items; United States city  
17                  average) from September 2021 (or such  
18                  first full year following the market entry),  
19                  as applicable, to the year prior to the se-  
20                  lected drug publication date with respect to  
21                  such initial price applicability year; or

22                   “(ii) the non-Federal average manu-  
23                   facturer price for such drug for the year  
24                   prior to the selected drug publication date



1 with respect to such initial price applica-  
2 bility year.

3 “(2) APPLICABLE PERCENT DESCRIBED.—For  
4 purposes of paragraph (1), the applicable percent  
5 described in this paragraph is the following:

6 “(A) SHORT-MONOPOLY DRUGS.—With re-  
7 spect to a selected drug (other than a post-ex-  
8 clusivity drug and a long-monopoly drug), 75  
9 percent.

10 “(B) POST-EXCLUSIVITY DRUGS.—With re-  
11 spect to a post-exclusivity drug, 65 percent.

12 “(C) LONG-MONOPOLY DRUGS.—With re-  
13 spect to a long-monopoly drug, 40 percent.

14 “(3) POST-EXCLUSIVITY DRUG DEFINED.—

15 “(A) IN GENERAL.—In this part, subject  
16 to subparagraph (B), the term ‘post-exclusivity  
17 drug’ means, with respect to an initial price ap-  
18 plicability year, a selected drug for which at  
19 least 12 years, but fewer than 16 years, have  
20 elapsed since the date of approval of such drug  
21 under section 505(c) of the Federal Food,  
22 Drug, and Cosmetic Act or since the date of li-  
23 censure of such drug under section 351(a) of  
24 the Public Health Service Act, as applicable.

1           “(B) EXCLUSIONS.—The term ‘post-exclu-  
2           sivity drug’ shall not include any of the fol-  
3           lowing:

4                   “(i) A vaccine that is licensed under  
5                   section 351 of the Public Health Service  
6                   Act and marketed pursuant to such sec-  
7                   tion.

8                   “(ii) A selected drug that had an  
9                   agreement under this part with the Sec-  
10                  retary prior to the initial price applicability  
11                  year 2030.

12           “(C) CLARIFICATION.—Nothing in sub-  
13           paragraph (B)(ii) shall limit the transition of a  
14           selected drug described in paragraph (2)(A) to  
15           a long-monopoly drug if the selected drug meets  
16           the definition of a long-monopoly drug.

17           “(4) LONG-MONOPOLY DRUG DEFINED.—

18                   “(A) IN GENERAL.—In this part, subject  
19                   to subparagraph (B), the term ‘long-monopoly  
20                   drug’ means, with respect to an initial price ap-  
21                   plicability year, a selected drug for which at  
22                   least 16 years have elapsed since the date of  
23                   approval of such drug under section 505(c) of  
24                   the Federal Food, Drug, and Cosmetic Act or  
25                   since the date of licensure of such drug under

1 section 351(a) of the Public Health Service Act,  
2 as applicable.

3 “(B) EXCLUSION.—The term ‘long-monop-  
4 oly drug’ shall not include a vaccine that is li-  
5 censed under section 351 of the Public Health  
6 Service Act and marketed pursuant to such sec-  
7 tion.

8 “(5) NON-FEDERAL AVERAGE MANUFACTURER  
9 PRICE.—In this part, the term ‘non-Federal average  
10 manufacturer price’ has the meaning given such  
11 term in section 8126(h)(5) of title 38, United States  
12 Code.

13 “(d) TEMPORARY FLOOR FOR SMALL BIOTECH  
14 DRUGS.—In the case of a selected drug that is a quali-  
15 fying single source drug described in section 1192(d)(2)  
16 and with respect to which the first initial price applica-  
17 bility year of the price applicability period with respect to  
18 such drug is 2028 or 2029, the maximum fair price nego-  
19 tiated under this section for such drug for such initial  
20 price applicability year may not be less than 66 percent  
21 of the average of the non-Federal average manufacturer  
22 price for such drug (as defined and applied in subsection  
23 (c)(4)) for the first 3 calendar quarters of 2021 (or, in  
24 the case that there is not a non-Federal average manufac-  
25 turer price available for such drug for any of such first

1 3 calendar quarters of 2021, for the first full year fol-  
2 lowing the market entry for such drug), increased by the  
3 percentage increase in the consumer price index for all  
4 urban consumers (all items; United States city average)  
5 from September 2021 (or such first full year following the  
6 market entry), as applicable, to the year prior to the se-  
7 lected drug publication date with respect to the initial  
8 price applicability year.

9 “(e) CONSIDERATIONS.—For purposes of negotiating  
10 the maximum fair price of a selected drug under this part  
11 with the manufacturer of the drug, the Secretary shall  
12 consider the following factors (and, with respect to post-  
13 exclusivity drugs and long-monopoly drugs, shall not con-  
14 sider factors other than those described in subparagraphs  
15 (B) and (C) of paragraph (1)):

16 “(1) MANUFACTURER-SPECIFIC INFORMA-  
17 TION.—The following information, with respect to  
18 such selected drug, including as submitted by the  
19 manufacturer:

20 “(A) Research and development costs of  
21 the manufacturer for the drug and the extent to  
22 which the manufacturer has recouped research  
23 and development costs.

24 “(B) Market data for the drug, including  
25 the distribution of sales across different pro-

1           grams and purchasers and projected future rev-  
2           enues for the drug.

3           “(C) Unit costs of production and distribu-  
4           tion of the drug.

5           “(D) Prior Federal financial support for  
6           novel therapeutic discovery and development  
7           with respect to the drug.

8           “(E) Data on patents and on existing and  
9           pending exclusivity for the drug.

10          “(F) National sales data for the drug.

11          “(G) Information on clinical trials for the  
12          drug.

13          “(2) INFORMATION ON UNMET MEDICAL NEEDS  
14          AND ALTERNATIVE TREATMENTS.—The following in-  
15          formation, with respect to such selected drug:

16               “(A) The extent to which the drug rep-  
17               resents a therapeutic advance as compared to  
18               existing therapeutic alternatives and, to the ex-  
19               tent such information is available, the costs of  
20               such existing therapeutic alternatives.

21               “(B) Information on approval by the Food  
22               and Drug Administration of alternative drug  
23               products or biological products.

24               “(C) Information on comparative effective-  
25               ness analysis for such products, taking into

1 consideration the effects of such products on  
2 specific populations, such as individuals with  
3 disabilities, the elderly, the terminally ill, chil-  
4 dren, and other patient populations.

5 “(D) The extent to which the drug ad-  
6 dresses unmet medical needs for a condition for  
7 which treatment or diagnosis is not addressed  
8 adequately by available therapy.

9 In considering information described in subpara-  
10 graph (C), the Secretary shall not use evidence or  
11 findings from comparative clinical effectiveness re-  
12 search in a manner that treats extending the life of  
13 an elderly, disabled, or terminally ill individual as of  
14 lower value than extending the life of an individual  
15 who is younger, nondisabled, or not terminally ill.

16 “(3) ADDITIONAL INFORMATION.—Information  
17 submitted to the Secretary, in accordance with a  
18 process specified by the Secretary, by other parties  
19 that are affected by the establishment of a maximum  
20 fair price for the selected drug.

21 “(f) RENEGOTIATION PROCESS.—

22 “(1) IN GENERAL.—In the case of a renegoti-  
23 ation-eligible drug (as defined in paragraph (2)) that  
24 is selected under paragraph (3), the Secretary shall  
25 provide for a process of renegotiation (for years (be-

1       ginning with 2027) during the price applicability pe-  
2       riod, with respect to such drug) of the maximum fair  
3       price for such drug consistent with paragraph (4).

4           “(2) RENEGOTIATION-ELIGIBLE DRUG DE-  
5       FINED.—In this section, the term ‘renegotiation-eli-  
6       gible drug’ means a selected drug that is any of the  
7       following:

8           “(A) ADDITION OF NEW INDICATION.—A  
9       selected drug for which a new indication is  
10      added to the drug.

11          “(B) CHANGE OF STATUS TO A POST-EX-  
12      CLUSIVITY DRUG.—A selected drug that is de-  
13      scribed in section 1192(d)(1)(A) that—

14           “(i) is not a post-exclusivity drug or a  
15      long-monopoly drug; and

16           “(ii) for which there is a change in  
17      status to that of a post-exclusivity drug.

18          “(C) CHANGE OF STATUS TO A LONG-MO-  
19      NOPOLY DRUG.—A selected drug that is de-  
20      scribed in section 1192(d)(1)(A) that—

21           “(i) is not a long-monopoly drug; and

22           “(ii) for which there is a change in  
23      status to that of a long-monopoly drug.

24          “(D) MATERIAL CHANGES.—A selected  
25      drug for which the Secretary determines there

1           has been a material change of factors described  
2           in paragraph (1) or (2) of subsection (e).

3           “(3) SELECTION OF DRUGS FOR RENEGOTI-  
4           ATION.—Each year the Secretary shall select among  
5           renegotiation-eligible drugs for renegotiation as fol-  
6           lows:

7                   “(A) ALL POST-EXCLUSIVITY NEGOTIA-  
8                   TION-ELIGIBLE DRUGS.—The Secretary shall  
9                   select all renegotiation-eligible drugs described  
10                  in paragraph (2)(B).

11                  “(B) ALL LONG-MONOPOLY NEGOTIATION-  
12                  ELIGIBLE DRUGS.—The Secretary shall select  
13                  all renegotiation-eligible drugs described in  
14                  paragraph (2)(C).

15                  “(C) REMAINING DRUGS.—Among the re-  
16                  maining renegotiation-eligible drugs described  
17                  in subparagraphs (A) and (D) of paragraph (2),  
18                  the Secretary shall select renegotiation-eligible  
19                  drugs for which the Secretary expects renegoti-  
20                  ation is likely to result in a significant change  
21                  in the maximum fair price otherwise negotiated.

22                  “(4) RENEGOTIATION PROCESS.—The Secretary  
23                  shall specify the process for renegotiation of max-  
24                  imum fair prices with the manufacturer of a renegoti-  
25                  ation-eligible drug selected for renegotiation under



1 this subsection. Such process shall, to the extent  
2 practicable, be consistent with the methodology and  
3 process established under subsection (b) and in ac-  
4 cordance with subsections (c) and (d), and for pur-  
5 poses of applying subsections (c) and (d), the ref-  
6 erence to the first initial price applicability year of  
7 the price applicability period with respect to such  
8 drug shall be treated as the first initial price appli-  
9 cability year of such period for which the maximum  
10 fair price established pursuant to such renegotiation  
11 applies, including for applying subsection (c)(2)(B)  
12 in the case of renegotiation-eligible drugs described  
13 in paragraph (3)(A) of this subsection and sub-  
14 section (c)(2)(C) in the case of renegotiation-eligible  
15 drugs described in paragraph (3)(B) of this sub-  
16 section.

17 “(5) CLARIFICATION.—A renegotiation-eligible  
18 drug for which the Secretary makes a determination  
19 described in section 1192(c)(1) before or during the  
20 period of renegotiation shall not be subject to the re-  
21 negotiation process under this section.

22 “(6) NO ADMINISTRATIVE OR JUDICIAL RE-  
23 VIEW.—The determination of renegotiation-eligible  
24 drugs under paragraph (2) and the selection of re-

1 negotiation-eligible drugs under paragraph (3) are  
2 not subject to administrative or judicial review.

3 “(g) REQUEST FOR INFORMATION.—For purposes of  
4 negotiating and, as applicable, renegotiating (including for  
5 purposes of determining whether to renegotiate) the max-  
6 imum fair price of a selected drug under this part with  
7 the manufacturer of the drug, with respect to a price ap-  
8 plicability period, and other relevant data for purposes of  
9 this section—

10 “(1) the Secretary shall, not later than the se-  
11 lected drug publication date with respect to the ini-  
12 tial price applicability year of such period, request  
13 drug pricing information from the manufacturer of  
14 such selected drug, including information described  
15 in subsection (e)(1); and

16 “(2) by not later than March 1 following the se-  
17 lected drug publication date, the manufacturer of  
18 such selected drug shall submit to the Secretary  
19 such requested information in such form and man-  
20 ner as the Secretary requires.

21 The Secretary shall request, from the manufacturer or  
22 others, all additional information needed to carry out the  
23 negotiation and renegotiation process under this section.

24 “(h) CLARIFICATION.—In no case shall the maximum  
25 fair price negotiated under this section for a selected drug

1 that is a qualifying single source drug described in sub-  
2 paragraph (A) or (B) of section 1192(e)(1) apply before—

3 “(1) in the case the selected drug is a quali-  
4 fying single source drug described in such subpara-  
5 graph (A), the date that is 9 years after the date on  
6 which the drug was approved under section 505(c)  
7 of the Federal Food, Drug, and Cosmetic Act; and

8 “(2) in the case the selected drug is a quali-  
9 fying single source drug described in such subpara-  
10 graph (B), the date that is 13 years after the date  
11 on which the drug was licensed under section 351(a)  
12 of the Public Health Service Act.

13 “(i) IMPLEMENTATION FOR 2025 AND 2026.—Not-  
14 withstanding any other provision of this part, the Sec-  
15 retary shall implement this section for 2025 and 2026 by  
16 program instruction or otherwise.

17 **“SEC. 1195. PUBLICATION OF MAXIMUM FAIR PRICES.**

18 “(a) IN GENERAL.—With respect to an initial price  
19 applicability year and a selected drug with respect to such  
20 year—

21 “(1) not later than November 15 of the year  
22 that is 2 years prior to such initial price applicability  
23 year, the Secretary shall publish on CMS.gov the  
24 maximum fair price for such drug negotiated under  
25 this part with the manufacturer of such drug;

1           “(2) not later than November 30 of the year  
2           that is 2 years prior to such initial price applicability  
3           year, the Secretary shall publish in the Federal Reg-  
4           ister the maximum fair price for such drug described  
5           in paragraph (1); and

6           “(3) not later than March 1 of the year prior  
7           to such initial price applicability year, the Secretary  
8           shall publish in the Federal Register, subject to sec-  
9           tion 1193(c) and based on the considerations as de-  
10          scribed in section 1194(e), the explanation for the  
11          maximum fair price for such drug described in para-  
12          graphs (1) and (2).

13          “(b) UPDATES.—

14                 “(1) SUBSEQUENT YEAR MAXIMUM FAIR  
15                 PRICES.—For a selected drug, for each year subse-  
16                 quent to first initial price applicability year of the  
17                 price applicability period with respect to such drug,  
18                 with respect to which an agreement for such drug is  
19                 in effect under section 1193, not later than Novem-  
20                 ber 30 of the year that is 2 years prior to such sub-  
21                 sequent year, the Secretary shall publish in the Fed-  
22                 eral Register the maximum fair price applicable to  
23                 such drug and year, which shall be—

24                         “(A) subject to subparagraph (B), the  
25                         amount equal to the maximum fair price pub-

1           lished for such drug for the previous year, in-  
2           creased by the annual percentage increase in  
3           the consumer price index for all urban con-  
4           sumers (all items; U.S. city average) as of Sep-  
5           tember of such previous year; or

6                   “(B) in the case the maximum fair price  
7           for such drug was renegotiated, for the first  
8           year for which such price as so renegotiated ap-  
9           plies, such renegotiated maximum fair price.

10           “(2) PRICES NEGOTIATED AFTER DEADLINE.—

11           In the case of a selected drug with respect to an ini-  
12           tial price applicability year for which the maximum  
13           fair price is determined under this part after the  
14           date of publication under this section, the Secretary  
15           shall publish such maximum fair price in the Fed-  
16           eral Register by not later than 30 days after the  
17           date such maximum price is so determined.

18           **“SEC. 1196. ADMINISTRATIVE DUTIES; COORDINATION PRO-**

19                           **VISIONS.**

20           “(a) ADMINISTRATIVE DUTIES.—

21                   “(1) IN GENERAL.—For purposes of section  
22           1191, the administrative duties described in this sec-  
23           tion are the following:

1           “(A) The establishment of procedures to  
2 ensure that the maximum fair price for a se-  
3 lected drug is applied before—

4                   “(i) any coverage or financial assist-  
5 ance under other health benefit plans or  
6 programs that provide coverage or finan-  
7 cial assistance for the purchase or provi-  
8 sion of prescription drug coverage on be-  
9 half of maximum fair price eligible individ-  
10 uals; and

11                   “(ii) any other discounts.

12           “(B) The establishment of procedures to  
13 compute and apply the maximum fair price  
14 across different strengths and dosage forms of  
15 a selected drug and not based on the specific  
16 formulation or package size or package type of  
17 the drug.

18           “(C) The establishment of procedures to  
19 carry out the provisions of this part, as applica-  
20 ble, with respect to—

21                   “(i) maximum fair price eligible indi-  
22 viduals who are enrolled under a prescrip-  
23 tion drug plan under part D of title XVIII  
24 or an MA–PD plan under part C of such  
25 title; and

1           “(ii) maximum fair price eligible indi-  
2           viduals who are enrolled under part B of  
3           such title, including who are enrolled under  
4           an MA plan under part C of such title.

5           “(D) The establishment of a negotiation  
6           process and renegotiation process in accordance  
7           with section 1194, including a process for ac-  
8           quiring information described in subsection (e)  
9           of such section.

10          “(E) The establishment of an online portal  
11          which manufacturers shall be required to use to  
12          submit information described in section  
13          1194(b)(2)(A).

14          “(F) The sharing with the Secretary of the  
15          Treasury of such information as is necessary to  
16          determine the tax imposed by section 4192 of  
17          the Internal Revenue Code of 1986 (relating to  
18          enforcement of this part).

19          “(G) The establishment of an attestation  
20          and verification process for purposes of apply-  
21          ing section 1192(d)(2)(B).

22          “(2) MONITORING COMPLIANCE.—The Sec-  
23          retary shall monitor compliance by a manufacturer  
24          with the terms of an agreement under section 1193,

1 including by establishing a mechanism through  
2 which violations of such terms shall be reported.

3 “(b) IMPLEMENTATION FOR 2025 AND 2026.—Not-  
4 withstanding any other provision of this part, the Sec-  
5 retary shall implement this section for 2025 and 2026 by  
6 program instruction or otherwise.

