

NOVEMBER 3, 2021

RULES COMMITTEE PRINT 117-18

TEXT OF H.R. 5376, BUILD BACK BETTER ACT

[Showing the text of H.R. 5376, as reported by the Committee
on the Budget, with modifications.]

1 **TITLE I—COMMITTEE ON**
2 **AGRICULTURE**
3 **Subtitle A—General Provisions**

4 **SEC. 10001. DEFINITIONS.**

5 In this title:

6 (1) The term “insular area” has the meaning
7 given such term in section 1404 of the National Ag-
8 ricultural Research, Extension, and Teaching Policy
9 Act of 1977 (7 U.S.C. 3103).

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

12 **Subtitle B—Forestry**

13 **SEC. 11001. NATIONAL FOREST SYSTEM RESTORATION AND**
14 **FUELS REDUCTION PROJECTS.**

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

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

4 (2) \$4,000,000,000 for, on a determination
5 made solely by the Secretary that hazardous fuels
6 reduction projects within the wildland-urban inter-
7 face described in paragraph (1) have been planned
8 to protect, to the extent practicable, at-risk commu-
9 nities, hazardous fuels reduction projects on Na-
10 tional Forest System land outside the wildland-
11 urban interface that are—

12 (A) primarily noncommercial in nature,
13 provided that, in accordance with the best avail-
14 able science, the harvest of merchantable mate-
15 rials shall be ecologically appropriate for res-
16 toration and to enhance ecological health and
17 function, and any sale of merchantable mate-
18 rials under this paragraph shall be limited to
19 small diameter trees or biomass that are a by-
20 product of hazardous fuel reduction projects;

21 (B) collaboratively developed; and

22 (C) carried out in a manner that enhances
23 the ecological integrity and achieves the restora-
24 tion of a forest ecosystem; maximizes the reten-
25 tion of old-growth and large trees, as appro-

1 appropriate for the forest type; and prioritizes pre-
2 scribed fire as the primary means to achieve
3 modified wildland fire behavior;

4 (3) \$1,000,000,000 for vegetation management
5 projects carried out solely on National Forest Sys-
6 tem land that the Secretary shall select following the
7 receipt of proposals submitted in accordance with
8 subsections (a), (b), and (c) of section 4003 of the
9 Omnibus Public Land Management Act of 2009 (16
10 U.S.C. 7303);

11 (4) \$400,000,000 for vegetation management
12 projects on National Forest System land carried out
13 in accordance with a water source management plan
14 or a watershed protection and restoration action
15 plan;

16 (5) \$400,000,000 for vegetation management
17 projects on National Forest System land that—

18 (A) maintain, or contribute toward the res-
19 toration of, reference old growth characteristics,
20 including structure, composition, function, and
21 connectivity;

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

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

1 (6) \$450,000,000 for the Legacy Roads and
2 Trails program of the Forest Service;

3 (7) \$350,000,000 for National Forest System
4 land management planning and monitoring,
5 prioritized on the assessment of watershed, ecologi-
6 cal, and carbon conditions on National Forest Sys-
7 tem land and the revision and amendment of older
8 land management plans that present opportunities
9 to protect, maintain, restore, and monitor ecological
10 integrity, ecological conditions for at-risk species,
11 and carbon storage;

12 (8) \$100,000,000 for maintenance of trails on
13 National Forest System land, with a priority on
14 trails that provide to underserved communities ac-
15 cess to National Forest System land;

16 (9) \$100,000,000 for capital maintenance and
17 improvements on National Forest System land, with
18 a priority on maintenance level 3, 4, and 5 roads
19 and improvements that restore ecological integrity
20 and conditions for at-risk species;

21 (10) \$100,000,000 to provide for more efficient
22 and more effective environmental reviews by the
23 Chief of the Forest Service in satisfying the obliga-
24 tions of the Chief of the Forest Service under the

1 National Environmental Policy Act of 1969 (42
2 U.S.C. 4321 through 4370m–12);

3 (11) \$50,000,000 to develop and carry out ac-
4 tivities and tactics for the protection of older and
5 mature forests on National Forest System land, in-
6 cluding completing an inventory of older and mature
7 forests within the National Forest System;

8 (12) \$50,000,000 to develop and carry out ac-
9 tivities and tactics for the maintenance and restora-
10 tion of habitat conditions necessary for the protec-
11 tion and recovery of at-risk species on National For-
12 est System land;

13 (13) \$50,000,000 to carry out post-fire recovery
14 plans on National Forest System land that empha-
15 size the use of locally adapted native plant materials
16 to restore the ecological integrity of disturbed areas
17 and do not include salvage logging; and

18 (14) \$50,000,000 to develop and carry out non-
19 lethal activities and tactics to reduce human-wildlife
20 conflicts on National Forest System land.

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

24 (1) for which an environmental assessment or
25 an environmental impact statement required under

1 the National Environmental Policy Act of 1969 (42
2 U.S.C. 4321 through 4370m–12) has been com-
3 pleted;

4 (2) that are collaboratively developed; or

5 (3) that include opportunities to restore sus-
6 tainable recreation infrastructure or access or ac-
7 complish other recreation outcomes on National For-
8 est System lands, if the opportunities are compatible
9 with the primary restoration purposes of the project.