7 **“SEC. 1197. CIVIL MONETARY PENALTY.**

8 “(a) VIOLATIONS RELATING TO OFFERING OF MAX-  
9 IMUM FAIR PRICE.—Any manufacturer of a selected drug  
10 that has entered into an agreement under section 1193,  
11 with respect to a year during the price applicability period  
12 with respect to such drug, that does not provide access  
13 to a price that is not more than the maximum fair price  
14 (or a lesser price) for such drug for such year—

15 “(1) to a maximum fair price eligible individual  
16 who with respect to such drug is described in sub-  
17 paragraph (A) of section 1191(c)(1) and who is dis-  
18 pensed such drug during such year (and to phar-  
19 macies, mail order services, and other dispensers,  
20 with respect to such maximum fair price eligible in-  
21 dividuals who are dispensed such drugs); or

22 “(2) to a hospital, physician, or other provider  
23 of services or supplier with respect to maximum fair  
24 price eligible individuals who with respect to such  
25 drug is described in subparagraph (B) of such sec-



1       tion and is furnished or administered such drug by  
2       such hospital, physician, or provider or supplier dur-  
3       ing such year;  
4 shall be subject to a civil monetary penalty equal to ten  
5 times the amount equal to the product of the number of  
6 units of such drug so furnished, dispensed, or adminis-  
7 tered during such year and the difference between the  
8 price for such drug made available for such year by such  
9 manufacturer with respect to such individual or hospital,  
10 physician, provider of services, or supplier and the max-  
11 imum fair price for such drug for such year.

12       “(b) VIOLATIONS OF CERTAIN TERMS OF AGREE-  
13 MENT.—Any manufacturer of a selected drug that has en-  
14 tered into an agreement under section 1193, with respect  
15 to a year during the price applicability period with respect  
16 to such drug, that is in violation of a requirement imposed  
17 pursuant to section 1193(a)(5), including the requirement  
18 to submit information pursuant to section 1193(a)(4),  
19 shall be subject to a civil monetary penalty equal to  
20 \$1,000,000 for each day of such violation.

21       “(c) FALSE INFORMATION.—Any manufacturer that  
22 knowingly provides false information for the attestation  
23 process or verification process established pursuant to sec-  
24 tion 1196(a)(1)(H), shall be subject to a civil monetary

1 penalty equal to \$100,000,000 for each item of such false  
2 information.

3 “(d) APPLICATION.—The provisions of section 1128A  
4 (other than subsections (a) and (b)) shall apply to a civil  
5 monetary penalty under this section in the same manner  
6 as such provisions apply to a penalty or proceeding under  
7 section 1128A(a).”.

8 (b) APPLICATION OF MAXIMUM FAIR PRICES AND  
9 CONFORMING AMENDMENTS.—

10 (1) UNDER MEDICARE.—

11 (A) APPLICATION TO PAYMENTS UNDER  
12 PART B.—Section 1847A(b)(1)(B) of the Social  
13 Security Act (42 U.S.C. 1395w–3a(b)(1)(B)) is  
14 amended by inserting “or in the case of such a  
15 drug or biological that is a selected drug (as re-  
16 ferred to in section 1192(c)), with respect to a  
17 price applicability period (as defined in section  
18 1191(b)(2)), 106 percent of the maximum fair  
19 price (as defined in section 1191(c)(2)) applica-  
20 ble for such drug and a year during such pe-  
21 riod” after “paragraph (4)”.

22 (B) APPLICATION UNDER MA OF COST-  
23 SHARING FOR PART B DRUGS BASED OFF OF  
24 NEGOTIATED PRICE.—Section  
25 1852(a)(1)(B)(iv) of the Social Security Act

1 (42 U.S.C. 1395w-22(a)(1)(B)(iv)) is amend-  
2 ed—

3 (i) by redesignating subclause (VII) as  
4 subclause (VIII); and

5 (ii) by inserting after subclause (VI)  
6 the following subclause:

7 “(VII) A drug or biological that  
8 is a selected drug (as referred to in  
9 section 1192(c)).”.

10 (C) EXCEPTION TO PART D NON-INTER-  
11 FERENCE.—Section 1860D-11(i) of the Social  
12 Security Act (42 U.S.C. 1395w-111(i)) is  
13 amended—

14 (i) in paragraph (1), by striking  
15 “and” at the end;

16 (ii) in paragraph (2), by striking “or  
17 institute a price structure for the reim-  
18 bursement of covered part D drugs” and  
19 inserting “for covered part D drugs; and”;  
20 and

21 (iii) by adding at the end the fol-  
22 lowing:

23 “(3) may not institute a price structure for the  
24 reimbursement of covered part D drugs, except as  
25 provided under part E of title XI.”.

1 (D) APPLICATION AS NEGOTIATED PRICE  
2 UNDER PART D.—Section 1860D–2(d)(1) of the  
3 Social Security Act (42 U.S.C. 1395w–  
4 102(d)(1)) is amended—

5 (i) in subparagraph (B), by inserting  
6 “, subject to subparagraph (D),” after  
7 “negotiated prices”; and

8 (ii) by adding at the end the following  
9 new subparagraph:

10 “(D) APPLICATION OF MAXIMUM FAIR  
11 PRICE FOR SELECTED DRUGS.—In applying this  
12 section, in the case of a covered part D drug  
13 that is a selected drug (as referred to in section  
14 1192(c)), with respect to a price applicability  
15 period (as defined in section 1191(b)(2)), the  
16 negotiated prices used for payment (as de-  
17 scribed in this subsection) shall be no greater  
18 than the maximum fair price (as defined in sec-  
19 tion 1191(c)(2)) for such drug and for each  
20 year during such period plus any dispensing  
21 fees for such drug.”.

22 (E) COVERAGE OF SELECTED DRUGS.—  
23 Section 1860D–4(b)(3) of the Social Security  
24 Act (42 U.S.C. 1395w–104(b)(3)) is amended

1 by adding at the end the following new sub-  
2 paragraph:

3 “(I) REQUIRED INCLUSION OF SELECTED  
4 DRUGS.—For 2025 and each subsequent year,  
5 the PDP sponsor offering a prescription drug  
6 plan shall include each covered part D drug  
7 that is a selected drug under section 1192 for  
8 which an agreement for such drug is in effect  
9 under section 1193 with respect to the year.”.

10 (F) INFORMATION FROM PRESCRIPTION  
11 DRUG PLANS AND MA–PD PLANS REQUIRED.—

12 (i) PRESCRIPTION DRUG PLANS.—Sec-  
13 tion 1860D–12(b) of the Social Security  
14 Act (42 U.S.C. 1395w–112(b)) is amended  
15 by adding at the end the following new  
16 paragraph:

17 “(8) PROVISION OF INFORMATION RELATED TO  
18 MAXIMUM FAIR PRICES.—Each contract entered into  
19 with a PDP sponsor under this part with respect to  
20 a prescription drug plan offered by such sponsor  
21 shall require the sponsor to provide information to  
22 the Secretary as requested by the Secretary in ac-  
23 cordance with section 1194(g).”.

24 (ii) MA–PD PLANS.—Section  
25 1857(f)(3) of the Social Security Act (42

1 U.S.C. 1395w-27(f)(3)) is amended by  
2 adding at the end the following new sub-  
3 paragraph:

4 “(E) PROVISION OF INFORMATION RE-  
5 LATED TO MAXIMUM FAIR PRICES.—Section  
6 1860D-12(b)(8).”.

7 (2) DRUG PRICE NEGOTIATION PROGRAM  
8 PRICES INCLUDED IN BEST PRICE.—Section  
9 1927(c)(1)(C) of the Social Security Act (42 U.S.C.  
10 1396r-8(c)(1)(C)) is amended—

11 (A) in clause (i)(VI), by striking “any  
12 prices charged” and inserting “subject to clause  
13 (ii)(V), any prices charged”; and

14 (B) in clause (ii)—

15 (i) in subclause (III), by striking at  
16 the end “; and”;

17 (ii) in subclause (IV), by striking at  
18 the end the period and inserting “; and”;  
19 and

20 (iii) by adding at the end the fol-  
21 lowing new subclause:

22 “(V) in the case of a rebate pe-  
23 riod and a covered outpatient drug  
24 that is a selected drug (as referred to  
25 in section 1192(e)) during such rebate

1 period, shall be inclusive of the max-  
2 imum fair price (as defined in section  
3 1191(c)(2)) for such drug with re-  
4 spect to such period.”.

5 **SEC. 139002. SELECTED DRUG MANUFACTURER EXCISE TAX**  
6 **IMPOSED DURING NONCOMPLIANCE PERI-**  
7 **ODS.**

8 (a) IN GENERAL.—Chapter 32 of the Internal Rev-  
9 enue Code of 1986 is amended by adding at the end the  
10 following new subchapter:

11 **“Subchapter E—Other Items**

“Sec. 4192. Selected drugs during noncompliance periods.

12 **“SEC. 4192. SELECTED DRUGS DURING NONCOMPLIANCE**  
13 **PERIODS.**

14 “(a) IN GENERAL.—There is hereby imposed on the  
15 sale by the manufacturer, producer, or importer of any  
16 selected drug during a day described in subsection (b) a  
17 tax in an amount such that the applicable percentage is  
18 equal to the ratio of—

19 “(1) such tax, divided by

20 “(2) the sum of such tax and the price for  
21 which so sold.

22 “(b) NONCOMPLIANCE PERIODS.—A day is described  
23 in this subsection with respect to a selected drug if it is  
24 a day during one of the following periods:

1           “(1) The period beginning on the March 1st  
2 immediately following the selected drug publication  
3 date and ending on the first date during which the  
4 manufacturer of the drug has in place an agreement  
5 described in subsection (a) of section 1193 of the  
6 Social Security Act with respect to such drug.

7           “(2) The period beginning on the November  
8 2nd immediately following the March 1st described  
9 in paragraph (1) and ending on the first date during  
10 which the manufacturer of the drug and the Sec-  
11 retary have agreed to a maximum fair price under  
12 such agreement.

13           “(3) In the case of a selected drug with respect  
14 to which the Secretary of Health and Human Serv-  
15 ices has specified a renegotiation period under such  
16 agreement, the period beginning on the first date  
17 after the last date of such renegotiation period and  
18 ending on the first date during which the manufac-  
19 turer of the drug has agreed to a renegotiated max-  
20 imum fair price under such agreement.

21           “(4) With respect to information that is re-  
22 quired to be submitted to the Secretary of Health  
23 and Human Services under such agreement, the pe-  
24 riod beginning on the date on which such Secretary



1 certifies that such information is overdue and ending  
2 on the date that such information is so submitted.

3 “(c) APPLICABLE PERCENTAGE.—For purposes of  
4 this section, the term ‘applicable percentage’ means—

5 “(1) in the case of sales of a selected drug dur-  
6 ing the first 90 days described in subsection (b) with  
7 respect to such drug, 65 percent,

8 “(2) in the case of sales of such drug during  
9 the 91st day through the 180th day described in  
10 subsection (b) with respect to such drug, 75 percent,

11 “(3) in the case of sales of such drug during  
12 the 181st day through the 270th day described in  
13 subsection (b) with respect to such drug, 85 percent,  
14 and

15 “(4) in the case of sales of such drug during  
16 any subsequent day, 95 percent.

17 “(d) SELECTED DRUG.—For purposes of this sec-  
18 tion—

19 “(1) IN GENERAL.—The term ‘selected drug’  
20 means any selected drug (within the meaning of sec-  
21 tion 1192 of the Social Security Act) which is manu-  
22 factured or produced in the United States or entered  
23 into the United States for consumption, use, or  
24 warehousing.

1           “(2) UNITED STATES.—The term ‘United  
2 States’ has the meaning given such term by section  
3 4612(a)(4).

4           “(3) COORDINATION WITH RULES FOR POSSES-  
5 SIONS OF THE UNITED STATES.—Rules similar to  
6 the rules of paragraphs (2) and (4) of section  
7 4132(e) shall apply for purposes of this section.

8           “(e) OTHER DEFINITIONS.—For purposes of this  
9 section, the terms ‘selected drug publication date’ and  
10 ‘maximum fair price’ have the meaning given such terms  
11 in section 1191 of the Social Security Act.

12          “(f) ANTI-ABUSE RULE.—In the case of a sale which  
13 was timed for the purpose of avoiding the tax imposed by  
14 this section, the Secretary may treat such sale as occur-  
15 ring during a day described in subsection (b).”.

16          (b) NO DEDUCTION FOR EXCISE TAX PAYMENTS.—  
17 Section 275(a)(6) of the Internal Revenue Code of 1986  
18 is amended by inserting “or by section 4192” before the  
19 period at the end.

20          (c) CERTAIN EXEMPTIONS FROM TAX NOT APPLICA-  
21 BLE.—

22               (1) Section 4221(a) of the Internal Revenue  
23 Code of 1986 is amended by adding at the end the  
24 following: “In the case of the tax imposed by section

1 4192, paragraphs (3), (4), (5), and (6) shall not  
2 apply.”.

3 (2) Section 6416(b)(2) of such Code is amend-  
4 ed by adding at the end the following: “In the case  
5 of the tax imposed by section 4192, subparagraphs  
6 (B), (C), (D), and (E) shall not apply.”.

7 (d) CLERICAL AMENDMENT.—The table of sub-  
8 chapters for chapter 32 of such Code is amended by add-  
9 ing at the end the following new item:

“SUBCHAPTER E. OTHER ITEMS”.

10 (e) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to sales after the date of the enact-  
12 ment of this Act.

13 **SEC. 139003. FUNDING.**

14 In addition to amounts otherwise available, there is  
15 appropriated for fiscal year 2022, out of any money in  
16 the Treasury not otherwise appropriated, to remain avail-  
17 able until expended—

18 (1) \$300,000,000 to carry out the provisions of,  
19 including the amendments made by, this part in fis-  
20 cal year 2022;

21 (2) \$300,000,000 to carry out the provisions of,  
22 including the amendments made by, this part in fis-  
23 cal year 2023;

1           (3) \$300,000,000 to carry out the provisions of,  
2 including the amendments made by, this part in fis-  
3 cal year 2024;

4           (4) \$300,000,000 to carry out the provisions of,  
5 including the amendments made by, this part in fis-  
6 cal year 2025;

7           (5) \$300,000,000 to carry out the provisions of,  
8 including the amendments made by, this part in fis-  
9 cal year 2026;

10          (6) \$300,000,000 to carry out the provisions of,  
11 including the amendments made by, this part in fis-  
12 cal year 2027;

13          (7) \$300,000,000 to carry out the provisions of,  
14 including the amendments made by, this part in fis-  
15 cal year 2028;

16          (8) \$300,000,000 to carry out the provisions of,  
17 including the amendments made by, this part in fis-  
18 cal year 2029;

19          (9) \$300,000,000 to carry out the provisions of,  
20 including the amendments made by, this part in fis-  
21 cal year 2030; and

22          (10) \$300,000,000 to carry out the provisions  
23 of, including the amendments made by, this part in  
24 fiscal year 2031.

1           **PART 2—PRESCRIPTION DRUG INFLATION**

2                           **REBATES**

3   **SEC. 139101. MEDICARE PART B REBATE BY MANUFACTUR-**  
4                           **ERS.**

5           (a) IN GENERAL.—Section 1847A of the Social Secu-  
6 rity Act (42 U.S.C. 1395w–3a) is amended—

7                   (1) by redesignating subsection (h) as sub-  
8 section (i) and by inserting after subsection (g) the  
9 following subsection:

10           “(h) REBATE BY MANUFACTURERS FOR SINGLE  
11 SOURCE DRUGS AND BIOLOGICALS WITH PRICES IN-  
12 CREASING FASTER THAN INFLATION.—

13                   “(1) REQUIREMENTS.—

14                           “(A) SECRETARIAL PROVISION OF INFOR-  
15 MATION.—Not later than 6 months after the  
16 end of each calendar quarter beginning on or  
17 after July 1, 2023, the Secretary shall, for each  
18 part B rebatable drug, report to each manufac-  
19 turer of such part B rebatable drug the fol-  
20 lowing for such calendar quarter:

21                                   “(i) Information on the total number  
22 of billing units of the billing and payment  
23 code described in subparagraph (A)(i) of  
24 paragraph (3) with respect to such drug  
25 and calendar quarter.

1           “(ii) Information on the amount (if  
2           any) of the excess average sales price in-  
3           crease described in subparagraph (A)(ii) of  
4           such paragraph for such drug and calendar  
5           quarter.

6           “(iii) The rebate amount specified  
7           under such paragraph for such part B  
8           rebtable drug and calendar quarter.

9           “(B) MANUFACTURER REQUIREMENT.—  
10          For each calendar quarter beginning on or after  
11          July 1, 2023, the manufacturer of a part B  
12          rebtable drug shall, for such drug, not later  
13          than 30 days after the date of receipt from the  
14          Secretary of the information described in sub-  
15          paragraph (A) for such calendar quarter, pro-  
16          vide to the Secretary a rebate that is equal to  
17          the amount specified in paragraph (3) for such  
18          drug for such calendar quarter.

19          “(2) PART B REBATABLE DRUG DEFINED.—

20                 “(A) IN GENERAL.—In this subsection, the  
21                 term ‘part B rebtable drug’ means a single  
22                 source drug or biological (as defined in sub-  
23                 paragraph (D) of subsection (e)(6)), including a  
24                 biosimilar biological product (as defined in sub-  
25                 paragraph (H) of such subsection) but exclud-

1           ing a qualifying biosimilar biological product  
2           (as defined in subsection (b)(8)(B)(iii)), that  
3           would be payable under this part if such drug  
4           were furnished to an individual enrolled under  
5           this part, except such term shall not include  
6           such a drug or biological—

7                   “(i) if, as determined by the Sec-  
8                   retary, the average total allowed charges  
9                   for such drug or biological under this part  
10                  for a year per individual that uses such a  
11                  drug or biological are less than, subject to  
12                  subparagraph (B), \$100; or

13                  “(ii) that is a vaccine described in  
14                  subparagraph (A) or (B) of section  
15                  1861(s)(10).

16                  “(B) INCREASE.—The dollar amount ap-  
17                  plied under subparagraph (A)(i)—

18                   “(i) for 2024, shall be the dollar  
19                   amount specified under such subparagraph  
20                   for 2023, increased by the percentage in-  
21                   crease in the consumer price index for all  
22                   urban consumers (United States city aver-  
23                   age) for the 12-month period ending with  
24                   June of the previous year; and

1           “(ii) for a subsequent year, shall be  
2           the dollar amount specified in this clause  
3           (or clause (i)) for the previous year (with-  
4           out application of subparagraph (C)), in-  
5           creased by the percentage increase in the  
6           consumer price index for all urban con-  
7           sumers (United States city average) for  
8           the 12-month period ending with June of  
9           the previous year.

10           “(C) ROUNDING.—Any dollar amount de-  
11           termined under subparagraph (B) that is not a  
12           multiple of \$10 shall be rounded to the nearest  
13           multiple of \$10.

14           “(3) REBATE AMOUNT.—

15           “(A) IN GENERAL.—For purposes of para-  
16           graph (1), the amount specified in this para-  
17           graph for a part B rebatable drug assigned to  
18           a billing and payment code for a calendar quar-  
19           ter is, subject to subparagraphs (B) and (G)  
20           and paragraph (4), the amount equal to the  
21           product of—

22           “(i) the total number of billing units  
23           determined under subparagraph (B) for  
24           the billing and payment code of such drug;  
25           and



1 “(ii) the amount (if any) by which—

2 “(I) the amount equal to—

3 “(aa) in the case of a part B  
4 rebatable drug described in para-  
5 graph (1)(B) of section  
6 1847A(b), 106 percent of the  
7 amount determined under para-  
8 graph (4) of such section for  
9 such drug during the calendar  
10 quarter; or

11 “(bb) in the case of a part B  
12 rebatable drug described in para-  
13 graph (1)(C) of such section, the  
14 payment amount under such  
15 paragraph for such drug during  
16 the calendar quarter; exceeds

17 “(II) the inflation-adjusted pay-  
18 ment amount determined under sub-  
19 paragraph (C) for such part B  
20 rebatable drug during the calendar  
21 quarter.

22 “(B) TOTAL NUMBER OF BILLING  
23 UNITS.—For purposes of subparagraph (A)(i),  
24 the total number of billing units with respect to

1 a part B rebatable drug is determined as fol-  
2 lows:

3 “(i) Determine the total number of  
4 units equal to—

5 “(I) the total number of units, as  
6 reported under subsection (c)(1)(B)  
7 for each National Drug Code of such  
8 drug during the calendar quarter that  
9 is two calendar quarters prior to the  
10 calendar quarter as described in sub-  
11 paragraph (A), minus

12 “(II) the total number of units  
13 with respect to each National Drug  
14 Code of such drug for which payment  
15 was made under a State plan under  
16 title XIX (or waiver of such plan), as  
17 reported by States under section  
18 1927(b)(2)(A) for the rebate period  
19 that is the same calendar quarter as  
20 described in subclause (I).

21 “(ii) Convert the units determined  
22 under clause (i) to billing units for the bill-  
23 ing and payment code of such drug, using  
24 a methodology similar to the methodology  
25 used under this section, by dividing the

1 units determined under clause (i) for each  
2 National Drug Code of such drug by the  
3 billing unit for the billing and payment  
4 code of such drug.

5 “(iii) Compute the sum of the billing  
6 units for each National Drug Code of such  
7 drug in clause (ii).

8 “(C) DETERMINATION OF INFLATION-AD-  
9 JUSTED PAYMENT AMOUNT.—The inflation-ad-  
10 justed payment amount determined under this  
11 subparagraph for a part B rebatable drug for  
12 a calendar quarter is—

13 “(i) the payment amount for the bill-  
14 ing and payment code for such drug in the  
15 payment amount benchmark quarter (as  
16 defined in subparagraph (D)); increased by

17 “(ii) the percentage by which the re-  
18 bate period CPI-U (as defined in subpara-  
19 graph (F)) for the calendar quarter ex-  
20 ceeds the benchmark period CPI-U (as de-  
21 fined in subparagraph (E)).

22 “(D) PAYMENT AMOUNT BENCHMARK  
23 QUARTER.—The term ‘payment amount bench-  
24 mark quarter’ means the calendar quarter im-

1           mediately prior to the calendar quarter begin-  
2           ning October 1, 2021.

3           “(E) BENCHMARK PERIOD CPI–U.—The  
4           term ‘benchmark period CPI–U’ means the con-  
5           sumer price index for all urban consumers  
6           (United States city average) for the last month  
7           of the calendar quarter beginning October 1,  
8           2021.

9           “(F) REBATE PERIOD CPI–U.—The term  
10          ‘rebate period CPI–U’ means, with respect to a  
11          calendar quarter described in subparagraph  
12          (C), the greater of the benchmark period CPI–  
13          U and the consumer price index for all urban  
14          consumers (United States city average) for the  
15          first month of the calendar quarter that is two  
16          calendar quarters prior to such described cal-  
17          endar quarter.

18          “(G) EXEMPTION FOR SHORTAGES AND  
19          SEVERE SUPPLY CHAIN DISRUPTIONS.—The  
20          Secretary shall reduce or waive the amount  
21          under subparagraph (A) with respect to a part  
22          B rebatable drug that is described as currently  
23          in shortage on the shortage list in effect under  
24          section 506E of the Federal Food, Drug, and  
25          Cosmetic Act or in the case of a biosimilar bio-

1           logical product, when the Secretary determines  
2           there are severe supply chain disruptions.

3           “(4) SPECIAL TREATMENT OF CERTAIN DRUGS  
4           AND EXEMPTION.—

5                   “(A) SUBSEQUENTLY APPROVED DRUGS.—

6           In the case of a part B rebatable drug first ap-  
7           proved or licensed by the Food and Drug Ad-  
8           ministration after March 1, 2021, clause (i) of  
9           paragraph (3)(C) shall be applied as if the term  
10          ‘payment amount benchmark quarter’ were de-  
11          fined under paragraph (3)(D) as the third full  
12          calendar quarter after the day on which the  
13          drug was first marketed and clause (ii) of para-  
14          graph (3)(C) shall be applied as if the term  
15          ‘benchmark period CPI-U’ were defined under  
16          paragraph (3)(E) as if the reference to ‘the last  
17          month of the calendar quarter immediately  
18          prior to the calendar quarter beginning October  
19          1, 2021’ under such paragraph were a reference  
20          to ‘the first month of the first full calendar  
21          quarter after the day on which the drug was  
22          first marketed’.

23                   “(B) TIMELINE FOR PROVISION OF RE-  
24                   BATES FOR SUBSEQUENTLY APPROVED  
25                   DRUGS.—In the case of a part B rebatable drug

1 first approved or licensed by the Food and  
2 Drug Administration after March 1, 2021,  
3 paragraph (1)(B) shall be applied as if the ref-  
4 erence to ‘July 1, 2023’ under such paragraph  
5 were a reference to the later of the 6th full cal-  
6 endar quarter after the day on which the drug  
7 was first marketed or July 1, 2023.

8 “(D) SELECTED DRUGS.—In the case of a  
9 part B rebatable drug that is a selected drug  
10 (as defined in section 1192(e)) for a price appli-  
11 cability period (as defined in section  
12 1191(b)(2)), in the case such drug is deter-  
13 mined (pursuant to such section 1192(e)) to no  
14 longer be a selected drug, beginning the first  
15 calendar quarter after the price applicability pe-  
16 riod with respect to such drug, clause (i) of  
17 paragraph (3)(C) shall be applied as if the term  
18 ‘payment amount benchmark quarter’ were de-  
19 fined under paragraph (3)(D) as the calendar  
20 quarter beginning January 1 of the last year  
21 beginning during such price applicability period  
22 with respect to such selected drug and clause  
23 (ii) of paragraph (3)(C) shall be applied as if  
24 the term ‘benchmark period CPI-U’ were de-  
25 fined under paragraph (3)(E) as if the ref-

1           erence to ‘the last month of the calendar quar-  
2           ter immediately prior to the calendar quarter  
3           beginning October 1, 2021’ under such para-  
4           graph were a reference to the March of the year  
5           preceding such last year.

6           “(5) APPLICATION TO BENEFICIARY COINSUR-  
7           ANCE.—In the case of a part B rebatable drug, if  
8           the payment amount described in paragraph  
9           (3)(A)(ii)(I) (or, in the case of a part B rebatable  
10          drug that is a selected drug (as defined in section  
11          1192(c), the payment amount described in sub-  
12          section (b)(1)(B) for such drug) for a calendar quar-  
13          ter exceeds the inflation adjusted payment for such  
14          quarter—

15               “(A) in computing the amount of any coin-  
16               surance applicable under this part to an indi-  
17               vidual to whom such drug is furnished, the  
18               computation of such coinsurance shall be equal  
19               to 20 percent of the inflation-adjusted payment  
20               amount determined under paragraph (3)(C) for  
21               such part B rebatable drug; and

22               “(B) the amount of such coinsurance for  
23               such calendar quarter, as computed under sub-  
24               paragraph (A), shall be applied as a percent, as  
25               determined by the Secretary, to the payment

1 amount that would otherwise apply under sub-  
2 paragraphs (B) or (C) of subsection (b)(1).

3 “(6) REBATE DEPOSITS.—Amounts paid as re-  
4 bates under paragraph (1)(B) shall be deposited into  
5 the Federal Supplementary Medical Insurance Trust  
6 Fund established under section 1841.

7 “(7) CIVIL MONEY PENALTY.—If a manufac-  
8 turer of a part B rebatable drug has failed to com-  
9 ply with the requirements under paragraph (1)(B)  
10 for such drug for a calendar quarter, the manufac-  
11 turer shall be subject to, in accordance with a proc-  
12 ess established by the Secretary pursuant to regula-  
13 tions, a civil money penalty in an amount equal to  
14 at least 125 percent of the amount specified in para-  
15 graph (3) for such drug for such calendar quarter.  
16 The provisions of section 1128A (other than sub-  
17 sections (a) (with respect to amounts of penalties or  
18 additional assessments) and (b)) shall apply to a  
19 civil money penalty under this paragraph in the  
20 same manner as such provisions apply to a penalty  
21 or proceeding under section 1128A(a).”; and

22 (2) in subsection (i), as redesignated by para-  
23 graph (1)—

24 (A) in paragraph (4), by striking at the  
25 end “and”;



1 (B) in paragraph (5), by striking at the  
2 end the period and inserting a semicolon; and

3 (C) by adding at the end the following new  
4 paragraphs:

5 “(6) the determination of units under sub-  
6 section (h);

7 “(7) the determination of whether a drug is a  
8 part B rebatable drug under subsection (h);

9 “(8) the calculation of the rebate amount under  
10 subsection (h); and

11 “(9) the computation of coinsurance under sub-  
12 section (h)(5); and

13 “(10) the computation of amounts paid under  
14 section 1833(a)(1)(EE).”.

15 (b) AMOUNTS PAYABLE; COST-SHARING.—Section  
16 1833 of the Social Security Act (42 U.S.C. 1395l) is  
17 amended—

18 (1) in subsection (a)(1)—

19 (A) in subparagraph (G), by inserting “,  
20 subject to subsection (i)(9),” after “the  
21 amounts paid”;

22 (B) in subparagraph (S), by striking “with  
23 respect to” and inserting “subject to subpara-  
24 graph (EE), with respect to”;

1 (C) by striking “and (DD)” and inserting  
2 “(DD)”; and

3 (D) by inserting before the semicolon at  
4 the end the following: “, and (EE) with respect  
5 to a part B rebatable drug (as defined in para-  
6 graph (2) of section 1847A(h)) for which the  
7 payment amount for a calendar quarter under  
8 paragraph (3)(A)(ii)(I) of such section (or, in  
9 the case of a part B rebatable drug that is a  
10 selected drug (as defined in section 1192(c) for  
11 which, the payment amount described in section  
12 1847A(b)(1)(B)) for such drug for such quarter  
13 exceeds the inflation-adjusted payment under  
14 paragraph (3)(A)(ii)(II) of such section for  
15 such quarter, the amounts paid shall be equal  
16 to the percent of the payment amount under  
17 paragraph (3)(A)(ii)(I) of such section or sec-  
18 tion 1847A(b)(1)(B), as applicable, that equals  
19 the difference between (i) 100 percent, and (ii)  
20 the percent applied under section  
21 1847A(h)(5)(B)”;

22 (2) in subsection (i), by adding at the end the  
23 following new paragraph:

24 “(9) In the case of a part B rebatable drug (as de-  
25 fined in paragraph (2) of section 1847A(h)) for which pay-

1 ment under this subsection is not packaged into a payment  
2 for a service furnished on or after July 1, 2023, under  
3 the revised payment system under this subsection, in lieu  
4 of calculation of coinsurance and the amount of payment  
5 otherwise applicable under this subsection, the provisions  
6 of section 1847A(h)(5) and paragraph (1)(EE) of sub-  
7 section (a), shall, as determined appropriate by the Sec-  
8 retary, apply under this subsection in the same manner  
9 as such provisions of section 1847A(h)(5) and subsection  
10 (a) apply under such section and subsection.”; and

11 (3) in subsection (t)(8), by adding at the end  
12 the following new subparagraph:

13 “(F) PART B REBATABLE DRUGS.—In the  
14 case of a part B rebatable drug (as defined in  
15 paragraph (2) of section 1847A(h), except if  
16 such drug does not have a copayment amount  
17 as a result of application of subparagraph (E))  
18 for which payment under this part is not pack-  
19 aged into a payment for a covered OPD service  
20 (or group of services) furnished on or after July  
21 1, 2023, and the payment for such drug under  
22 this subsection is the same as the amount for  
23 a calendar quarter under paragraph  
24 (3)(A)(ii)(I) of section 1847A(h), under the sys-  
25 tem under this subsection, in lieu of calculation

1 of the copayment amount and the amount of  
2 payment otherwise applicable under this sub-  
3 section (other than the application of the limita-  
4 tion described in subparagraph (C)), the provi-  
5 sions of section 1847A(h)(5) and paragraph  
6 (1)(EE) of subsection (a), shall, as determined  
7 appropriate by the Secretary, apply under this  
8 subsection in the same manner as such provi-  
9 sions of section 1847A(h)(5) and subsection (a)  
10 apply under such section and subsection.”.

11 (c) CONFORMING AMENDMENTS.—

12 (1) TO PART B ASP CALCULATION.—Section  
13 1847A(c)(3) of the Social Security Act (42 U.S.C.  
14 1395w–3a(c)(3)) is amended by inserting “sub-  
15 section (h) or” before “section 1927”.

16 (2) EXCLUDING PART B DRUG INFLATION RE-  
17 BATE FROM BEST PRICE.—Section  
18 1927(c)(1)(C)(ii)(I) of the Social Security Act (42  
19 U.S.C. 1396r–8(c)(1)(C)(ii)(I)) is amended by in-  
20 sserting “or section 1847A(h)” after “this section”.

21 (3) COORDINATION WITH MEDICAID REBATE IN-  
22 FORMATION DISCLOSURE.—Section 1927(b)(3)(D)(i)  
23 of the Social Security Act (42 U.S.C. 1396r–  
24 8(b)(3)(D)(i)) is amended by inserting “and the re-  
25 bate” after “the payment amount”.

1           (4) EXCLUDING PART B DRUG INFLATION RE-  
2           BATES FROM AVERAGE MANUFACTURER PRICE.—  
3           Section 1927(k)(1)(B)(i) of the Social Security Act  
4           (42 U.S.C. 1396r–8(k)(1)(B)(i)), as previously  
5           amended, is further amended—

6                   (A) in subclause (IV), by striking “and”;

7                   (B) in subclause (V), by striking the period  
8                   at the end and inserting a semicolon; and

9                   (C) by adding at the end the following new  
10                  subclause:

11                                   “(VI) rebates paid by manufac-  
12                                   turers under section 1847A(h); and”.

13           (d) FUNDING.—In addition to amounts otherwise  
14           available, there are appropriated to the Centers for Medi-  
15           care & Medicaid Services, out of any money in the Treas-  
16           ury not otherwise appropriated, \$12,500,000 for fiscal  
17           year 2022 and \$7,500,000 for each of fiscal years 2023  
18           through 2031, to remain available until expended, to carry  
19           out the provisions of, including the amendments made by,  
20           this section.

21           **SEC. 139102. MEDICARE PART D REBATE BY MANUFACTUR-**  
22                                   **ERS.**

23           (a) IN GENERAL.—Part D of title XVIII of the Social  
24           Security Act is amended by inserting after section 1860D–  
25           14A (42 U.S.C. 1395w–114a) the following new section:

1 **“SEC. 1860D-14B. MANUFACTURER REBATE FOR CERTAIN**  
2 **DRUGS WITH PRICES INCREASING FASTER**  
3 **THAN INFLATION.**

4 “(a) REQUIREMENTS.—

5 “(1) SECRETARIAL PROVISION OF INFORMA-  
6 TION.—Not later than 9 months after the end of  
7 each applicable year (as defined in subsection  
8 (g)(7)), subject to paragraph (3), the Secretary  
9 shall, for each part D rebatable drug, report to each  
10 manufacturer of such part D rebatable drug the fol-  
11 lowing for such year:

12 “(A) The amount (if any) of the excess an-  
13 nual manufacturer price increase described in  
14 subsection (b)(1)(A)(ii) for each dosage form  
15 and strength with respect to such drug and  
16 year.

17 “(B) The rebate amount specified under  
18 subsection (b) for each dosage form and  
19 strength with respect to such drug and year.

20 “(2) MANUFACTURER REQUIREMENTS.—For  
21 each applicable year, the manufacturer of a part D  
22 rebatable drug, for each dosage form and strength  
23 with respect to such drug, not later than 30 days  
24 after the date of receipt from the Secretary of the  
25 information described in paragraph (1) for such  
26 year, shall provide to the Secretary a rebate that is

1 equal to the amount specified in subsection (b) for  
2 such dosage form and strength with respect to such  
3 drug for such year.

4 “(3) TRANSITION RULE FOR REPORTING.—The  
5 Secretary may, for each rebatable covered part D  
6 drug, delay the timeframe for reporting the informa-  
7 tion and rebate amount described in subparagraphs  
8 (A) and (B) of such paragraph for the applicable  
9 year of 2023 until not later than September 30,  
10 2025.