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

12 (1) conducted in a wilderness area or wilderness
13 study area;

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

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

20 (A) the date on which the temporary road
21 is no longer needed; and

22 (B) the date on which the project for
23 which the temporary road was constructed is
24 completed;

1 (4) inconsistent with the applicable land man-
2 agement plan;

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

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

12 (d) DEFINITIONS.—In this section:

13 (1) AT-RISK COMMUNITY.—The term “at-risk
14 community” has the meaning given the term in sec-
15 tion 101 of the Healthy Forests Restoration Act of
16 2003 (16 U.S.C. 6511).

17 (2) COLLABORATIVELY DEVELOPED.—The term
18 “collaboratively developed” means, with respect to a
19 project located exclusively on National Forest Sys-
20 tem land, that the project is developed and imple-
21 mented through a collaborative process that—

22 (A) includes multiple interested persons
23 representing diverse interests, except such per-
24 sons shall not be employed by the Federal gov-

1 ernment or be representatives of foreign enti-
2 ties; and

3 (B)(i) is transparent and nonexclusive; or
4 (ii) meets the requirements for a resource
5 advisory committee under subsections (e)
6 through (f) of section 205 of the Secure Rural
7 Schools and Community Self-Determination Act
8 of 2000 (16 U.S.C. 7125).

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

11 (A) reestablishing native vegetation on the
12 road;

13 (B) restoring any natural drainage, water-
14 shed function, or other ecological processes that
15 were disrupted or adversely impacted by the
16 road by removing or hydrologically dis-
17 connecting the road prism and reestablishing
18 stable slope contours; and

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

21 (4) ECOLOGICAL INTEGRITY.—The term “eco-
22 logical integrity” has the meaning given the term in
23 section 219.19 of title 36, Code of Federal Regula-
24 tions (as in effect on the date of enactment of this
25 Act).

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

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

11 (7) VEGETATION MANAGEMENT PROJECT.—The
12 term “vegetation management project” means an ac-
13 tivity carried out on National Forest System land to
14 enhance the ecological integrity and achieve the res-
15 toration of a forest ecosystem through the removal
16 of vegetation, the use of prescribed fire, the restora-
17 tion of aquatic habitat, or the decommissioning of an
18 unauthorized, temporary, or system road.

19 (8) WATER SOURCE MANAGEMENT PLAN.—The
20 term “water source management plan” means a plan
21 developed under section 303(d)(1) of the Healthy
22 Forests Restoration Act of 2003 (16 U.S.C.
23 6542(d)(1)).

24 (9) WATERSHED PROTECTION AND RESTORA-
25 TION ACTION PLAN.—The term “watershed protec-

1 tion and restoration action plan” means a plan de-
2 veloped under section 304(a)(3) of the Healthy For-
3 ests Restoration Act of 2003 (16 U.S.C.
4 6543(a)(3)).

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

9 (e) LIMITATIONS.—Nothing in this section shall be
10 interpreted to authorize funds of the Commodity Credit
11 Corporation for activities under this section if such funds
12 are not expressly authorized or currently expended for
13 such purposes.

14 (f) COST-SHARING REQUIREMENT.— Any partner-
15 ship agreements, including cooperative agreements and
16 mutual interest agreements, using funds made available
17 under this section shall be subject to a non-Federal cost-
18 share requirement of not less than 20 percent of the
19 project cost, which may be waived at the discretion of the
20 Secretary.

21 **SEC. 11002. NON-FEDERAL LAND FOREST RESTORATION**
22 **AND FUELS REDUCTION PROJECTS AND RE-**
23 **SEARCH.**

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

1 fiscal year 2022, out of any money in the Treasury not
2 otherwise appropriated, to remain available until Sep-
3 tember 30, 2031—

4 (1) \$2,000,000,000 to award grants to Tribal,
5 State, or local governments or the government of the
6 District of Columbia, regional organizations, special
7 districts, or nonprofit organizations to support, on
8 non-Federal land, forest restoration and resilience
9 projects, including projects to reduce the risk of
10 wildfires and establish defensible space around struc-
11 tures within at-risk communities (as defined in sec-
12 tion 101 of the Healthy Forests Restoration Act of
13 2003 (16 U.S.C. 6511));

14 (2) \$1,000,000,000 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 implement
18 community wildfire protection plans (as defined in
19 section 101 of the Healthy Forests Restoration Act
20 of 2003 (16 U.S.C. 6511)) in existence on the date
21 of the enactment of this Act, purchase firefighting
22 equipment, provide firefighter training, and increase
23 the capacity for planning, coordinating, and moni-
24 toring projects on non-Federal land to protect at-
25 risk communities (as defined in section 101 of the

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

3 (3) \$250,000,000 to award grants to Tribal,
4 State, or local governments or the government of the
5 District of Columbia, regional organizations, special
6 districts, or nonprofit organizations for projects on
7 non-Federal land to aid in the recovery and rehabili-
8 tation of burned forested areas, including reforest-
9 ation;

10 (4) \$175,000,000 to award grants to Tribal,
11 State, or local governments or the government of the
12 District of Columbia, regional organizations, special
13 districts, or nonprofit organizations for projects on
14 non-Federal land to expand equitable outdoor access
15 and promote tourism on non-Federal forested land
16 for members of underserved groups;