11 “(b) REBATE AMOUNT.—

12 “(1) IN GENERAL.—

13 “(A) CALCULATION.—For purposes of this  
14 section, the amount specified in this subsection  
15 for a dosage form and strength with respect to  
16 a part D rebatable drug and applicable year is,  
17 subject to subparagraph (C), paragraph (5)(B),  
18 and paragraph (6), the amount equal to the  
19 product of—

20 “(i) subject to subparagraph (B) of  
21 this paragraph, the total number of units  
22 that are used to calculate the average man-  
23 ufacturer price of such dosage form and  
24 strength with respect to such part D  
25 rebatable drug, as reported by the manu-

1            manufacturer of such drug under section 1927  
2            for each month, with respect to such year;  
3            and

4            “(ii) the amount (if any) by which—

5                    “(I) the annual manufacturer  
6                    price (as determined in paragraph  
7                    (2)) paid for such dosage form and  
8                    strength with respect to such part D  
9                    rebtable drug for the year; exceeds

10                   “(II) the inflation-adjusted pay-  
11                   ment amount determined under para-  
12                   graph (3) for such dosage form and  
13                   strength with respect to such part D  
14                   rebtable drug for the year.

15           “(B) EXCLUDED UNITS.—For purposes of  
16           subparagraph (A)(i), the Secretary shall exclude  
17           from the total number of units for a dosage  
18           form and strength with respect to a part D  
19           rebtable drug, with respect to an applicable  
20           year, the following:

21                   “(i) Units of each dosage form and  
22                   strength of such part D rebtable drug for  
23                   which payment was made under a State  
24                   plan under title XIX (or waiver of such



1 plan), as reported by States under section  
2 1927(b)(2)(A).

3 “(ii) Units of each dosage form and  
4 strength of such part D rebatable drug for  
5 which a rebate is paid under section  
6 1847A(h).

7 “(C) EXEMPTION FOR SHORTAGES AND  
8 SEVERE SUPPLY CHAIN DISRUPTIONS.—The  
9 Secretary shall reduce or waive the amount  
10 under subparagraph (A) with respect to a part  
11 D rebatable drug that is described as currently  
12 in shortage on the shortage list in effect under  
13 section 506E of the Federal Food, Drug, and  
14 Cosmetic Act or in the case of a generic drug,  
15 when the Secretary determines there are severe  
16 supply chain disruptions.

17 “(2) DETERMINATION OF ANNUAL MANUFAC-  
18 Turer PRICE.—The annual manufacturer price de-  
19 termined under this paragraph for a dosage form  
20 and strength, with respect to a part D rebatable  
21 drug and an applicable year, is the sum of the prod-  
22 ucts of—

23 “(A) the average manufacturer price (as  
24 defined in subsection (g)(6)) of such dosage  
25 form and strength, as calculated for a unit of

1 such drug, with respect to each of the calendar  
2 quarters of such year; and

3 “(B) the ratio of—

4 “(i) the total number of units of such  
5 dosage form and strength reported under  
6 section 1927 with respect to each such cal-  
7 endar quarter of such year; to

8 “(ii) the total number of units of such  
9 dosage form and strength reported under  
10 section 1927 with respect to such year, as  
11 determined by the Secretary.

12 “(3) DETERMINATION OF INFLATION-ADJUSTED  
13 PAYMENT AMOUNT.—The inflation-adjusted payment  
14 amount determined under this paragraph for a dos-  
15 age form and strength with respect to a part D  
16 rebatable drug for an applicable year, subject to  
17 paragraph (5), is—

18 “(A) the benchmark year manufacturer  
19 price determined under paragraph (4) for such  
20 dosage form and strength with respect to such  
21 drug and year; increased by

22 “(B) the percentage by which the applica-  
23 ble year CPI-U (as defined in subsection  
24 (g)(5)) for the year exceeds the benchmark pe-  
25 riod CPI-U (as defined in subsection (g)(4)).

1           “(4) DETERMINATION OF BENCHMARK YEAR  
2 MANUFACTURER PRICE.—The benchmark year man-  
3 ufacturer price determined under this paragraph for  
4 a dosage form and strength, with respect to a part  
5 D rebatable drug and an applicable year, is the sum  
6 of the products of—

7           “(A) the average manufacturer price (as  
8 defined in subsection (g)(6)) of such dosage  
9 form and strength, as calculated for a unit of  
10 such drug, with respect to each of the calendar  
11 quarters of the payment amount benchmark  
12 year (as defined in subsection (g)(3)); and

13           “(B) the ratio of—

14           “(i) the total number of units re-  
15 ported under section 1927 of such dosage  
16 form and strength with respect to each  
17 such calendar quarter of such payment  
18 amount benchmark year; to

19           “(ii) the total number of units re-  
20 ported under section 1927 of such dosage  
21 form and strength with respect to such  
22 payment amount benchmark year.

23           “(5) SPECIAL TREATMENT OF CERTAIN DRUGS  
24 AND EXEMPTION.—

1           “(A) SUBSEQUENTLY APPROVED DRUGS.—

2           In the case of a part D rebatable drug first ap-  
3           proved or licensed by the Food and Drug Ad-  
4           ministration after October 1, 2021, subpara-  
5           graphs (A) and (B) of paragraph (4) shall be  
6           applied as if the term ‘payment amount bench-  
7           mark year’ were defined under subsection  
8           (g)(3) as the first calendar year beginning after  
9           the day on which the drug was first marketed  
10          by any manufacturer and subparagraph (B) of  
11          paragraph (3) shall be applied as if the term  
12          ‘benchmark period CPI-U’ were defined under  
13          subsection (g)(4) as if the reference to ‘the  
14          month immediately prior to October 2021’  
15          under such subsection were a reference to ‘Jan-  
16          uary of the first year beginning after the date  
17          on which the drug was first marketed by any  
18          manufacturer’.

19           “(B) TREATMENT OF NEW FORMULA-  
20          TIONS.—

21           “(i) IN GENERAL.—In the case of a  
22          part D rebatable drug that is a line exten-  
23          sion of a part D rebatable drug that is an  
24          oral solid dosage form, the Secretary shall  
25          establish a formula for determining the re-

1           bate amount under paragraph (1) and the  
2           inflation adjusted payment amount under  
3           paragraph (3) with respect to such part D  
4           rebate drug and an applicable year, con-  
5           sistent with the formula applied under sub-  
6           section (c)(2)(C) of section 1927 for deter-  
7           mining a rebate obligation for a rebate pe-  
8           riod under such section.

9           “(ii) LINE EXTENSION DEFINED.—In  
10          this subparagraph, the term ‘line exten-  
11          sion’ means, with respect to a part D  
12          rebate drug, a new formulation of the  
13          drug, such as an extended release formula-  
14          tion, but does not include an abuse-deter-  
15          rent formulation of the drug (as deter-  
16          mined by the Secretary), regardless of  
17          whether such abuse-deterrent formulation  
18          is an extended release formulation.

19          “(C) SELECTED DRUGS.—In the case of a  
20          part D rebate drug that is a selected drug  
21          (as defined in section 1192(c)) for a price appli-  
22          cability period (as defined in section  
23          1191(b)(2)), in the case such drug is deter-  
24          mined (pursuant to such section 1192(c)) to no  
25          longer be a selected drug, for each applicable

1 year beginning after the price applicability pe-  
2 riod with respect to such drug, subparagraphs  
3 (A) and (B) of paragraph (4) shall be applied  
4 as if the term ‘payment amount benchmark  
5 year’ were defined under subsection (g)(3) as  
6 the last year beginning during such price appli-  
7 cability period with respect to such selected  
8 drug and subparagraph (B) of paragraph (3)  
9 shall be applied as if the term ‘benchmark pe-  
10 riod CPI-U’ were defined under subsection  
11 (g)(4) as if the reference to ‘the month imme-  
12 diately prior to October 1, 2021’ under such  
13 subsection were a reference to January of the  
14 last year beginning during such price applica-  
15 bility period with respect to such drug.

16 “(6) RECONCILIATION IN CASE OF REVISED  
17 AMP REPORTS.—The Secretary shall provide for a  
18 method and process under which, in the case of a  
19 manufacturer of a part D rebatable drug that sub-  
20 mits revisions to information submitted under sec-  
21 tion 1927 by the manufacturer with respect to such  
22 drug, the Secretary determines, pursuant to such re-  
23 visions, adjustments, if any, to the calculation of the  
24 amount specified in this subsection for a dosage  
25 form and strength with respect to such part D

1 rebatable drug and an applicable year and reconciles  
2 any overpayments or underpayments in amounts  
3 paid as rebates under this subsection. Any identified  
4 underpayment shall be rectified by the manufacturer  
5 not later than 30 days after the date of receipt from  
6 the Secretary of information on such underpayment.

7 “(c) REBATE DEPOSITS.—Amounts paid as rebates  
8 under subsection (b) shall be deposited into the Medicare  
9 Prescription Drug Account in the Federal Supplementary  
10 Medical Insurance Trust Fund established under section  
11 1841.

12 “(d) INFORMATION.—For purposes of carrying out  
13 this section, the Secretary shall use information submitted  
14 by manufacturers under section 1927(b)(3) and informa-  
15 tion submitted by States under section 1927(b)(2)(A).

16 “(e) CIVIL MONEY PENALTY.—If a manufacturer of  
17 a part D rebatable drug has failed to comply with the re-  
18 quirement under subsection (a)(2) with respect to such  
19 drug for an applicable year, the manufacturer shall be  
20 subject to, in accordance with a process established by the  
21 Secretary pursuant to regulations, a civil money penalty  
22 in an amount equal to 125 percent of the amount specified  
23 in subsection (b) for such drug for such year. The provi-  
24 sions of section 1128A (other than subsections (a) (with  
25 respect to amounts of penalties or additional assessments)

1 and (b)) shall apply to a civil money penalty under this  
2 subsection in the same manner as such provisions apply  
3 to a penalty or proceeding under section 1128A(a).

4 “(f) NO ADMINISTRATIVE OR JUDICIAL REVIEW.—  
5 There shall be no administrative or judicial review of the  
6 following:

7 “(1) The determination of units under this sec-  
8 tion.

9 “(2) The determination of whether a drug is a  
10 part D rebatable drug under this section.

11 “(3) The calculation of the rebate amount  
12 under this section.

13 “(g) DEFINITIONS.—In this section:

14 “(1) PART D REBATABLE DRUG.—

15 “(A) IN GENERAL.—The term ‘part D  
16 rebatable drug’ means a drug or biological that  
17 would (without application of this section) be a  
18 covered part D drug, except such term shall,  
19 with respect to an applicable year, not include  
20 such a drug or biological if the average annual  
21 total cost under this part for such year per in-  
22 dividual who uses such a drug or biological, as  
23 determined by the Secretary, is less than, sub-  
24 ject to subparagraph (B), \$100, as determined  
25 by the Secretary using the most recent data



1 available or, if data is not available, as esti-  
2 mated by the Secretary.

3 “(B) INCREASE.—The dollar amount ap-  
4 plied under subparagraph (A)—

5 “(i) for 2024, shall be the dollar  
6 amount specified under such subparagraph  
7 for 2023, increased by the percentage in-  
8 crease in the consumer price index for all  
9 urban consumers (United States city aver-  
10 age) for the 12-month period beginning  
11 with January of 2023; and

12 “(ii) for a subsequent year, shall be  
13 the dollar amount specified in this sub-  
14 paragraph for the previous year, increased  
15 by the percentage increase in the consumer  
16 price index for all urban consumers  
17 (United States city average) for the 12-  
18 month period beginning with January of  
19 the previous year.

20 Any dollar amount specified under this sub-  
21 paragraph that is not a multiple of \$10 shall be  
22 rounded to the nearest multiple of \$10.

23 “(2) UNIT.—The term ‘unit’ means, with re-  
24 spect to a part D rebatable drug, the lowest dispen-  
25 sable amount (such as a capsule or tablet, milligram

1 of molecules, or grams) of the part D rebatable  
2 drug, as reported under section 1927.

3 “(3) PAYMENT AMOUNT BENCHMARK YEAR.—  
4 The term ‘payment amount benchmark year’ means  
5 the year ending in the month immediately prior to  
6 October 1, 2021.

7 “(4) BENCHMARK PERIOD CPI–U.—The term  
8 ‘benchmark period CPI–U’ means the consumer  
9 price index for all urban consumers (United States  
10 city average) for the month immediately prior to Oc-  
11 tober 2021.

12 “(5) APPLICABLE YEAR CPI–U.—The term ‘ap-  
13 plicable year CPI–U’ means, with respect to an ap-  
14 plicable year, the consumer price index for all urban  
15 consumers (United States city average) for January  
16 of such year.

17 “(6) AVERAGE MANUFACTURER PRICE.—The  
18 term ‘average manufacturer price’ has the meaning,  
19 with respect to a part D rebatable drug of a manu-  
20 facturer, given such term in section 1927(k)(1), with  
21 respect to a covered outpatient drug of a manufac-  
22 turer for a rebate period under section 1927.

23 “(7) APPLICABLE YEAR.—The term ‘applicable  
24 year’ means a calendar year beginning with 2023.

1 “(h) IMPLEMENTATION FOR 2023 AND 2024.—Not-  
2 withstanding any other provision of this section, the Sec-  
3 retary shall implement this section for 2023 and 2024 by  
4 program instruction or otherwise.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) TO PART B ASP CALCULATION.—Section  
7 1847A(c)(3) of the Social Security Act (42 U.S.C.  
8 1395w–3a(c)(3)), as amended by section  
9 139101(c)(1), is further amended by striking “sub-  
10 section (h) or section 1927” and inserting “sub-  
11 section (h), section 1927, or section 1860D–14B”.

12 (2) EXCLUDING PART D DRUG INFLATION RE-  
13 BATE FROM BEST PRICE.—Section  
14 1927(e)(1)(C)(ii)(I) of the Social Security Act (42  
15 U.S.C. 1396r–8(c)(1)(C)(ii)(I)), as amended by sec-  
16 tion 139101(c)(2), is further amended by striking  
17 “or section 1847A(h)” and inserting “, section  
18 1847A(h), or section 1860D–14B”.

19 (3) COORDINATION WITH MEDICAID REBATE IN-  
20 FORMATION DISCLOSURE.—Section 1927(b)(3)(D)(i)  
21 of the Social Security Act (42 U.S.C. 1396r–  
22 8(b)(3)(D)(i)), as amended by section 139101(c)(3),  
23 is further amended by striking “or to carry out sec-  
24 tion 1847B” and inserting “or to carry out section  
25 1847B or section 1860D–14B”.



1 (A) in subparagraph (A), in the matter  
2 preceding clause (i), by inserting “for a year  
3 preceding 2024 and for costs above the annual  
4 deductible specified in paragraph (1) and up to  
5 the annual out-of-pocket threshold specified in  
6 paragraph (4)(B) for 2024 and each subsequent  
7 year” after “paragraph (3)”;

8 (B) in subparagraph (C)—

9 (i) in clause (i), in the matter pre-  
10 ceding subclause (I), by inserting “for a  
11 year preceding 2024,” after “paragraph  
12 (4),”; and

13 (ii) in clause (ii)(III), by striking  
14 “and each subsequent year” and inserting  
15 “through 2023”; and

16 (C) in subparagraph (D)—

17 (i) in clause (i)—

18 (I) in the matter preceding sub-  
19 clause (I), by inserting “for a year  
20 preceding 2024,” after “paragraph  
21 (4),”; and

22 (II) in subclause (I)(bb), by  
23 striking “a year after 2018” and in-  
24 serting “each of years 2019 through  
25 2023”; and

1 (ii) in clause (ii)(V), by striking  
2 “2019 and each subsequent year” and in-  
3 serting “each of years 2019 through  
4 2023”;

5 (2) in paragraph (3)(A)—

6 (A) in the matter preceding clause (i), by  
7 inserting “for a year preceding 2024,” after  
8 “and (4),”; and

9 (B) in clause (ii), by striking “for a subse-  
10 quent year” and inserting “for each of years  
11 2007 through 2023”; and

12 (3) in paragraph (4)—

13 (A) in subparagraph (A)—

14 (i) in clause (i)—

15 (I) by redesignating subclauses  
16 (I) and (II) as items (aa) and (bb),  
17 respectively, and moving the margin  
18 of each such redesignated item 2 ems  
19 to the right;

20 (II) in the matter preceding item  
21 (aa), as redesignated by subclause (I),  
22 by striking “is equal to the greater  
23 of—” and inserting “is equal to—

24 “(I) for a year preceding 2024,  
25 the greater of—”;

1 (III) by striking the period at the  
2 end of item (bb), as redesignated by  
3 subclause (I), and inserting “; and”;  
4 and

5 (IV) by adding at the end the fol-  
6 lowing:

7 “(II) for 2024 and each suc-  
8 ceeding year, \$0.”; and

9 (ii) in clause (ii)—

10 (I) by striking “clause (i)(I)” and  
11 inserting “clause (i)(I)(aa)”; and

12 (II) by adding at the end the fol-  
13 lowing new sentence: “The Secretary  
14 shall continue to calculate the dollar  
15 amounts specified in clause (i)(I)(aa),  
16 including with the adjustment under  
17 this clause, after 2023 for purposes of  
18 section 1860D–14(a)(1)(D)(iii).”;

19 (B) in subparagraph (B)—

20 (i) in clause (i)—

21 (I) in subclause (V), by striking  
22 “or” at the end;

23 (II) in subclause (VI)—

24 (aa) by striking “for a sub-  
25 sequent year” and inserting “for

1 each of years 2021 through  
2 2023”; and

3 (bb) by striking the period  
4 at the end and inserting a semi-  
5 colon; and

6 (III) by adding at the end the  
7 following new subclauses:

8 “(VII) for 2024, is equal to  
9 \$2,000; or

10 “(VIII) for a subsequent year, is  
11 equal to the amount specified in this  
12 subparagraph for the previous year,  
13 increased by the annual percentage in-  
14 crease described in paragraph (6) for  
15 the year involved.”; and

16 (ii) in clause (ii), by striking “clause  
17 (i)(II)” and inserting “clause (i)”;

18 (C) in subparagraph (C)(i), by striking  
19 “and for amounts” and inserting “and, for a  
20 year preceding 2024, for amounts”; and

21 (D) in subparagraph (E), by striking “In  
22 applying” and inserting “For each of years  
23 2011 through 2023, in applying”.