17 (5) \$150,000,000 for the State Fire Assistance
18 and Volunteer Fire Assistance programs established
19 under the Cooperative Forestry Assistance Act of
20 1978 (16 U.S.C. 2101 through 2114) to be distrib-
21 uted at the discretion of the Secretary;

22 (6) \$150,000,000 for the implementation of
23 State-wide forest resource strategies under section
24 2A of the Cooperative Forestry Assistance Act of
25 1978 (16 U.S.C. 2101a);

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

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

17 (9) \$250,000,000 for the competitive grant pro-
18 gram under section 13A of the Cooperative Forestry
19 Assistance Act of 1978 (16 U.S.C. 2109a) for pro-
20 viding through that program grants to support the
21 participation of forest landowners who own less than
22 2,500 acres of forest land in emerging private mar-
23 kets for climate mitigation or forest resilience, sub-
24 ject to the condition that subsection (h) of that sec-
25 tion shall not apply;

1 (10) \$500,000,000 for the competitive grant
2 program under section 13A of the Cooperative For-
3 estry Assistance Act of 1978 (16 U.S.C. 2109a) to
4 provide grants to states and other eligible entities to
5 provide payments to owners of private forest land
6 for implementation of forestry practices on private
7 forest land, that are determined by the Secretary,
8 based on the best available science, to provide meas-
9 urable increases in carbon sequestration and storage
10 beyond customary practices on comparable land,
11 subject to the conditions that—

12 (A) those payments shall not preclude
13 landowners from participation in other public
14 and private sector financial incentive programs;
15 and

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

18 (11) \$50,000,000 for the forest inventory and
19 analysis program established under section 3(e) of
20 the Forest and Rangeland Renewable Resources Re-
21 search Act of 1978 (16 U.S.C. 1642(e)) for activi-
22 ties and tactics to accelerate and expand existing re-
23 search efforts to improve forest carbon monitoring
24 technologies to better predict changes in forest car-
25 bon due to climate change;

1 (12) \$100,000,000 for the forest inventory and
2 analysis program established under section 3(e) of
3 the Forest and Rangeland Renewable Resources Re-
4 search Act of 1978 (16 U.S.C. 1642(e)) to carry out
5 recommendations from a panel of relevant experts
6 convened by the Secretary that has reviewed and,
7 based on the review, issued recommendations regard-
8 ing the current priorities and future needs of the
9 forest inventory and analysis program with respect
10 to climate change, forest health, sustainable wood
11 products, and increasing carbon storage in forests;

12 (13) \$50,000,000 for the forest inventory and
13 analysis program established under section 3(e) of
14 the Forest and Rangeland Renewable Resources Re-
15 search Act of 1978 (16 U.S.C. 1642(e)) to provide
16 enhancements to the technology managed and used
17 by the forest inventory and analysis program, includ-
18 ing cloud computing and remote sensing for pur-
19 poses such as small area estimation;

20 (14) \$775,000,000 to provide grants under the
21 wood innovation grant program under section 8643
22 of the Agriculture Improvement Act of 2018 (7
23 U.S.C. 7655d), including for the construction of new
24 facilities that advance the purposes of the program,
25 subject to the conditions that the amount of such a

1 grant shall be not more than \$5,000,000; notwith-
2 standing subsection (d) of that section, a recipient
3 of such a grant shall provide funds equal to not less
4 than 50 percent of the amount received under the
5 grant, to be derived from non-Federal sources; and
6 a priority shall be placed on projects that create a
7 financial model for addressing forest restoration
8 needs on public or private forest land; and

9 (15) \$50,000,000 for the research mission area
10 of the Forest Service to carry out greenhouse gas
11 life cycle analyses of domestic wood products.

12 (b) FUNDING FOR RESTORATION ON NON-FEDERAL
13 AREAS BY STATES.—The Secretary may use amounts
14 made available by this section to carry out eligible projects
15 as determined by the Secretary, authorized in subsection
16 (a) on non-Federal land upon the request of the Governor
17 of that State, or, in the case of the District of Columbia,
18 the Mayor.

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

1 (d) LIMITATIONS.—Nothing in this section shall be
2 interpreted to authorize funds of the Commodity Credit
3 Corporation for activities under this section if such funds
4 are not expressly authorized or currently expended for
5 such purposes.

6 **SEC. 11003. STATE AND PRIVATE FORESTRY CONSERVA-**
7 **TION PROGRAMS.**

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) \$1,250,000,000 to provide competitive
14 grants to States through the Forest Legacy Pro-
15 gram established under section 7 of the Cooperative
16 Forestry Assistance Act of 1978 (16 U.S.C. 2103c)
17 to acquire land and interests in land, with priority
18 given to grant applications that offer significant nat-
19 ural carbon sequestration benefits, contribute to the
20 resilience of community infrastructure, local econo-
21 mies, or natural systems, or provide benefits to un-
22 derserved populations;

23 (2) \$2,500,000,000 to provide multi-year, pro-
24 grammatic, competitive grants to a State agency, a
25 local governmental entity, and agency or govern-

1 mental entity of the District of Columbia, an Indian
2 Tribe, or a nonprofit organization through the
3 Urban and Community Forestry Assistance program
4 established under section 9(c) of the Cooperative
5 Forestry Assistance Act of 1978 (16 U.S.C.
6 2105(c)) for tree planting and related activities to
7 increase tree equity and community tree canopy and
8 associated societal and climate co-benefits, with a
9 priority for projects that benefit underserved popu-
10 lations; and

11 (3) \$100,000,000 for the acquisition of urban
12 and community forests through the Community For-
13 est and Open Space Program of the Forest Service.