1 (b) REINSURANCE PAYMENT AMOUNT.—Section  
2 1860D–15(b) of the Social Security Act (42 U.S.C.  
3 1395w–115(b)) is amended—

4 (1) in paragraph (1)—

5 (A) by striking “equal to 80 percent” and  
6 inserting “equal to—

7 “(A) for a year preceding 2024, 80 per-  
8 cent”;

9 (B) in subparagraph (A), as added by sub-  
10 paragraph (A), by striking the period at the  
11 end and inserting “; and”; and

12 (C) by adding at the end the following new  
13 subparagraph:

14 “(B) for 2024 and each subsequent year,  
15 the sum of—

16 “(i) an amount equal to 20 percent of  
17 such allowable reinsurance costs attrib-  
18 utable to that portion of gross prescription  
19 drug costs as specified in paragraph (3) in-  
20 curred in the coverage year after such indi-  
21 vidual has incurred costs that exceed the  
22 annual out-of-pocket threshold specified in  
23 section 1860D–2(b)(4)(B) with respect to  
24 applicable drugs (as defined in section  
25 1860D–14C(g)(2)); and

1           “(ii) an amount equal to 40 percent of  
2           such allowable reinsurance costs attrib-  
3           utable to that portion of gross prescription  
4           drug costs as specified in paragraph (3) in-  
5           curred in the coverage year after such indi-  
6           vidual has incurred costs that exceed the  
7           annual out-of-pocket threshold specified in  
8           section 1860D–2(b)(4)(B) with respect to  
9           covered part D drugs that are not applica-  
10          ble drugs (as so defined).”;

11          (2) in paragraph (2)—

12           (A) by striking “COSTS.—For purposes”  
13          and inserting “COSTS.—

14           “(A) IN GENERAL.—Subject to subpara-  
15          graph (B), for purposes”;

16           (B) by adding at the end the following new  
17          subparagraph:

18           “(B) INCLUSION OF MANUFACTURER DIS-  
19          COUNTS ON APPLICABLE DRUGS.—For purposes  
20          of applying subparagraph (A), the term ‘allow-  
21          able reinsurance costs’ shall include the portion  
22          of the negotiated price (as defined in section  
23          1860D–14C(g)(6)) of an applicable drug (as  
24          defined in section 1860D–14C(g)(2)) that was  
25          paid by a manufacturer under the manufacturer

1 discount program under section 1860D–14C.”;  
2 and  
3 (3) in paragraph (3)—

4 (A) in the first sentence, by striking “For  
5 purposes” and inserting “Subject to paragraph  
6 (2)(B), for purposes”; and

7 (B) in the second sentence, by inserting  
8 “(or, with respect to 2024 and subsequent  
9 years, in the case of an applicable drug, as de-  
10 fined in section 1860D-14C(g)(2), by a manu-  
11 facturer)” after “by the individual or under the  
12 plan”.

13 (c) REDUCED COST-SHARING; BENEFICIARY PRE-  
14 MIUM PERCENTAGE.—

15 (1) COST-SHARING.—

16 (A) IN GENERAL.—Section 1860D–  
17 2(b)(2)(A) of the Social Security Act (42  
18 U.S.C. 1395w–102(b)(2)(A)) is amended—

19 (i) in the subparagraph header, by  
20 striking “25 PERCENT COINSURANCE” and  
21 inserting “COINSURANCE”;

22 (ii) in clause (i), by inserting “(or, for  
23 2024 and each subsequent year, 23 per-  
24 cent)” after “25 percent”; and

1 (iii) in clause (ii), by inserting “(or,  
2 for 2024 and each subsequent year, 23  
3 percent)” after “25 percent”.

4 (B) CONFORMING AMENDMENT.—Section  
5 1860D–14(a)(2)(D) of the Social Security Act  
6 (42 U.S.C. 1395w–114(a)(2)(D)) is amended  
7 by inserting “(or, for 2024 and each subsequent  
8 year, instead of coinsurance of ‘23 percent’)”  
9 after “instead of coinsurance of ‘25 percent’”.

10 (2) BENEFICIARY PREMIUM PERCENTAGE.—

11 (A) IN GENERAL.—Section 1860D–  
12 13(a)(3)(A) of the Social Security Act (42  
13 U.S.C. 1395w–113(a)(3)(A)) is amended by in-  
14 serting “(or, for 2024 and each subsequent  
15 year, 23.5 percent)” after “25.5 percent”.

16 (B) CONFORMING AMENDMENTS.—

17 (i) Section 1860D–11(g)(6) of the So-  
18 cial Security Act (42 U.S.C. 1395w–  
19 111(g)(6)) is amended by inserting “(or,  
20 for 2024 and each subsequent year, 23.5  
21 percent)” after “25.5 percent”.

22 (ii) Section 1860D–13(a)(7)(B)(i) of  
23 the Social Security Act (42 U.S.C. 1395w–  
24 113(a)(7)(B)(i)) is amended—

1 (I) in subclause (I), by inserting  
2 “(or, for 2024 and each subsequent  
3 year, 23.5 percent)” after “25.5 per-  
4 cent”; and

5 (II) in subclause (II), by insert-  
6 ing “(or, for 2024 and each subse-  
7 quent year, 23.5 percent)” after “25.5  
8 percent”.

9 (iii) Section 1860D–15(a) of the So-  
10 cial Security Act (42 U.S.C. 1395w–  
11 115(a)) is amended by inserting “(or, for  
12 2024 and each subsequent year, 76.5 per-  
13 cent)” after “74.5 percent”.

14 (d) MANUFACTURER DISCOUNT PROGRAM.—

15 (1) IN GENERAL.—Part D of title XVIII of the  
16 Social Security Act (42 U.S.C. 1395w–101 through  
17 42 U.S.C. 1395w–153), as amended by section  
18 139102, is further amended by inserting after sec-  
19 tion 1860D–14B the following new sections:

20 **“SEC. 1860D–14C. MANUFACTURER DISCOUNT PROGRAM.**

21 “(a) ESTABLISHMENT.—The Secretary shall estab-  
22 lish a manufacturer discount program (in this section re-  
23 ferred to as the ‘program’). Under the program, the Sec-  
24 retary shall enter into agreements described in subsection  
25 (b) with manufacturers and provide for the performance

1 of the duties described in subsection (c). The Secretary  
2 shall establish a model agreement for use under the pro-  
3 gram by not later than January 1, 2023, in consultation  
4 with manufacturers, and allow for comment on such model  
5 agreement.

6 “(b) TERMS OF AGREEMENT.—

7 “(1) IN GENERAL.—

8 “(A) AGREEMENT.—An agreement under  
9 this section shall require the manufacturer to  
10 provide, in accordance with this section, dis-  
11 counted prices for applicable drugs of the man-  
12 ufacturer that are dispensed to applicable bene-  
13 ficiaries on or after January 1, 2024.

14 “(B) CLARIFICATION.—Nothing in this  
15 section shall be construed as affecting—

16 “(i) the application of a coinsurance  
17 of 23 percent of the negotiated price, as  
18 applied under paragraph (2)(A) of section  
19 1860D–2(b), for costs described in such  
20 paragraph; or

21 “(ii) the application of the copayment  
22 amount described in paragraph (4)(A) of  
23 such section, with respect to costs de-  
24 scribed in such paragraph.

25 “(C) TIMING OF AGREEMENT.—

1           “(i) SPECIAL RULE FOR 2024.—In  
2           order for an agreement with a manufac-  
3           turer to be in effect under this section with  
4           respect to the period beginning on January  
5           1, 2024, and ending on December 31,  
6           2024, the manufacturer shall enter into  
7           such agreement not later than 30 days  
8           after the date of the establishment of a  
9           model agreement under subsection (a).

10           “(ii) 2025 AND SUBSEQUENT  
11           YEARS.—In order for an agreement with a  
12           manufacturer to be in effect under this  
13           section with respect to plan year 2025 or  
14           a subsequent plan year, the manufacturer  
15           shall enter into such agreement not later  
16           than a calendar quarter or semi-annual  
17           deadline established by the Secretary.

18           “(2) PROVISION OF APPROPRIATE DATA.—Each  
19           manufacturer with an agreement in effect under this  
20           section shall collect and have available appropriate  
21           data, as determined by the Secretary, to ensure that  
22           it can demonstrate to the Secretary compliance with  
23           the requirements under the program.

24           “(3) COMPLIANCE WITH REQUIREMENTS FOR  
25           ADMINISTRATION OF PROGRAM.—Each manufac-

1 turer with an agreement in effect under this section  
2 shall comply with requirements imposed by the Sec-  
3 retary or a third party with a contract under sub-  
4 section (d)(3), as applicable, for purposes of admin-  
5 istering the program, including any determination  
6 under subparagraph (A) of subsection (c)(1) or pro-  
7 cedures established under such subsection (c)(1).

8 “(4) LENGTH OF AGREEMENT.—

9 “(A) IN GENERAL.—An agreement under  
10 this section shall be effective for an initial pe-  
11 riod of not less than 12 months and shall be  
12 automatically renewed for a period of not less  
13 than 1 year unless terminated under subpara-  
14 graph (B).

15 “(B) TERMINATION.—

16 “(i) BY THE SECRETARY.—The Sec-  
17 retary shall provide for termination of an  
18 agreement under this section for a knowing  
19 and willful violation of the requirements of  
20 the agreement or other good cause shown.  
21 Such termination shall not be effective ear-  
22 lier than 30 days after the date of notice  
23 to the manufacturer of such termination.  
24 The Secretary shall provide, upon request,  
25 a manufacturer with a hearing concerning



1 such a termination, and such hearing shall  
2 take place prior to the effective date of the  
3 termination with sufficient time for such  
4 effective date to be repealed if the Sec-  
5 retary determines appropriate.

6 “(ii) BY A MANUFACTURER.—A man-  
7 ufacturer may terminate an agreement  
8 under this section for any reason. Any  
9 such termination shall be effective, with re-  
10 spect to a plan year—

11 “(I) if the termination occurs be-  
12 fore January 31 of a plan year, as of  
13 the day after the end of the plan year;  
14 and

15 “(II) if the termination occurs on  
16 or after January 31 of a plan year, as  
17 of the day after the end of the suc-  
18 ceeding plan year.

19 “(iii) EFFECTIVENESS OF TERMI-  
20 NATION.—Any termination under this sub-  
21 paragraph shall not affect discounts for  
22 applicable drugs of the manufacturer that  
23 are due under the agreement before the ef-  
24 fective date of its termination.

1                   “(iv) NOTICE TO THIRD PARTY.—The  
2                   Secretary shall provide notice of such ter-  
3                   mination to a third party with a contract  
4                   under subsection (d)(3) within not less  
5                   than 30 days before the effective date of  
6                   such termination.

7                   “(c) DUTIES DESCRIBED.—The duties described in  
8 this subsection are the following:

9                   “(1) ADMINISTRATION OF PROGRAM.—Admin-  
10                  istering the program, including—

11                   “(A) the determination of the amount of  
12                  the discounted price of an applicable drug of a  
13                  manufacturer;

14                   “(B) the establishment of procedures to  
15                  ensure that, not later than the applicable num-  
16                  ber of calendar days after the dispensing of an  
17                  applicable drug by a pharmacy or mail order  
18                  service, the pharmacy or mail order service is  
19                  reimbursed for an amount equal to the dif-  
20                  ference between—

21                   “(i) the negotiated price of the appli-  
22                  cable drug; and

23                   “(ii) the discounted price of the appli-  
24                  cable drug;

1           “(C) the establishment of procedures to  
2 ensure that the discounted price for an applica-  
3 ble drug under this section is applied before any  
4 coverage or financial assistance under other  
5 health benefit plans or programs that provide  
6 coverage or financial assistance for the pur-  
7 chase or provision of prescription drug coverage  
8 on behalf of applicable beneficiaries as specified  
9 by the Secretary; and

10           “(D) providing a reasonable dispute resolu-  
11 tion mechanism to resolve disagreements be-  
12 tween manufacturers, applicable beneficiaries,  
13 and the third party with a contract under sub-  
14 section (d)(3).

15           “(2) MONITORING COMPLIANCE.—

16           “(A) IN GENERAL.—The Secretary shall  
17 monitor compliance by a manufacturer with the  
18 terms of an agreement under this section.

19           “(B) NOTIFICATION.—If a third party  
20 with a contract under subsection (d)(3) deter-  
21 mines that the manufacturer is not in compli-  
22 ance with such agreement, the third party shall  
23 notify the Secretary of such noncompliance for  
24 appropriate enforcement under subsection (e).

1           “(3) COLLECTION OF DATA FROM PRESCRIP-  
2           TION DRUG PLANS AND MA-PD PLANS.—The Sec-  
3           retary may collect appropriate data from prescrip-  
4           tion drug plans and MA-PD plans in a timeframe  
5           that allows for discounted prices to be provided for  
6           applicable drugs under this section.

7           “(d) ADMINISTRATION.—

8           “(1) IN GENERAL.—Subject to paragraph (2),  
9           the Secretary shall provide for the implementation of  
10          this section, including the performance of the duties  
11          described in subsection (e).

12          “(2) LIMITATION.—In providing for the imple-  
13          mentation of this section, the Secretary shall not re-  
14          ceive or distribute any funds of a manufacturer  
15          under the program.

16          “(3) CONTRACT WITH THIRD PARTIES.—The  
17          Secretary shall enter into a contract with 1 or more  
18          third parties to administer the requirements estab-  
19          lished by the Secretary in order to carry out this  
20          section. At a minimum, the contract with a third  
21          party under the preceding sentence shall require  
22          that the third party—

23                  “(A) receive and transmit information be-  
24                  tween the Secretary, manufacturers, and other

1 individuals or entities the Secretary determines  
2 appropriate;

3 “(B) receive, distribute, or facilitate the  
4 distribution of funds of manufacturers to ap-  
5 propriate individuals or entities in order to  
6 meet the obligations of manufacturers under  
7 agreements under this section;

8 “(C) provide adequate and timely informa-  
9 tion to manufacturers, consistent with the  
10 agreement with the manufacturer under this  
11 section, as necessary for the manufacturer to  
12 fulfill its obligations under this section; and

13 “(D) permit manufacturers to conduct  
14 periodic audits, directly or through contracts, of  
15 the data and information used by the third  
16 party to determine discounts for applicable  
17 drugs of the manufacturer under the program.

18 “(4) PERFORMANCE REQUIREMENTS.—The  
19 Secretary shall establish performance requirements  
20 for a third party with a contract under paragraph  
21 (3) and safeguards to protect the independence and  
22 integrity of the activities carried out by the third  
23 party under the program under this section.

1           “(5) IMPLEMENTATION.—The Secretary shall  
2           implement the program under this section for 2024  
3           and 2025 by program instruction or otherwise.

4           “(e) ENFORCEMENT.—

5           “(1) AUDITS.—Each manufacturer with an  
6           agreement in effect under this section shall be sub-  
7           ject to periodic audit by the Secretary.

8           “(2) CIVIL MONEY PENALTY.—

9           “(A) IN GENERAL.—A manufacturer that  
10           fails to provide discounted prices for applicable  
11           drugs of the manufacturer dispensed to applica-  
12           ble beneficiaries in accordance with such agree-  
13           ment shall be subject to a civil money penalty  
14           for each such failure in an amount the Sec-  
15           retary determines is equal to the sum of—

16                   “(i) the amount that the manufac-  
17                   turer would have paid with respect to such  
18                   discounts under the agreement, which will  
19                   then be used to pay the discounts which  
20                   the manufacturer had failed to provide;  
21                   and

22                   “(ii) 25 percent of such amount.

23           “(B) APPLICATION.—The provisions of  
24           section 1128A (other than subsections (a) and  
25           (b)) shall apply to a civil money penalty under

1           this paragraph in the same manner as such  
2           provisions apply to a penalty or proceeding  
3           under section 1128A(a).

4           “(f) CLARIFICATION REGARDING AVAILABILITY OF  
5 OTHER COVERED PART D DRUGS.—Nothing in this sec-  
6 tion shall prevent an applicable beneficiary from pur-  
7 chasing a covered part D drug that is not an applicable  
8 drug (including a generic drug or a drug that is not on  
9 the formulary of the prescription drug plan or MA–PD  
10 plan that the applicable beneficiary is enrolled in).

11          “(g) DEFINITIONS.—In this section:

12           “(1) APPLICABLE BENEFICIARY.—The term  
13 ‘applicable beneficiary’ means an individual who, on  
14 the date of dispensing a covered part D drug—

15           “(A) is enrolled in a prescription drug plan  
16 or an MA–PD plan;

17           “(B) is not enrolled in a qualified retiree  
18 prescription drug plan; and

19           “(C) has incurred costs, as determined in  
20 accordance with section 1860D–2(b)(4)(C) as if  
21 clause (iii) of such section included a reference  
22 to costs reimbursed through insurance, a group  
23 health plan, or certain other third-party pay-  
24 ment arrangements, for covered part D drugs  
25 in the year that exceed—

1           “(i) in the case of an individual not  
2           described in clause (ii) or (iii), the annual  
3           deductible for such year, as specified in  
4           section 1860D-2(b)(1);

5           “(ii) in the case of a subsidy eligible  
6           individual described in section 1860D-  
7           14(a)(1), the annual deductible for such  
8           year, as specified in subparagraph (B) of  
9           such section; and

10           “(iii) in the case of a subsidy eligible  
11           individual described in section 1860D-  
12           14(a)(2), the annual deductible for such  
13           year, as specified in subparagraph (B) of  
14           such section.

15           “(2) APPLICABLE DRUG.—The term ‘applicable  
16           drug’, with respect to an applicable beneficiary—

17           “(A) means a covered part D drug—

18           “(i) approved under a new drug appli-  
19           cation under section 505(c) of the Federal  
20           Food, Drug, and Cosmetic Act or, in the  
21           case of a biologic product, licensed under  
22           section 351 of the Public Health Service  
23           Act; and

24           “(ii)(I) if the PDP sponsor of the pre-  
25           scription drug plan or the MA organization



1 offering the MA–PD plan uses a for-  
2 mulary, which is on the formulary of the  
3 prescription drug plan or MA–PD plan  
4 that the applicable beneficiary is enrolled  
5 in;

6 “(II) if the PDP sponsor of the pre-  
7 scription drug plan or the MA organization  
8 offering the MA–PD plan does not use a  
9 formulary, for which benefits are available  
10 under the prescription drug plan or MA–  
11 PD plan that the applicable beneficiary is  
12 enrolled in; or

13 “(III) is provided through an excep-  
14 tion or appeal; and

15 “(B) does not include a selected drug (as  
16 referred to under section 1192(c)) during a  
17 price applicability period (as defined in section  
18 1191(b)(2)) with respect to such drug.