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

18 **SEC. 11004. LIMITATION.**

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

21 (1) enter into any agreement—

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

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

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

7 **SEC. 11005. APPROPRIATIONS.**

8 In addition to amounts otherwise available, there is
9 appropriated to the Secretary for fiscal year 2022, out of
10 any money in the Treasury not otherwise appropriated,
11 \$200,000,000 to remain available until September 30,
12 2031, for administrative costs of the agencies and offices
13 of the Department of Agriculture for costs related to im-
14 plementing this subtitle.

15 **Subtitle C—Rural Development**
16 **and Agricultural Credit and**
17 **Outreach**

18 **PART 1—RURAL DEVELOPMENT**

19 **SEC. 12001. ADDITIONAL SUPPORT FOR USDA RURAL**
20 **WATER PROGRAMS.**

21 In addition to amounts otherwise available, there is
22 appropriated to the Secretary for fiscal year 2022, out of
23 any money in the Treasury not otherwise appropriated,
24 and notwithstanding sections 381E through 381H and
25 381N of the Consolidated Farm and Rural Development

1 Act (7 U.S.C. 2009d through 2009g and 2009m),
2 \$97,000,000, to remain available until September 30,
3 2031, for the cost of grants for rural water and waste
4 water programs authorized by sections 306, 306C, and
5 306D and described in sections 306C(a)(2) and 306D of
6 the Consolidated Farm and Rural Development Act in
7 persistent poverty counties (or, notwithstanding any popu-
8 lation limits specified in section 343 of the Consolidated
9 Farm and Rural Development Act, a county seat of a per-
10 sistent poverty county with a population that does not ex-
11 ceed the authorized population limit by more than 10 per-
12 cent), Tribal lands, colonias, and insular areas, subject to
13 the condition that the performance of any construction
14 work completed with amounts provided under this section
15 meet the condition described in section 9003(f) of the
16 Farm Security and Rural Investment Act of 2002 (7
17 U.S.C. 8103(f)).

18 **SEC. 12002. USDA RURAL WATER GRANTS FOR LEAD REME-**
19 **DIATION.**

20 In addition to amounts otherwise made available,
21 there is appropriated to the Secretary for fiscal year 2022,
22 out of any money in the Treasury not otherwise appro-
23 priated and notwithstanding sections 381E through 381H
24 and 381N of the Consolidated Farm and Rural Develop-
25 ment Act (7 U.S.C. 2009d through 2009g and 2009m),

1 \$970,000,000, to remain available until September 30,
2 2031, notwithstanding section 306C(a)(2)(A) of the Con-
3 solidated Farm and Rural Development Act (7 U.S.C.
4 1926c(a)(2)(A)), for grants under sections 306C(a)(1)(A)
5 and 306(a)(2) of the Consolidated Farm and Rural Devel-
6 opment Act (7 U.S.C. 1926c(a)(1)(A) and 1926(a)(2)) for
7 the purpose of replacement of service lines that contain
8 lead, subject to the condition that the performance of any
9 construction work completed with amounts provided under
10 this section meet the condition described in section
11 9003(f) of the Farm Security and Rural Investment Act
12 of 2002 (7 U.S.C. 8103(f)).

13 **SEC. 12003. ADDITIONAL FUNDING FOR ELECTRIC LOANS**
14 **FOR RENEWABLE ENERGY.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to the Secretary for
17 fiscal year 2022, out of any money in the Treasury not
18 otherwise appropriated, \$2,880,000,000, to remain avail-
19 able until September 30, 2031, for the cost of loans under
20 section 317 of the Rural Electrification Act of 1936 (7
21 U.S.C. 940g), including for projects that store electricity
22 that supports the types of eligible projects under such sec-
23 tion, which shall be forgiven in whole or in part based on
24 how the borrower and the project meets the terms and
25 conditions for loan forgiveness consistent with the pur-

1 poses of such section established by the Secretary, subject
2 to the condition that the performance of any construction
3 work completed with amounts provided under this section
4 meet the condition described in section 9003(f) of the
5 Farm Security and Rural Investment Act of 2002 (7
6 U.S.C. 8103(f)).

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

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

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, \$200,000,000, to remain available
15 until September 30, 2031, to carry out section 6407 of
16 the Farm Security and Rural Investment Act of 2002 (7
17 U.S.C. 8107a) and this section, subject to the condition
18 that the performance of any construction work completed
19 with amounts provided under this section meet the condi-
20 tion described in section 9003(f) of such Act (7 U.S.C.
21 8103(f)).