19 “(3) APPLICABLE NUMBER OF CALENDAR  
20 DAYS.—The term ‘applicable number of calendar  
21 days’ means—

22 “(A) with respect to claims for reimburse-  
23 ment submitted electronically, 14 days; and

24 “(B) with respect to claims for reimburse-  
25 ment submitted otherwise, 30 days.

1 “(4) DISCOUNTED PRICE.—

2 “(A) IN GENERAL.—The term ‘discounted  
3 price’ means, subject to subparagraphs (B) and  
4 (C), with respect to an applicable drug of a  
5 manufacturer dispensed during a year to an ap-  
6 plicable beneficiary—

7 “(i) who has not incurred costs, as de-  
8 termined in accordance with section  
9 1860D–2(b)(4)(C), for covered part D  
10 drugs in the year that are equal to or ex-  
11 ceed the annual out-of-pocket threshold  
12 specified in section 1860D–2(b)(4)(B)(i)  
13 for the year, 90 percent of the negotiated  
14 price of such drug; and

15 “(ii) who has incurred such costs, as  
16 so determined, in the year that are equal  
17 to or exceed such threshold for the year,  
18 80 percent of the negotiated price of such  
19 drug.

20 “(B) PHASE-IN FOR CERTAIN DRUGS DIS-  
21 PENSED TO LIS BENEFICIARIES.—

22 “(i) IN GENERAL.—In the case of an  
23 applicable drug of a specified manufacturer  
24 (as defined in clause (ii)) that is marketed  
25 as of the date of enactment of this sub-

1 paragraph and dispensed for an applicable  
2 beneficiary who is a subsidy eligible indi-  
3 vidual (as defined in section 1860D-  
4 14(a)(3)), the term ‘discounted price’  
5 means the specified LIS percent (as de-  
6 fined in clause (iii)) of the negotiated price  
7 of the applicable drug of the manufacturer.

8 “(ii) SPECIFIED MANUFACTURER.—

9 “(I) IN GENERAL.—In this sub-  
10 paragraph, subject to subclause (II),  
11 the term ‘specified manufacturer’  
12 means a manufacturer of an applica-  
13 ble drug for which, in 2021—

14 “(aa) the manufacturer had  
15 a coverage gap discount agree-  
16 ment under section 1860D-14A;

17 “(bb) the total expenditures  
18 for all of the specified drugs of  
19 the manufacturer covered by  
20 such agreement or agreements  
21 for such year and covered under  
22 this part during such year rep-  
23 resented less than 1.0 percent of  
24 the total expenditures under this

1 part for all covered Part D drugs  
2 during such year; and

3 “(cc) the total expenditures  
4 for all of the specified drugs of  
5 the manufacturer that are single  
6 source drugs and biological prod-  
7 ucts covered under part B during  
8 such year represented less than  
9 1.0 percent of the total expendi-  
10 tures under part B for all drugs  
11 or biological products covered  
12 under such part during such  
13 year.

14 “(II) SPECIFIED DRUGS.—

15 “(aa) IN GENERAL.—For  
16 purposes of this clause, the term  
17 ‘specified drug’ means, with re-  
18 spect to a specified manufac-  
19 turer, for 2021, an applicable  
20 drug that is produced, prepared,  
21 propagated, compounded, con-  
22 verted, or processed by the man-  
23 ufacturer.

24 “(bb) AGGREGATION  
25 RULE.—All persons treated as a

1 single employer under subsection  
2 (a) or (b) of section 52 of the In-  
3 ternal Revenue Code of 1986  
4 shall be treated as one manufac-  
5 turer for purposes of this sub-  
6 paragraph. For purposes of mak-  
7 ing a determination pursuant to  
8 the previous sentence, an agree-  
9 ment under this section shall re-  
10 quire that a manufacturer pro-  
11 vide and attest to such informa-  
12 tion as specified by the Secretary  
13 as necessary.

14 “(III) LIMITATION.—The term  
15 ‘specified manufacturer’ shall not in-  
16 clude a manufacturer described in  
17 subclause (I) if such manufacturer is  
18 acquired after 2021 by another manu-  
19 facturer that is not a specified manu-  
20 facturer, effective at the beginning of  
21 the plan year immediately following  
22 such acquisition or, in the case of an  
23 acquisition before 2024, effective Jan-  
24 uary 1, 2024.

1           “(iii) SPECIFIED LIS PERCENT.—In  
2 this subparagraph, the ‘specified LIS per-  
3 cent’ means, with respect to a year—

4           “(I) for an applicable drug dis-  
5 pensed for an applicable beneficiary  
6 described in clause (i) who has not in-  
7 curred costs, as determined in accord-  
8 ance with section 1860D–2(b)(4)(C),  
9 for covered part D drugs in the year  
10 that are equal to or exceed the annual  
11 out-of-pocket threshold specified in  
12 section 1860D–2(b)(4)(B)(i) for the  
13 year—

14           “(aa) for 2024, 99 percent;

15           “(bb) for 2025, 98 percent;

16           “(cc) for 2026, 95 percent;

17           “(dd) for 2027, 92 percent;

18           and

19           “(ee) for 2028 and each  
20 subsequent year, 90 percent; and

21           “(II) for an applicable drug dis-  
22 pensed for an applicable beneficiary  
23 described in clause (i) who has in-  
24 curred costs, as determined in accord-  
25 ance with section 1860D–2(b)(4)(C),

1 for covered part D drugs in the year  
2 that are equal to or exceed the annual  
3 out-of-pocket threshold specified in  
4 section 1860D–2(b)(4)(B)(i) for the  
5 year—

6 “(aa) for 2024, 99 percent;  
7 “(bb) for 2025, 98 percent;  
8 “(cc) for 2026, 95 percent;  
9 “(dd) for 2027, 92 percent;  
10 “(ee) for 2028, 90 percent;  
11 “(ff) for 2029, 85 percent;

12 and

13 “(gg) for 2030 and each  
14 subsequent year, 80 percent.

15 “(C) PHASE-IN FOR SPECIFIED SMALL  
16 MANUFACTURERS.—

17 “(i) IN GENERAL.—In the case of an  
18 applicable drug of a specified small manu-  
19 facturer (as defined in clause (ii)) that is  
20 marketed as of the date of enactment of  
21 this subparagraph and dispensed for an  
22 applicable beneficiary, the term ‘discounted  
23 price’ means the specified small manufac-  
24 turer percent (as defined in clause (iii)) of

1 the negotiated price of the applicable drug  
2 of the manufacturer.

3 “(ii) SPECIFIED SMALL MANUFAC-  
4 Turer.—

5 “(I) IN GENERAL.—In this sub-  
6 paragraph, subject to subclause (III),  
7 the term ‘specified small manufac-  
8 turer’ means a manufacturer of an  
9 applicable drug for which, in 2021—

10 “(aa) the manufacturer is a  
11 specified manufacturer (as de-  
12 fined in subparagraph (B)(ii));  
13 and

14 “(bb) the total expenditures  
15 under part D for any one of the  
16 specified small manufacturer  
17 drugs of the manufacturer that  
18 are covered by the agreement or  
19 agreements under section  
20 1860D–14A of such manufac-  
21 turer for such year and covered  
22 under this part during such year  
23 are equal to or more than 80 per-  
24 cent of the total expenditures  
25 under this part for all specified



1 small manufacturer drugs of the  
2 manufacturer that are covered by  
3 such agreement or agreements  
4 for such year and covered under  
5 this part during such year.

6 “(II) SPECIFIED SMALL MANU-  
7 FACTURER DRUGS.—

8 “(aa) IN GENERAL.—For  
9 purposes of this clause, the term  
10 ‘specified small manufacturer  
11 drugs’ means, with respect to a  
12 specified small manufacturer, for  
13 2021, an applicable drug that is  
14 produced, prepared, propagated,  
15 compounded, converted, or proc-  
16 essed by the manufacturer.

17 “(bb) AGGREGATION  
18 RULE.—All persons treated as a  
19 single employer under subsection  
20 (a) or (b) of section 52 of the In-  
21 ternal Revenue Code of 1986  
22 shall be treated as one manufac-  
23 turer for purposes of this sub-  
24 paragraph. For purposes of mak-  
25 ing a determination pursuant to

1 the previous sentence, an agree-  
2 ment under this section shall re-  
3 quire that a manufacturer pro-  
4 vide and attest to such informa-  
5 tion as specified by the Secretary  
6 as necessary.

7 “(III) LIMITATION.—The term  
8 ‘specified small manufacturer’ shall  
9 not include a manufacturer described  
10 in subclause (I) if such manufacturer  
11 is acquired after 2021 by another  
12 manufacturer that is not a specified  
13 small manufacturer, effective at the  
14 beginning of the plan year imme-  
15 diately following such acquisition or,  
16 in the case of an acquisition before  
17 2024, effective January 1, 2024.

18 “(iii) SPECIFIED SMALL MANUFAC-  
19 Turer PERCENT.—In this subparagraph,  
20 the term ‘specified small manufacturer per-  
21 cent’ means, with respect to a year—

22 “(I) for an applicable drug dis-  
23 pensed for an applicable beneficiary  
24 who has not incurred costs, as deter-  
25 mined in accordance with section

2099

1 1860D–2(b)(4)(C), for covered part D  
2 drugs in the year that are equal to or  
3 exceed the annual out-of-pocket  
4 threshold specified in section 1860D–  
5 2(b)(4)(B)(i) for the year—

6 “(aa) for 2024, 99 percent;

7 “(bb) for 2025, 98 percent;

8 “(cc) for 2026, 95 percent;

9 “(dd) for 2027, 92 percent;

10 and

11 “(ee) for 2028 and each  
12 subsequent year, 90 percent; and

13 “(II) for an applicable drug dis-  
14 pensed for an applicable beneficiary  
15 who has incurred costs, as determined  
16 in accordance with section 1860D–  
17 2(b)(4)(C), for covered part D drugs  
18 in the year that are equal to or exceed  
19 the annual out-of-pocket threshold  
20 specified in section 1860D–  
21 2(b)(4)(B)(i) for the year—

22 “(aa) for 2024, 99 percent;

23 “(bb) for 2025, 98 percent;

24 “(cc) for 2026, 95 percent;

25 “(dd) for 2027, 92 percent;

1                   “(ee) for 2028, 90 percent;  
2                   “(ff) for 2029, 85 percent;  
3                   and  
4                   “(gg) for 2030 and each  
5                   subsequent year, 80 percent.

6                   “(D) TOTAL EXPENDITURES.—For pur-  
7                   poses of this paragraph, the term ‘total expend-  
8                   itures’ includes, in the case of expenditures with  
9                   respect to part D, ingredient costs, dispensing  
10                  fees, sales tax, and, if applicable, vaccine ad-  
11                  ministration fees. The term ‘total expenditures’  
12                  excludes, in the case of expenditures with re-  
13                  spect to part B, expenditures for a drug or bio-  
14                  logical that are bundled or packaged into the  
15                  payment for another service.

16                  “(E) SPECIAL CASE FOR CERTAIN  
17                  CLAIMS.—

18                  “(i) CLAIMS SPANNING DEDUCT-  
19                  IBLE.—In the case where the entire  
20                  amount of the negotiated price of an indi-  
21                  vidual claim for an applicable drug with re-  
22                  spect to an applicable beneficiary does not  
23                  fall above the annual deductible specified  
24                  in section 1860D–2(b)(1) for the year, the  
25                  manufacturer of the applicable drug shall

1 provide the discounted price under this  
2 section on only the portion of the nego-  
3 tiated price of the applicable drug that  
4 falls above such annual deductible.

5 “(ii) CLAIMS SPANNING OUT-OF-POCK-  
6 ET THRESHOLD.—In the case where the  
7 entire amount of the negotiated price of an  
8 individual claim for an applicable drug  
9 with respect to an applicable beneficiary  
10 does not fall entirely below or entirely  
11 above the annual out-of-pocket threshold  
12 specified in section 1860D–2(b)(4)(B)(i)  
13 for the year, the manufacturer of the ap-  
14 plicable drug shall provide the discounted  
15 price—

16 “(I) in accordance with subpara-  
17 graph (A)(i) on the portion of the ne-  
18 gotiated price of the applicable drug  
19 that falls below such threshold; and

20 “(II) in accordance with subpara-  
21 graph (A)(ii) on the portion of such  
22 price of such drug that falls at or  
23 above such threshold.

24 “(5) MANUFACTURER.—The term ‘manufac-  
25 turer’ means any entity which is engaged in the pro-

1       duction, preparation, propagation, compounding,  
2       conversion, or processing of prescription drug prod-  
3       ucts, either directly or indirectly by extraction from  
4       substances of natural origin, or independently by  
5       means of chemical synthesis, or by a combination of  
6       extraction and chemical synthesis. Such term does  
7       not include a wholesale distributor of drugs or a re-  
8       tail pharmacy licensed under State law.

9               “(6) NEGOTIATED PRICE.—The term ‘nego-  
10       tiated price’ has the meaning given such term in sec-  
11       tion 423.100 of title 42, Code of Federal Regula-  
12       tions (or any successor regulation) and, with respect  
13       to an applicable drug, such negotiated price shall in-  
14       clude any dispensing fee and, if applicable, any vac-  
15       eine administration fee for the applicable drug.

16               “(7) QUALIFIED RETIREE PRESCRIPTION DRUG  
17       PLAN.—The term ‘qualified retiree prescription drug  
18       plan’ has the meaning given such term in section  
19       1860D–22(a)(2).

20       **“SEC. 1860D–14D. SELECTED DRUG SUBSIDY PROGRAM.**

21               “With respect to covered part D drugs that would  
22       be applicable drugs (as defined in section 1860D–  
23       14C(g)(2) but for the application of subparagraph (B) of  
24       such section, the Secretary shall provide a process where-  
25       by, in the case of an applicable beneficiary (as defined in

1 section 1860D–14C(g)(1)) who, with respect to a year, is  
2 enrolled in a prescription drug plan or is enrolled in an  
3 MA–PD plan, has not incurred costs that are equal to or  
4 exceed the annual out-of-pocket threshold specified in sec-  
5 tion 1860D–2(b)(4)(B)(i), and is dispensed such a drug  
6 the Secretary (periodically and on a timely basis) provides  
7 the PDP sponsor or the MA organization offering the  
8 plan, a subsidy with respect to such drug that is equal  
9 to 10 percent of the negotiated price (as defined in section  
10 1860D–14C(g)(6)) of such drug.”.

11 (2) SUNSET OF MEDICARE COVERAGE GAP DIS-  
12 COUNT PROGRAM.—Section 1860D–14A of the So-  
13 cial Security Act (42 U.S.C. 1395–114a) is amend-  
14 ed—

15 (A) in subsection (a), in the first sentence,  
16 by striking “The Secretary” and inserting  
17 “Subject to subsection (h), the Secretary”; and

18 (B) by adding at the end the following new  
19 subsection:

20 “(h) SUNSET OF PROGRAM.—

21 “(1) IN GENERAL.—The program shall not  
22 apply with respect to applicable drugs dispensed on  
23 or after January 1, 2024, and, subject to paragraph  
24 (2), agreements under this section shall be termi-  
25 nated as of such date.

1           “(2) CONTINUED APPLICATION FOR APPLICA-  
2           BLE DRUGS DISPENSED PRIOR TO SUNSET.—The  
3           provisions of this section (including all responsibil-  
4           ities and duties) shall continue to apply on and after  
5           January 1, 2024, with respect to applicable drugs  
6           dispensed prior to such date.”.

7           (3) INCLUSION OF ACTUARIAL VALUE OF MANU-  
8           FACTURER DISCOUNTS IN BIDS.—Section 1860D–11  
9           of the Social Security Act (42 U.S.C. 1395w–111)  
10          is amended—

11                   (A) in subsection (b)(2)(C)(iii)—

12                           (i) by striking “assumptions regarding  
13                           the reinsurance” and inserting “assump-  
14                           tions regarding—

15                                   “(I) the reinsurance”; and

16                           (ii) by adding at the end the fol-  
17                           lowing:

18                                   “(II) for 2024 and each subse-  
19                           quent year, the manufacturer dis-  
20                           counts provided under section 1860D–  
21                           14C subtracted from the actuarial  
22                           value to produce such bid; and”; and

23                   (B) in subsection (c)(1)(C)—



1 (i) by striking “an actuarial valuation  
2 of the reinsurance” and inserting “an ac-  
3 tuarial valuation of—

4 “(i) the reinsurance”;

5 (ii) in clause (i), as inserted by clause  
6 (i) of this subparagraph, by adding “and”  
7 at the end; and

8 (iii) by adding at the end the fol-  
9 lowing:

10 “(ii) for 2024 and each subsequent  
11 year, the manufacturer discounts provided  
12 under section 1860D–14C;”.

13 (e) CONFORMING AMENDMENTS.—

14 (1) Section 1860D–2 of the Social Security Act  
15 (42 U.S.C. 1395w–102) is amended—

16 (A) in subsection (a)(2)(A)(i)(I), by strik-  
17 ing “, or an increase in the initial” and insert-  
18 ing “or, for a year preceding 2024, an increase  
19 in the initial”;

20 (B) in subsection (c)(1)(C)—

21 (i) in the subparagraph heading, by  
22 striking “AT INITIAL COVERAGE LIMIT”;  
23 and

24 (ii) by inserting “for a year preceding  
25 2024 or the annual out-of-pocket threshold

1 specified in subsection (b)(4)(B) for the  
2 year for 2024 and each subsequent year”  
3 after “subsection (b)(3) for the year” each  
4 place it appears; and

5 (C) in subsection (d)(1)(A), by striking “or  
6 an initial” and inserting “or, for a year pre-  
7 ceding 2024, an initial”.

8 (2) Section 1860D–4(a)(4)(B)(i) of the Social  
9 Security Act (42 U.S.C. 1395w–104(a)(4)(B)(i)) is  
10 amended by striking “the initial” and inserting “for  
11 a year preceding 2024, the initial”.

12 (3) Section 1860D–14(a) of the Social Security  
13 Act (42 U.S.C. 1395w–114(a)) is amended—

14 (A) in paragraph (1)—

15 (i) in subparagraph (C), by striking  
16 “The continuation” and inserting “For a  
17 year preceding 2024, the continuation”;

18 (ii) in subparagraph (D)(iii), by strik-  
19 ing “1860D–2(b)(4)(A)(i)(I)” and insert-  
20 ing “1860D–2(b)(4)(A)(i)(I)(aa)”; and

21 (iii) in subparagraph (E), by striking  
22 “The elimination” and inserting “For a  
23 year preceding 2024, the elimination”; and

24 (B) in paragraph (2)—

1 (i) in subparagraph (C), by striking  
2 “The continuation” and inserting “For a  
3 year preceding 2024, the continuation”;  
4 and

5 (ii) in subparagraph (E), by striking  
6 “1860D–2(b)(4)(A)(i)(I)” and inserting  
7 “1860D–2(b)(4)(A)(i)(I)(aa)”.

8 (4) Section 1860D–21(d)(7) of the Social Secu-  
9 rity Act (42 U.S.C. 1395w–131(d)(7)) is amended  
10 by striking “section 1860D–2(b)(4)(B)(i)” and in-  
11 serting “section 1860D–2(b)(4)(C)(i)”.

12 (5) Section 1860D–22(a)(2)(A) of the Social  
13 Security Act (42 U.S.C. 1395w–132(a)(2)(A)) is  
14 amended—

15 (A) by striking “the value of any discount”  
16 and inserting the following: “the value of—

17 “(i) for years prior to 2024, any dis-  
18 count”;

19 (B) in clause (i), as inserted by subpara-  
20 graph (A) of this paragraph, by striking the pe-  
21 riod at the end and inserting “; and”; and

22 (C) by adding at the end the following new  
23 clause:

1                   “(ii) for 2024 and each subsequent  
2                   year, any discount provided pursuant to  
3                   section 1860D–14C.”.

4                   (6) Section 1860D–41(a)(6) of the Social Secu-  
5                   rity Act (42 U.S.C. 1395w–151(a)(6)) is amended—

6                   (A) by inserting “for a year before 2024”  
7                   after “1860D–2(b)(3)”; and

8                   (B) by inserting “for such year” before the  
9                   period.

10                  (7) Section 1860D–43 of the Social Security  
11                  Act (42 U.S.C. 1395w–153) is amended—

12                  (A) in subsection (a)—

13                         (i) by striking paragraph (1) and in-  
14                         serting the following:

15                         “(1) participate in—

16                                 “(A) for 2011 through 2023, the Medicare  
17                                 coverage gap discount program under section  
18                                 1860D–14A; and

19                                 “(B) for 2024 and each subsequent year,  
20                                 the manufacturer discount program under sec-  
21                                 tion 1860D–14C;”;

22                         (ii) by striking paragraph (2) and in-  
23                         serting the following:

24                         “(2) have entered into and have in effect—

1           “(A) for 2011 through 2023, an agreement  
2 described in subsection (b) of section 1860D–  
3 14A with the Secretary; and

4           “(B) for 2024 and each subsequent year,  
5 an agreement described in subsection (b) of sec-  
6 tion 1860D–14C with the Secretary; and”;

7           (iii) by striking paragraph (3) and in-  
8 serting the following:

9           “(3) have entered into and have in effect, under  
10 terms and conditions specified by the Secretary—

11           “(A) for 2011 through 2023, a contract  
12 with a third party that the Secretary has en-  
13 tered into a contract with under subsection  
14 (d)(3) of section 1860D–14A; and

15           “(B) for 2024 and each subsequent year,  
16 a contract with a third party that the Secretary  
17 has entered into a contract with under sub-  
18 section (d)(3) of section 1860D–14C.”; and

19           (B) by striking subsection (b) and insert-  
20 ing the following:

21           “(b) EFFECTIVE DATE.—Paragraphs (1)(A), (2)(A),  
22 and (3)(A) of subsection (a) shall apply to covered part  
23 D drugs dispensed under this part on or after January  
24 1, 2011, and before January 1, 2024, and paragraphs  
25 (1)(B), (2)(B), and (3)(B) of such subsection shall apply

1 to covered part D drugs dispensed under this part on or  
2 after January 1, 2024.”.

3 (8) Section 1927 of the Social Security Act (42  
4 U.S.C. 1396r–8) is amended—

5 (A) in subsection (c)(1)(C)(i)(VI), by in-  
6 serting before the period at the end the fol-  
7 lowing: “or under the manufacturer discount  
8 program under section 1860D–14C”; and

9 (B) in subsection (k)(1)(B)(i)(V), by in-  
10 serting before the period at the end the fol-  
11 lowing: “or under section 1860D–14C”.

12 (f) IMPLEMENTATION FOR 2024 AND 2025.—Not-  
13 withstanding any other provision of this section, the Sec-  
14 retary shall implement this section, including the amend-  
15 ments made by this section, for 2024 and 2025 by pro-  
16 gram instruction or otherwise.

17 (g) FUNDING.—In addition to amounts otherwise  
18 available, there are appropriated to the Centers for Medi-  
19 care & Medicaid Services, out of any money in the Treas-  
20 ury not otherwise appropriated, \$44,000,000 for fiscal  
21 year 2022, \$38,000,000 for fiscal year 2023, and  
22 \$32,000,000 for each of fiscal years 2024 through 2031,  
23 to remain available until expended, to carry out the provi-  
24 sions of, including the amendments made by, this section.

1 **SEC. 139202. MAXIMUM MONTHLY CAP ON COST SHARING**  
2 **PAYMENTS UNDER PRESCRIPTION DRUG**  
3 **PLANS AND MA-PD PLANS.**

4 (a) IN GENERAL.—Section 1860D–2(b) of the Social  
5 Security Act (42 U.S.C. 1395w–102(b)), as amended by  
6 section 139201, is amended—

7 (1) in paragraph (2)—

8 (A) in subparagraph (A), by striking “and  
9 (D)” and inserting “, (D), and (E)”; and

10 (B) by adding at the end the following new  
11 subparagraph:

12 “(E) MAXIMUM MONTHLY CAP ON COST  
13 SHARING PAYMENTS.—

14 “(i) IN GENERAL.—For plan years be-  
15 ginning on or after January 1, 2025, each  
16 PDP sponsor offering a prescription drug  
17 plan and each MA organization offering an  
18 MA–PD plan shall provide to any enrollee  
19 of such plan, including an enrollee who is  
20 a subsidy eligible individual (as defined in  
21 paragraph (3) of section 1860D-14(a)), the  
22 option to elect with respect to a plan year  
23 to pay cost sharing under the plan in  
24 monthly amounts that are capped in ac-  
25 cordance with this subparagraph.

1           “(ii) DETERMINATION OF MAXIMUM  
2 MONTHLY CAP.—For each month in the  
3 plan year for which an enrollee in a pre-  
4 scription drug plan or an MA–PD plan has  
5 made an election pursuant to clause (i),  
6 the PDP sponsor or MA organization shall  
7 determine a maximum monthly cap (as de-  
8 fined in clause (iv)) for such enrollee.

9           “(iii) BENEFICIARY MONTHLY PAY-  
10 MENTS.—With respect to an enrollee who  
11 has made an election pursuant to clause  
12 (i), for each month described in clause (ii),  
13 the PDP sponsor or MA organization shall  
14 bill such enrollee an amount (not to exceed  
15 the maximum monthly cap) for the out-of-  
16 pocket costs of such enrollee in such  
17 month.

18           “(iv) MAXIMUM MONTHLY CAP DE-  
19 FINED.—In this subparagraph, the term  
20 ‘maximum monthly cap’ means, with re-  
21 spect to an enrollee—

22                   “(I) for the first month for which  
23 the enrollee has made an election pur-  
24 suant to clause (i), an amount deter-  
25 mined by calculating—



1           “(aa) the annual out-of-  
2 pocket threshold specified in  
3 paragraph (4)(B) minus the in-  
4 curred costs of the enrollee as de-  
5 scribed in paragraph (4)(C); di-  
6 vided by

7           “(bb) the number of months  
8 remaining in the plan year; and

9           “(II) for a subsequent month, an  
10 amount determined by calculating—

11           “(aa) the sum of any re-  
12 maining out-of-pocket costs owed  
13 by the enrollee from a previous  
14 month that have not yet been  
15 billed to the enrollee and any ad-  
16 ditional out-of-pocket costs in-  
17 curred by the enrollee; divided by

18           “(bb) the number of months  
19 remaining in the plan year.

20           “(v) ADDITIONAL REQUIREMENTS.—

21 The following requirements shall apply  
22 with respect to the option to make an elec-  
23 tion pursuant to clause (i) under this sub-  
24 paragraph:

1           “(I) SECRETARIAL RESPONSIBIL-  
2 ITIES.—The Secretary shall provide  
3 information to part D eligible individ-  
4 uals on the option to make such elec-  
5 tion through educational materials, in-  
6 cluding through the notices provided  
7 under section 1804(a).

8           “(II) TIMING OF ELECTION.—An  
9 enrollee in a prescription drug plan or  
10 an MA–PD plan may make such an  
11 election—

12                   “(aa) prior to the beginning  
13 of the plan year; or

14                   “(bb) in any month during  
15 the plan year.

16           “(III) PDP SPONSOR AND MA OR-  
17 GANIZATION RESPONSIBILITIES.—  
18 Each PDP sponsor offering a pre-  
19 scription drug plan or MA organiza-  
20 tion offering an MA–PD plan—

21                   “(aa) may not limit the op-  
22 tion for an enrollee to make such  
23 an election to certain covered  
24 part D drugs;

1           “(bb) shall, prior to the plan  
2 year, notify prospective enrollees  
3 of the option to make such an  
4 election in promotional materials;

5           “(cc) shall include informa-  
6 tion on such option in enrollee  
7 educational materials;

8           “(dd) shall have in place a  
9 mechanism to notify a pharmacy  
10 during the plan year when an en-  
11 rollee incurs out-of-pocket costs  
12 with respect to covered part D  
13 drugs that make it likely the en-  
14 rollee may benefit from making  
15 such an election;

16           “(ee) shall provide that a  
17 pharmacy, after receiving a noti-  
18 fication described in item (dd)  
19 with respect to an enrollee, in-  
20 forms the enrollee of such notifi-  
21 cation;

22           “(ff) shall ensure that such  
23 an election by an enrollee has no  
24 effect on the amount paid to  
25 pharmacies (or the timing of

1 such payments) with respect to  
2 covered part D drugs dispensed  
3 to the enrollee; and

4 “(gg) shall have in place a  
5 financial reconciliation process to  
6 correct inaccuracies in payments  
7 made by an enrollee under this  
8 subparagraph with respect to  
9 covered part D drugs during the  
10 plan year.

11 “(IV) FAILURE TO PAY AMOUNT  
12 BILLED.—If an enrollee fails to pay  
13 the amount billed for a month as re-  
14 quired under this subparagraph, the  
15 election of the enrollee pursuant to  
16 clause (i) shall be terminated and the  
17 enrollee shall pay the cost sharing  
18 otherwise applicable for any covered  
19 part D drugs subsequently dispensed  
20 to the enrollee up to the annual out-  
21 of-pocket threshold specified in para-  
22 graph (4)(B).

23 “(V) CLARIFICATION REGARDING  
24 PAST DUE AMOUNTS.—Nothing in this  
25 subparagraph shall be construed as

1 prohibiting a PDP sponsor or an MA  
2 organization from billing an enrollee  
3 for an amount owed under this sub-  
4 paragraph.

5 “(VI) TREATMENT OF UNSET-  
6 TLED BALANCES.—Any unsettled bal-  
7 ances with respect to amounts owed  
8 under this subparagraph shall be  
9 treated as plan losses and the Sec-  
10 retary shall not be liable for any such  
11 balances outside of those assumed as  
12 losses estimated in plan bids.”; and

13 (2) in paragraph (4)—

14 (A) in subparagraph (C), by striking “in  
15 subparagraph (E)” and inserting “in subpara-  
16 graph (E) and subject to subparagraph (F)”;  
17 and

18 (B) by adding at the end the following new  
19 subparagraph:

20 “(F) INCLUSION OF COSTS PAID UNDER  
21 MAXIMUM MONTHLY CAP OPTION.—In applying  
22 subparagraph (A), with respect to an enrollee  
23 who has made an election pursuant to clause (i)  
24 of paragraph (2)(E), costs shall be treated as  
25 incurred if such costs are paid by a PDP spon-

1           sor or an MA organization under the option  
2           provided under such paragraph.”.

3           (b) APPLICATION TO ALTERNATIVE PRESCRIPTION  
4 DRUG COVERAGE.—Section 1860D–2(c) of the Social Se-  
5 curity Act (42 U.S.C. 1395w–102(c)) is amended by add-  
6 ing at the end the following new paragraph:

7           “(4) SAME MAXIMUM MONTHLY CAP ON COST  
8 SHARING.—For plan years beginning on or after  
9           January 1, 2025, the maximum monthly cap on cost  
10          sharing payments under the option provided under  
11          subsection (b)(2)(E) shall apply to such coverage.”.

12          (c) IMPLEMENTATION FOR 2025.—The Secretary  
13 shall implement this section, including the amendments  
14 made by this section, for 2025 by program instruction or  
15 otherwise.

16          (d) FUNDING.—In addition to amounts otherwise  
17 available, there are appropriated to the Centers for Medi-  
18 care & Medicaid Services, out of any money in the Treas-  
19 ury not otherwise appropriated, \$1,000,000 for each of fis-  
20 cal years 2022 through 2031, to remain available until ex-  
21 pended, to carry out the provisions of, including the  
22 amendments made by, this section.

1     **PART 4—REPEAL OF CERTAIN PRESCRIPTION**

2                     **DRUG REBATE RULE**

3     **SEC. 139301. PROHIBITING IMPLEMENTATION OF RULE RE-**  
4                     **LATING TO ELIMINATING THE ANTI-KICK-**  
5                     **BACK STATUTE SAFE HARBOR PROTECTION**  
6                     **FOR PRESCRIPTION DRUG REBATES.**

7             Beginning January 1, 2026, the Secretary of Health  
8 and Human Services shall not implement, administer, or  
9 enforce the provisions of the final rule published by the  
10 Office of the Inspector General of the Department of  
11 Health and Human Services on November 30, 2020, and  
12 titled “Fraud and Abuse; Removal of Safe Harbor Protec-  
13 tion for Rebates Involving Prescription Pharmaceuticals  
14 and Creation of New Safe Harbor Protection for Certain  
15 Point-of-Sale Reductions in Price on Prescription Phar-  
16 maceuticals and Certain Pharmacy Benefit Manager Serv-  
17 ice Fees” (85 Fed. Reg. 76666).

18                     **PART 5—MISCELLANEOUS**

19     **SEC. 139401. APPROPRIATE COST-SHARING FOR CERTAIN**  
20                     **INSULIN PRODUCTS UNDER MEDICARE PART**  
21                     **D.**

22             (a) IN GENERAL.—Section 1860D–2 of the Social  
23 Security Act (42 U.S.C. 1395w–102) is amended—

24                     (1) in subsection (b)—

1 (A) in paragraph (1)(A), by striking “The  
2 coverage” and inserting “Subject to paragraph  
3 (8), the coverage”;

4 (B) in paragraph (2)(A), by striking “and  
5 (D)” and inserting “and (D) and paragraph  
6 (8)”;

7 (C) in paragraph (3)(A), by striking “and  
8 (4)” and inserting “(4), and (8)”;

9 (D) in paragraph (4)(A)(i), by striking  
10 “The coverage” and inserting “Subject to para-  
11 graph (8), the coverage”; and

12 (E) by adding at the end the following new  
13 paragraph:

14 “(8) TREATMENT OF COST-SHARING FOR CER-  
15 TAIN INSULIN PRODUCTS.—

16 “(A) IN GENERAL.—For plan years begin-  
17 ning on or after January 1, 2023, the following  
18 shall apply with respect to insulin products (as  
19 defined in subparagraph (B)):

20 “(i) NO APPLICATION OF DEDUCT-  
21 IBLE.—The deductible under paragraph  
22 (1) shall not apply with respect to such in-  
23 sulin products.

24 “(ii) APPLICATION OF COST-SHAR-  
25 ING.—



1           “(I) PLAN YEAR 2023.—For plan  
2 year 2023, the coverage provides ben-  
3 efits for such insulin products, regard-  
4 less of whether an individual has  
5 reached the initial coverage limit  
6 under paragraph (3) or the out-of-  
7 pocket threshold under paragraph (4),  
8 with cost-sharing that is equal to the  
9 applicable copayment amount.

10           “(II) PLAN YEAR 2024 AND SUB-  
11 SEQUENT PLAN YEARS.—For plan  
12 year 2024 and subsequent plan years,  
13 the coverage provides benefits for  
14 such insulin products, prior to an in-  
15 dividual reaching the out-of-pocket  
16 threshold under paragraph (4), with  
17 cost-sharing that is equal to the appli-  
18 cable copayment amount.

19           “(III) APPLICABLE COPAYMENT  
20 AMOUNT.—For purposes of this  
21 clause, the term ‘applicable copayment  
22 amount’ means, with respect to an in-  
23 sulin product under a prescription  
24 drug plan or an MA–PD plan, an  
25 amount that is not more than \$35.

1           “(B) INSULIN PRODUCT.—For purposes of  
2           this paragraph, the term ‘insulin product’  
3           means an insulin product that is approved  
4           under section 505 of the Federal Food, Drug,  
5           and Cosmetic Act or licensed under section 351  
6           of the Public Health Service Act and marketed  
7           pursuant to such approval or licensure, includ-  
8           ing any insulin product that has been deemed  
9           to be licensed under section 351 of the Public  
10          Health Service Act pursuant to section  
11          7002(e)(4) of the Biologics Price Competition  
12          and Innovation Act of 2009 and marketed pur-  
13          suant to such section.”; and

14          (2) in subsection (c), by adding at the end the  
15          following new paragraph:

16               “(4) TREATMENT OF COST-SHARING FOR INSU-  
17               LIN PRODUCTS.—The coverage is provided in accord-  
18               ance with subsection (b)(8).”.