22 (b) USE OF FUNDS.—

23 (1) IN GENERAL.—Except as provided in para-
24 graph (2) of this subsection, at the election of an eli-
25 gible entity (as defined in section 6407(b) of the

1 Farm Security and Rural Investment Act of 2002 (7
2 U.S.C. 8107a(b))) to which a loan is made under
3 section 6407(c) of the Farm Security and Rural In-
4 vestment Act of 2002 (7 U.S.C. 8107a(c)), the Sec-
5 retary shall make a grant to the eligible entity in an
6 amount equal to not more than 5 percent of the loan
7 amount for the purposes of costs incurred in—

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

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

12 (C) making repairs to the property of a
13 qualified consumer that facilitate the energy ef-
14 ficiency measures for the property financed
15 through a loan under section 6407(d) of such
16 Act;

17 (D) entering into a contract under section
18 6407(e) of such Act; or

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

21 (2) PERSISTENT POVERTY COUNTIES.—In the
22 case that the grant is for the purpose of making a
23 loan under section 6407(d) of the Farm Security
24 and Rural Investment Act of 2002 (7 U.S.C.
25 8107a(d)) to a qualified consumer (as defined in sec-

1 tion 6407(b) of such Act) in a persistent poverty
2 county (as determined by the Secretary), the per-
3 centage limitation in paragraph (1) of this sub-
4 section shall be 10 percent.

5 (c) LIMITATION.—The Secretary shall not enter into
6 any loan agreement pursuant to this section that could
7 result in disbursements after September 30, 2031, or any
8 grant agreement pursuant to this section that could result
9 in any outlays after September 30, 2031.

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

11 (a) APPROPRIATION.—In addition to amounts other-
12 wise available, there is appropriated to the Secretary, out
13 of any money in the Treasury not otherwise appropriated,
14 for eligible projects under section 9007 of the Farm Secu-
15 rity and Rural Investment Act of 2002 (7 U.S.C. 8107)
16 and subject to the conditions that the performance of any
17 construction work completed with amounts provided under
18 this subsection meet the condition described in section
19 9003(f) of such Act, and notwithstanding section
20 9007(c)(3)(A) of such Act, the amount of a grant shall
21 not exceed 50 percent of the cost of the activity carried
22 out using the grant funds—

23 (1) \$820,250,000 for fiscal year 2022, to re-
24 main available until September 30, 2031; and

1 (2) \$180,276,500 for each of fiscal years 2023
2 through 2027, to remain available until September
3 30, 2031.

4 (b) UNDERUTILIZED RENEWABLE ENERGY TECH-
5 NOLOGIES.—In addition to amounts otherwise available,
6 there is appropriated to the Secretary, out of any money
7 in the Treasury not otherwise appropriated, to provide
8 grants and loans guaranteed by the Secretary (including
9 the costs of such loans) under the program described in
10 subsection (a) of this section relating to underutilized re-
11 newable energy technologies, and to provide technical as-
12 sistance for applying to the program described in sub-
13 section (a) of this section, including for underutilized re-
14 newable energy technologies, subject to the conditions that
15 the performance of any construction work completed with
16 amounts provided under this subsection meet the condition
17 described in section 9003(f) of such Act and, notwith-
18 standing section 9007(c)(3)(A) of the Farm Security and
19 Rural Investment Act of 2002 (7 U.S.C. 8107(c)(3)(A)),
20 the amount of a grant shall not exceed 50 percent of the
21 cost of the activity carried out using the grant funds, and
22 to the extent the following amounts remain available at
23 the end of each fiscal year, the Secretary shall use such
24 amounts in accordance with subsection (a) of this sec-
25 tion—

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

3 (2) \$31,813,500 for each of fiscal years 2023
4 through 2027, to remain available until September
5 30, 2031.

6 (c) LIMITATION.—The Secretary shall not enter into
7 any loan agreement pursuant to this section that could
8 result in disbursements after September 30, 2031 or any
9 grant agreement pursuant to this section that could result
10 in any outlays after September 30, 2031.

11 **SEC. 12006. BIOFUEL INFRASTRUCTURE AND AGRI-
12 CULTURE PRODUCT MARKET EXPANSION.**

13 (a) APPROPRIATION.—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, \$960,000,000, to remain available
17 until September 30, 2031, to carry out this section.

18 (b) USE OF FUNDS.—The Secretary shall use the
19 amounts made available by subsection (a) to provide
20 grants, for which the Federal share shall be not more than
21 75 percent of the total cost of carrying out a project for
22 which the grant is provided, on a competitive basis, to
23 transportation fueling facilities and distribution facilities,
24 including fueling stations, convenience stores,
25 hypermarket retailer fueling stations, fleet facilities, as

1 well as fuel terminal operations, mid-stream partners, and
2 heating oil distribution facilities or equivalent entities,
3 subject to the condition that the performance of any con-
4 struction work completed with amounts provided under
5 this section shall meet the condition described in section
6 9003(f) of the Farm Security and Rural Investment Act
7 of 2002 (7 U.S.C. 8103(f))—

8 (1) to install, retrofit, or otherwise upgrade fuel
9 dispensers or pumps and related equipment, storage
10 tank system components, and other infrastructure
11 required at a location related to dispensing certain
12 biofuels blends to ensure the increased sales of fuels
13 with high levels of commodity-based ethanol and bio-
14 diesel that are at or greater than the levels required
15 in the Notice of Funding Availability for the Higher
16 Blends Infrastructure Incentive Program for Fiscal
17 Year 2020, published in volume 85 of the Federal
18 Register (85 Fed. Reg. 26656), as determined by
19 the Secretary; and

20 (2) to build and retrofit distribution systems for
21 ethanol blends, traditional and pipeline biodiesel ter-
22 minal operations (including rail lines), and home
23 heating oil distribution centers or equivalent enti-
24 ties—

25 (A) to blend biodiesel; and

1 (B) to carry ethanol and biodiesel.

2 (c) LIMITATION.—The Secretary may not limit the
3 amount of funding an eligible entity may receive under
4 this section.

5 **SEC. 12007. USDA ASSISTANCE FOR RURAL ELECTRIC CO-**
6 **OPERATIVES.**

7 (a) APPROPRIATION.—In addition to amounts other-
8 wise available, there is appropriated to the Secretary for
9 fiscal year 2022, out of any money in the Treasury not
10 otherwise appropriated, \$9,700,000,000, to remain avail-
11 able until September 30, 2031, for the long-term resil-
12 iency, reliability, and affordability of rural electric sys-
13 tems, by providing to an eligible entity (defined as an elec-
14 tric cooperative described in section 501(c)(12) or
15 1381(a)(2) of the Internal Revenue Code of 1986 and is
16 or has been a Rural Utilities Service electric loan borrower
17 pursuant to the Rural Electrification Act of 1936 or serv-
18 ing a predominantly rural area) assistance under para-
19 graphs (1) and (2) by awarding such assistance to eligible
20 entities for purposes described in section 310B(a)(2)(C)
21 of the Consolidated Farm and Rural Development Act
22 (provided that the term renewable energy system in that
23 paragraph has the meaning given such term in section
24 9001(16) of the Farm Security and Rural Investment Act
25 of 2002) and for carbon capture and storage systems, that

1 will achieve the greatest reduction in greenhouse gas emis-
2 sions associated with rural electric systems using such as-
3 sistance and that will otherwise aid disadvantaged rural
4 communities (as determined by the Secretary), subject to
5 the condition that any construction work completed with
6 amounts provided under this section shall meet the condi-
7 tion described in section 9003(f) of the Farm Security and
8 Rural Investment Act of 2002 (7 U.S.C. 8103(f)), when—

9 (1) making grants and loans (including the cost
10 of loans and modifications thereof) to purchase re-
11 newable energy (as defined in section 9001(15) of
12 the Farm Security and Rural Investment Act of
13 2002 (7 U.S.C. 8101(15))), purchase renewable en-
14 ergy systems (as defined in section 9001(16) of that
15 Act (7 U.S.C. 8101(16))), and carbon capture and
16 storage systems, deploy such systems, or make en-
17 ergy efficiency improvements after the date of enact-
18 ment of this Act; and

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

23 (A) facilities operating on nonrenewable
24 energy; and

25 (B) related transmission assets.

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

4 (c) PROHIBITION.—Nothing in this section shall be
5 interpreted to authorize funds of the Commodity Credit
6 Corporation for activities under this section if such funds
7 are not expressly authorized or currently expended for
8 such purposes.

9 **SEC. 12008. RURAL PARTNERSHIP PROGRAM.**

10 (a) RURAL PROSPERITY DEVELOPMENT GRANTS.—

11 (1) APPROPRIATION.—In addition to amounts
12 otherwise available, there is appropriated to the Sec-
13 retary for fiscal year 2022, out of any money in the
14 Treasury not otherwise appropriated, \$873,000,000,
15 to remain available until September 30, 2031, to
16 provide grants to support rural development under
17 this subsection, subject to the condition that the re-
18 cipient of a grant under this subsection shall con-
19 tribute a non-Federal match of 25 percent of the
20 amount of the grant, which may be satisfied through
21 an in-kind contribution, except that the Secretary
22 may waive such matching requirement on a finding
23 that the recipient of the applicable grant is economi-
24 cally distressed.

25 (2) ALLOCATION OF FUNDS.—

1 (A) FORMULA.—The Secretary shall estab-
2 lish a formula pursuant to which the Secretary
3 shall allocate, for each State and for Tribal gov-
4 ernments, an amount to be provided under this
5 subsection to eligible applicants described in
6 paragraph (3).

7 (B) REQUIREMENTS.—

8 (i) FORMULA.—The formula estab-
9 lished under subparagraph (A) shall in-
10 clude a graduated scale for the amount to
11 be allocated under this subsection for eligi-
12 ble applicants in each State and eligible
13 applicants of Tribal governments, with
14 higher amounts provided based on lower
15 populations and lower income levels, as de-
16 termined by the Secretary.

17 (ii) AWARD.—In awarding grants
18 under this subsection to eligible applicants
19 in each State and eligible applicants of
20 Tribal governments, the Secretary shall
21 give priority to eligible applicants rep-
22 resenting a micropolitan statistical area (as
23 defined by the Office of Management and
24 Budget in OMB Bulletin No. 20-01 (effec-
25 tive March 2020) and any subsequent up-

1 dates) and 1 or more rural areas contig-
2 uous to that micropolitan statistical area
3 or eligible applicants representing high
4 poverty areas (as determined by the Sec-
5 retary) provided that the Secretary may
6 award additional grants or funding under
7 this subsection to implement activities pur-
8 suant to a rural development plan upon
9 the Secretary's approval of the recipient's
10 plan and report on the use of each grant
11 provided to the recipient under this sub-
12 section.