19          (b) CONFORMING AMENDMENTS TO COST-SHARING  
20          FOR LOW-INCOME INDIVIDUALS.—Section 1860D–14(a)  
21          of the Social Security Act (42 U.S.C. 1395w–114(a)) is  
22          amended—

23               (1) in paragraph (1)—

24                       (A) in subparagraph (D)(iii), by adding at  
25                       the end the following new sentence: “For plan

1 year 2023 and subsequent plan years, the co-  
2 payment amount applicable under the preceding  
3 sentence to an insulin product (as defined in  
4 section 1860D–2(b)(8)(B)) furnished to the in-  
5 dividual may not exceed the applicable copay-  
6 ment amount for the product under the pre-  
7 scription drug plan or MA–PD plan in which  
8 the individual is enrolled.”; and

9 (B) in subparagraph (E), by inserting the  
10 following before the period at the end “or under  
11 section 1860D–2(b)(8) in the case of an insulin  
12 product (as defined in subparagraph (B) of  
13 such section)”; and

14 (2) in paragraph (2)—

15 (A) in subparagraph (D), by adding at the  
16 end the following new sentence: “For plan year  
17 2023 and subsequent plan years, the amount of  
18 the coinsurance applicable under the preceding  
19 sentence to an insulin product (as defined in  
20 section 1860D–2(b)(8)(B)) furnished to the in-  
21 dividual may not exceed the applicable copay-  
22 ment amount for the product under the pre-  
23 scription drug plan or MA–PD plan in which  
24 the individual is enrolled.”; and

1 (B) in subparagraph (E), by adding at the  
2 end the following new sentence: “For plan year  
3 2023, the amount of the copayment or coinsur-  
4 ance applicable under the preceding sentence to  
5 an insulin product (as defined in section  
6 1860D–2(b)(8)(B)) furnished to the individual  
7 may not exceed the applicable copayment  
8 amount for the product under the prescription  
9 drug plan or MA–PD plan in which the indi-  
10 vidual is enrolled.”

11 (c) IMPLEMENTATION.—The Secretary shall imple-  
12 ment this section for plan years 2023 and 2024 by pro-  
13 gram instruction or otherwise.

14 **SEC. 139402. COVERAGE OF ADULT VACCINES REC-**  
15 **COMMENDED BY THE ADVISORY COMMITTEE**  
16 **ON IMMUNIZATION PRACTICES UNDER MEDI-**  
17 **CARE PART D.**

18 (a) ENSURING TREATMENT OF COST SHARING IS  
19 CONSISTENT WITH TREATMENT OF VACCINES UNDER  
20 MEDICARE PART B.—Section 1860D–2 of the Social Se-  
21 curity Act (42 U.S.C. 1395w–102), as amended by section  
22 139401, is further amended—

23 (1) in subsection (b)—

1 (A) in paragraph (1)(A), by striking  
2 “paragraph (8)” and inserting “paragraphs (8)  
3 and (9)”;

4 (B) in paragraph (2)(A), by striking  
5 “paragraph (8)” and inserting “paragraphs (8)  
6 and (9)”;

7 (C) in paragraph (3)(A), by striking “and  
8 (8)” and inserting “(8), and (9)”;

9 (D) in paragraph (4)(A)(i), by striking  
10 “paragraph (8)” and inserting “paragraphs (8)  
11 and (9)”;

12 (E) by adding at the end the following new  
13 paragraph:

14 “(9) TREATMENT OF COST SHARING FOR  
15 ADULT VACCINES RECOMMENDED BY THE ADVISORY  
16 COMMITTEE ON IMMUNIZATION PRACTICES CON-  
17 SISTENT WITH TREATMENT OF VACCINES UNDER  
18 PART B.—

19 “(A) IN GENERAL.—For plan years begin-  
20 ning on or after January 1, 2024 , the fol-  
21 lowing shall apply with respect to an adult vac-  
22 cine recommended by the Advisory Committee  
23 on Immunization Practices (as defined in sub-  
24 paragraph (B)):

1           “(i) NO APPLICATION OF DEDUCT-  
2           IBLE.—The deductible under paragraph  
3           (1) shall not apply with respect to such  
4           vaccine.

5           “(ii) NO APPLICATION OF COINSUR-  
6           ANCE OR ANY OTHER COST-SHARING.—  
7           There shall be no coinsurance or other  
8           cost-sharing under this part with respect  
9           to such vaccine, regardless of whether for  
10          costs below, at, or above the initial cov-  
11          erage limit under paragraph (3) or the  
12          out-of-pocket threshold under paragraph  
13          (4).

14          “(B) ADULT VACCINES RECOMMENDED BY  
15          THE ADVISORY COMMITTEE ON IMMUNIZATION  
16          PRACTICES.—For purposes of this paragraph,  
17          the term ‘adult vaccine recommended by the  
18          Advisory Committee on Immunization Prac-  
19          tices’ means a covered part D drug that is a  
20          vaccine licensed under section 351 of the Public  
21          Health Service Act for use by adult populations  
22          and administered in accordance with rec-  
23          ommendations of the Advisory Committee on  
24          Immunization Practices of the Centers for Dis-  
25          ease Control and Prevention.”; and

1           (2) in subsection (c), by adding at the end the  
2 following new paragraph:

3           “(5) TREATMENT OF COST SHARING FOR  
4 ADULT VACCINES RECOMMENDED BY THE ADVISORY  
5 COMMITTEE ON IMMUNIZATION PRACTICES.—The  
6 coverage is in accordance with subsection (b)(9).”.

7           (b) CONFORMING AMENDMENTS TO COST SHARING  
8 FOR LOW-INCOME INDIVIDUALS.—Section 1860D–14(a)  
9 of the Social Security Act (42 U.S.C. 1395w–114(a)), as  
10 amended by section 139401, is further amended—

11           (1) in paragraph (1)(D), in each of clauses (ii)  
12 and (iii), by striking “In the case” and inserting  
13 “Subject to paragraph (6), in the case”;

14           (2) in paragraph (2)—

15           (A) in subparagraph (B), by striking “A  
16 reduction” and inserting “Subject to paragraph  
17 (6), a reduction”

18           (B) in subparagraph (D), by striking “The  
19 substitution” and inserting “Subject to para-  
20 graph (6), the substitution”; and

21           (C) in subparagraph (E), by striking “sub-  
22 section (c)” and inserting “paragraph (6) and  
23 subsection (c)”; and

24           (3) by adding at the end the following new  
25 paragraph:





1 and (II), respectively, and moving such subclauses 2  
2 ems to the right;

3 (2) by redesignating subparagraphs (A) and  
4 (B) as clauses (i) and (ii) and moving such clauses  
5 2 ems to the right;

6 (3) by striking “UNAVAILABLE.—In the case”  
7 and inserting “UNAVAILABLE.—

8 “(A) IN GENERAL.—Subject to subpara-  
9 graph (B), in the case”; and

10 (4) by adding at the end the following new sub-  
11 paragraph:

12 “(B) LIMITATION ON PAYMENT AMOUNT  
13 FOR BIOSIMILAR BIOLOGICAL PRODUCTS DUR-  
14 ING INITIAL PERIOD.—In the case of a bio-  
15 similar biological product furnished on or after  
16 July 1, 2023, during the initial period described  
17 in subparagraph (A) with respect to the bio-  
18 similar biological product, the amount payable  
19 under this section for the biosimilar biological  
20 product is the lesser of the following:

21 “(i) The amount determined under  
22 clause (ii) of such subparagraph for the  
23 biosimilar biological product.

1                   “(ii) The amount determined under  
2                   subsection (b)(1)(B) for the reference bio-  
3                   logical product.”.

4 **SEC. 139404. TEMPORARY INCREASE IN MEDICARE PART B**  
5                   **PAYMENT FOR CERTAIN BIOSIMILAR BIO-**  
6                   **LOGICAL PRODUCTS.**

7                   Section 1847A(b)(8) of the Social Security Act (42  
8 U.S.C. 1395w-3a(b)(8)) is amended—

9                   (1) by redesignating subparagraphs (A) and  
10                  (B) as clauses (i) and (ii), respectively, and moving  
11                  the margin of each such redesignated clause 2 ems  
12                  to the right;

13                  (2) by striking “PRODUCT.—The amount” and  
14                  inserting the following: “PRODUCT.—

15                         “(A) IN GENERAL.—Subject to subpara-  
16                         graph (B), the amount”; and

17                  (3) by adding at the end the following new sub-  
18                  paragraph:

19                         “(B) TEMPORARY PAYMENT INCREASE.—

20                                 “(i) IN GENERAL.—In the case of a  
21                                 qualifying biosimilar biological product  
22                                 that is furnished during the applicable 5-  
23                                 year period for such product, the amount  
24                                 specified in this paragraph for such prod-  
25                                 uct with respect to such period is the sum

1 determined under subparagraph (A), ex-  
2 cept that clause (ii) of such subparagraph  
3 shall be applied by substituting ‘8 percent’  
4 for ‘6 percent’.

5 “(ii) APPLICABLE 5-YEAR PERIOD.—  
6 For purposes of clause (i), the applicable  
7 5-year period for a qualifying biosimilar bi-  
8 ological product is—

9 “(I) in the case of such a product  
10 for which payment was made under  
11 this paragraph as of March 31, 2022,  
12 the 5-year period beginning on April  
13 1, 2022; and

14 “(II) in the case of such a prod-  
15 uct for which payment is first made  
16 under this paragraph during a cal-  
17 endar quarter during the period be-  
18 ginning April 1, 2022, and ending  
19 March 31, 2027, the 5-year period be-  
20 ginning on the first day of such cal-  
21 endar quarter during which such pay-  
22 ment is first made.

23 “(iii) QUALIFYING BIOSIMILAR BIO-  
24 LOGICAL PRODUCT DEFINED.—For pur-  
25 poses of this subparagraph, the term

1 ‘qualifying biosimilar biological product’  
2 means a biosimilar biological product de-  
3 scribed in paragraph (1)(C) with respect to  
4 which—

5 “(I) in the case of a product de-  
6 scribed in clause (ii)(I), the average  
7 sales price under paragraph (8)(A)(i)  
8 for a calendar quarter during the 5-  
9 year period described in such clause is  
10 not more than the average sales price  
11 under paragraph (4)(A) for such  
12 quarter for the reference biological  
13 product; and

14 “(II) in the case of a product de-  
15 scribed in clause (ii)(II), the average  
16 sales price under paragraph (8)(A)(i)  
17 for a calendar quarter during the 5-  
18 year period described in such clause is  
19 not more than the average sales price  
20 under paragraph (4)(A) for such  
21 quarter for the reference biological  
22 product.”.

23 **SEC. 139405. IMPROVING ACCESS TO ADULT VACCINES**  
24 **UNDER MEDICAID AND CHIP.**

25 (a) **MEDICAID.**—

1           (1) REQUIRING COVERAGE OF ADULT VACCINA-  
2 TIONS.—

3           (A) IN GENERAL.—Section 1902(a)(10)(A)  
4 of the Social Security Act (42 U.S.C.  
5 1396a(a)(10)(A)) is amended in the matter pre-  
6 ceding clause (i) by inserting “(13)(B),” after  
7 “(5),”.

8           (B) MEDICALLY NEEDY.— Section  
9 1902(a)(10)(C)(iv) of such Act (42 U.S.C.  
10 1396a(a)(10)(C)(iv)) is amended by inserting “,  
11 (13)(B),” after “(5)”.

12           (2) NO COST SHARING FOR VACCINATIONS.—

13           (A) GENERAL COST-SHARING LIMITA-  
14 TIONS.—Section 1916 of the Social Security  
15 Act (42 U.S.C. 1396o) is amended—

16           (i) in subsection (a)(2)—

17           (I) in subparagraph (G), by in-  
18 serting a comma after “State plan”;

19           (II) in subparagraph (H), by  
20 striking “; or” and inserting a  
21 comma;

22           (III) in subparagraph (I), by  
23 striking “; and” and inserting “, or”;  
24 and

1 (IV) by adding at the end the fol-  
2 lowing new subparagraph:

3 “(J) vaccines described in section  
4 1905(a)(13)(B) and the administration of such  
5 vaccines; and”;

6 (ii) in subsection (b)(2)—

7 (I) in subparagraph (G), by in-  
8 serting a comma after “State plan”;

9 (II) in subparagraph (H), by  
10 striking “; or” and inserting a  
11 comma;

12 (III) in subparagraph (I), by  
13 striking “; and” and inserting “, or”;  
14 and

15 (IV) by adding at the end the fol-  
16 lowing new subparagraph:

17 “(J) vaccines described in section  
18 1905(a)(13)(B) and the administration of such  
19 vaccines; and”.

20 (B) APPLICATION TO ALTERNATIVE COST  
21 SHARING.—Section 1916A(b)(3)(B) of the So-  
22 cial Security Act (42 U.S.C. 1396o–1(b)(3)(B))  
23 is amended by adding at the end the following  
24 new clause:

1                   “(xiv) Vaccines described in section  
2                   1905(a)(13)(B) and the administration of  
3                   such vaccines.”.

4                   (3) INCREASED FMAP FOR ADULT VACCINES.—  
5                   Section 1905(b) of the Social Security Act (42  
6                   U.S.C. 1396d(b)) is amended—

7                   (A) by striking “and (5)” and inserting  
8                   “(5)”;

9                   (B) by striking “services and vaccines de-  
10                  scribed in subparagraphs (A) and (B) of sub-  
11                  section (a)(13), and prohibits cost-sharing for  
12                  such services and vaccines” and inserting “serv-  
13                  ices described in subsection (a)(13)(A), and  
14                  prohibits cost-sharing for such services”;

15                  (C) by striking “medical assistance for  
16                  such services and vaccines” and inserting “med-  
17                  ical assistance for such services”; and

18                  (D) by inserting “, and (6) during the first  
19                  8 fiscal quarters beginning on or after the effec-  
20                  tive date of this clause, in the case of a State  
21                  which, as of the date of enactment of the Act  
22                  titled ‘An Act to provide for reconciliation pur-  
23                  suant to title II of S. Con. Res. 14’, provides  
24                  medical assistance for vaccines described in  
25                  subsection (a)(13)(B) and their administration

1 and prohibits cost-sharing for such vaccines, the  
2 Federal medical assistance percentage, as deter-  
3 mined under this subsection and subsection (y),  
4 shall be increased by 1 percentage point with  
5 respect to medical assistance for such vaccines”  
6 before the first period.

7 (b) CHIP.—

8 (1) REQUIRING COVERAGE OF ADULT VACCINA-  
9 TIONS.—Section 2103(c) of the Social Security Act  
10 (42 U.S.C. 1397cc(c)) is amended by adding at the  
11 end the following paragraph:

12 “(12) REQUIRED COVERAGE OF APPROVED,  
13 RECOMMENDED ADULT VACCINES AND THEIR AD-  
14 MINISTRATION.—Regardless of the type of coverage  
15 elected by a State under subsection (a), if the State  
16 child health plan or a waiver of such plan provides  
17 child health assistance or pregnancy-related assist-  
18 ance (as defined in section 2112) to an individual  
19 who is 19 years of age or older, such assistance shall  
20 include coverage of vaccines described in section  
21 1905(a)(13)(B) and their administration.”.

22 (2) NO COST-SHARING FOR VACCINATIONS.—  
23 Section 2103(e)(2) of such Act (42 U.S.C.  
24 1397cc(e)(2)) is amended by inserting “vaccines de-  
25 scribed in subsection (e)(12) (and the administration



1 of such vaccines),” after “in vitro diagnostic prod-  
2 ucts described in subsection (c)(10) (and administra-  
3 tion of such products),”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section take effect on the 1st day of the 1st fiscal  
6 quarter that begins on or after the date that is 1 year  
7 after the date of enactment of this Act and shall apply  
8 to expenditures made under a State plan or waiver of such  
9 plan under title XIX of the Social Security Act (42 U.S.C.  
10 1396 through 1396w-6) or under a State child health plan  
11 or waiver of such plan under title XXI of such Act (42  
12 U.S.C. 1397aa through 1397mm) on or after such effec-  
13 tive date.

14 **Subtitle J—Supplemental Security**  
15 **Income for the Territories**

16 **SEC. 131001. EXTENSION OF THE SUPPLEMENTAL SECU-**  
17 **RITY INCOME PROGRAM TO PUERTO RICO,**  
18 **THE UNITED STATES VIRGIN ISLANDS, GUAM,**  
19 **AND AMERICAN SAMOA.**

20 (a) IN GENERAL.—Section 303 of the Social Security  
21 Amendments of 1972 (86 Stat. 1484) is amended by strik-  
22 ing subsection (b).

23 (b) CONFORMING AMENDMENTS.—

24 (1) DEFINITION OF STATE.—Section  
25 1101(a)(1) of the Social Security Act (42 U.S.C.

1 1301(a)(1)) is amended by striking the 5th sentence  
2 and inserting the following: “Such term when used  
3 in title XVI includes Puerto Rico, the United States  
4 Virgin Islands, Guam, and American Samoa.”.

5 (2) EXEMPTION OF SSI PAYMENTS FROM LIMIT  
6 ON TOTAL PAYMENTS TO THE TERRITORIES.—Sec-  
7 tion 1108(a)(1) of such Act (42 U.S.C. 1308(a)(1))  
8 is amended by striking “under titles I, X, XIV, and  
9 XVI”.

10 (3) UNITED STATES NATIONALS TREATED THE  
11 SAME AS CITIZENS.—Section 1614(a)(1)(B) of such  
12 Act (42 U.S.C. 1382c(a)(1)(B)) is amended—

13 (A) in clause (i)(I), by inserting “or na-  
14 tional of the United States,” after “citizen”;

15 (B) in clause (i)(II), by adding “; or” at  
16 the end; and

17 (C) in clause (ii), by inserting “or na-  
18 tional” after “citizen”.

19 (4) TERRITORIES INCLUDED IN GEOGRAPHIC  
20 MEANING OF UNITED STATES.—Section 1614(e) of  
21 such Act (42 U.S.C. 1382c(e)) is amended by strik-  
22 ing “and the District of Columbia” and inserting “,  
23 the District of Columbia, Puerto Rico, the United  
24 States Virgin Islands, Guam, and American  
25 Samoa”.

1           (c) WAIVER AUTHORITY.—The Commissioner of So-  
2 cial Security may waive or modify any statutory require-  
3 ment relating to the provision of benefits under the Sup-  
4 plemental Security Income Program under title XVI of the  
5 Social Security Act in Puerto Rico, the United States Vir-  
6 gin Islands, Guam, or American Samoa, to the extent that  
7 the Commissioner deems it necessary in order to adapt  
8 the program to the needs of the territory involved.

9           (d) EFFECTIVE DATE.—This section and the amend-  
10 ments made by this section shall take effect on January  
11 1, 2024.

Passed the House of Representatives November 19,  
2021.

Attest:

CHERYL L. JOHNSON,

*Clerk.*

Calendar No. 464

117<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 5376**

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**AN ACT**

To provide for reconciliation pursuant to title II of  
S. Con. Res. 14.

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August 3, 2022

Read the second time and placed on the calendar