13 (3) ELIGIBLE APPLICANTS.—The Secretary
14 may make a grant under this subsection to a part-
15 nership no member of which has received a grant
16 under subsection (b) and that—

17 (A) is composed of entities representing a
18 region composed of 1 or more rural areas, in-
19 cluding—

20 (i) except as provided in subparagraph

21 (B), 1 or more of—

22 (I) a unit of local government;

23 (II) a Tribal government; or

1 (III) an authority, agency, or in-
2 strumentality of an entity described in
3 subclauses (I) or (II); and

4 (ii) a qualified nonprofit or for-profit
5 organization, as determined by the Sec-
6 retary;

7 (B) does not include a member described
8 in subparagraph (A)(i), but demonstrates sig-
9 nificant community support sufficient to sup-
10 port a likelihood of success on the proposed
11 projects, as determined by the Secretary; and

12 (C) demonstrates, as determined by the
13 Secretary, cooperation among the members of
14 the partnership necessary to complete com-
15 prehensive rural development, through aligning
16 government investment, leveraging nongovern-
17 mental resources, building economic resilience,
18 and aiding economic recovery, including in com-
19 munities impacted by economic transitions and
20 climate change.

21 (4) ELIGIBLE ACTIVITIES.—The use of grant
22 funds provided under this subsection may be used
23 for the following purposes, provided that, where ap-
24 plicable, the performance of any construction work
25 completed with the grant funds shall meet the condi-

1 tion described in section 9003(f) of the Farm Secu-
2 rity and Rural Investment Act of 2002 (7 U.S.C.
3 8103(f)):

4 (A) Conducting comprehensive rural devel-
5 opment and pre-development activities and
6 planning.

7 (B) Supporting organizational operating
8 expenses relating to the rural development ac-
9 tivities for which the grant was provided.

10 (C) Implementing planned rural develop-
11 ment activities and projects.

12 (5) LIMITATION.—Not more than 25 percent of
13 amounts received by a recipient of a grant under
14 this subsection may be used to satisfy a Federal
15 matching requirement.

16 (b) RURAL PROSPERITY INNOVATION GRANTS.—In
17 addition to amounts otherwise available, there is appro-
18 priated to the Secretary for fiscal year 2022, out of any
19 money in the Treasury not otherwise appropriated,
20 \$97,000,000, to remain available until September 30,
21 2031, to provide grants to entities that have not received
22 a grant under subsection (a) and that is a qualified non-
23 profit corporation that serves rural areas (as determined
24 by the Secretary) or an institution of higher education
25 that serves rural areas (as determined by the Secretary),

1 subject to the condition that the recipient of such grant
2 shall contribute a non-Federal match of 20 percent of the
3 amount of the grant, which may be used—

4 (1) to support activities of the recipient relating
5 to—

6 (A) development and predevelopment plan-
7 ning aspects of rural development; and

8 (B) organizational capacity-building nec-
9 essary to support the rural development activi-
10 ties funded by the grant; and

11 (2) to support the recipient of a grant under
12 subsection (a) in carrying out activities for which
13 that grant was provided.

14 (c) DEFINITIONS.—In this section:

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

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

1 **SEC. 12009. ADDITIONAL USDA RURAL DEVELOPMENT AD-**
2 **MINISTRATIVE FUNDS.**

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 \$553,000,000, to remain available until September 30,
7 2031, for administrative costs and salaries and expenses
8 for the Rural Development mission area and expenses of
9 the agencies and offices of the Department for costs re-
10 lated to implementing this part.

11 **PART 2—AGRICULTURAL CREDIT AND**
12 **OUTREACH**

13 **SEC. 12101. ASSISTANCE FOR CERTAIN FARM LOAN BOR-**
14 **ROWERS.**

15 Section 1005 of the American Rescue Plan Act of
16 2021 (Public Law 117–2) is amended to read as follows:

17 **“SEC. 1005. ASSISTANCE FOR CERTAIN FARM LOAN BOR-**
18 **ROWERS.**

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

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

1 “(2) \$1,020,000,000 to provide payments or
2 loan modifications or otherwise carry out the au-
3 thorities under section 331(b)(4) of the Consolidated
4 Farm and Rural Development Act (7 U.S.C.
5 1981(b)(4)), using a centralized process adminis-
6 tered from the national office, for Farm Service
7 Agency direct loan and loan guarantee borrowers, fo-
8 cusing on borrowers who are at risk (as determined
9 by the Secretary of Agriculture using factors that
10 may include whether the borrower is a limited re-
11 source farmer or rancher, the amount of payments
12 received by the borrower during calendar years 2020
13 and 2021 under the Coronavirus Food Assistance
14 Program of the Department of Agriculture, and
15 other factors, as determined by the Secretary).

16 “(b) PAYMENTS.—

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

21 “(2) OTHER PAYMENTS.—

22 “(A) IN GENERAL.—For each farmer and
23 rancher with outstanding indebtedness on eligi-
24 ble farm debt that does not qualify for a pay-
25 ment under paragraph (1), the Secretary shall

1 provide a payment that is equal to, subject to
2 subparagraph (B), the lesser of—

3 “(i) the amount of the outstanding in-
4 debtedness of the farmer or rancher on eli-
5 gible farm debt; and

6 “(ii) \$150,000.

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

10 “(i) the total of the payments received
11 by the farmer or rancher during calendar
12 year 2020 pursuant to the Coronavirus
13 Food Assistance Program of the Depart-
14 ment of Agriculture; and

15 “(ii) the total of the payments re-
16 ceived by the farmer or rancher during cal-
17 endar years 2018 and 2019 pursuant to
18 the Market Facilitation Program of the
19 Department of Agriculture.

20 “(c) DEFINITIONS.—In this section:

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

1 “(A) was 90 days or more delinquent with
2 respect to an eligible farm debt as of April 30,
3 2021;

4 “(B) was 90 days or more delinquent with
5 respect to an eligible farm debt as of December
6 31, 2020;

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

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

12 “(I) in the 1990 or 2000 decen-
13 nial census; or

14 “(II) in the Small Area Income
15 and Poverty Estimates of the Bureau
16 of the Census for the most recent year
17 for which the Estimates are available
18 as of the date of enactment of the Act
19 entitled ‘An Act to provide for rec-
20 onciliation pursuant to title II of S.
21 Con. Res. 14’;

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

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

4 “(D) owes more interest than principal
5 with respect to an eligible farm debt as of July
6 31, 2021;

7 “(E) is undergoing bankruptcy or fore-
8 closure or is in other financially distressed cat-
9 egories, as determined by the Secretary, as of
10 July 31, 2021;

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

13 “(G) has restructured an eligible farm debt
14 3 or more times as of July 31, 2021; or

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

17 “(2) ELIGIBLE FARM DEBT.—

18 “(A) IN GENERAL.—The term ‘eligible
19 farm debt’ means a debt owed to the United
20 States by a farmer or rancher that was issued
21 as a direct loan administered by the Farm
22 Service Agency under subtitle A, B, or C of the
23 Consolidated Farm and Rural Development Act
24 (7 U.S.C. 1922 through 1970) and was out-

1 standing or otherwise not paid as of December
2 31, 2020, or July 31, 2021.

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

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

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

20 **SEC. 12102. USDA ASSISTANCE AND SUPPORT FOR UNDER-**
21 **SERVED FARMERS, RANCHERS, AND FOR-**
22 **ESTERS.**

23 Section 1006 of the American Rescue Plan Act of
24 2021 (Public Law 117–2) is amended to read as follows:

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

3 “(a) **TECHNICAL AND OTHER ASSISTANCE.**—In addi-
4 tion to amounts otherwise available, there is appropriated
5 to the Secretary of Agriculture for fiscal year 2022, to
6 remain available until September 30, 2031, out of any
7 money in the Treasury not otherwise appropriated,
8 \$200,000,000 to provide outreach, mediation, financial
9 training, capacity building training, cooperative develop-
10 ment and agricultural credit training and support, and
11 other technical assistance on issues concerning food, agri-
12 culture, agricultural credit, agricultural extension, rural
13 development, or nutrition to underserved farmers, ranch-
14 ers, or forest landowners, including veterans, limited re-
15 source producers, beginning farmers and ranchers, and
16 farmers, ranchers, and forest landowners living in high
17 poverty areas.

18 “(b) **LAND LOSS ASSISTANCE.**—In addition to
19 amounts otherwise available, there is appropriated to the
20 Secretary of Agriculture for fiscal year 2022, to remain
21 available until September 30, 2031, out of any money in
22 the Treasury not otherwise appropriated, \$200,000,000 to
23 provide grants and loans to eligible entities, as determined
24 by the Secretary, to improve land access (including heirs’
25 property and fractionated land issues) for underserved
26 farmers, ranchers, and forest landowners, including vet-

1 erans, limited resource producers, beginning farmers and
2 ranchers, and farmers, ranchers, and forest landowners
3 living in high poverty areas.

4 “(c) EQUITY COMMISSIONS.—In addition to amounts
5 otherwise available, there is appropriated to the Secretary
6 of Agriculture for fiscal year 2022, to remain available
7 until September 30, 2031, out of any money in the Treas-
8 ury not otherwise appropriated, \$10,000,000 to fund the
9 activities of one or more equity commissions that will ad-
10 dress racial equity issues within the Department of Agri-
11 culture and the programs of the Department of Agri-
12 culture.

13 “(d) RESEARCH, EDUCATION, AND EXTENSION.—In
14 addition to amounts otherwise available, there is appro-
15 priated to the Secretary of Agriculture for fiscal year
16 2022, to remain available until September 30, 2031, out
17 of any money in the Treasury not otherwise appropriated,
18 \$189,000,000 to support and supplement agricultural re-
19 search, education, and extension, as well as scholarships
20 and programs that provide internships and pathways to
21 agricultural sector or Federal employment, for 1890 Insti-
22 tutions (as defined in section 2 of the Agricultural, Re-
23 search, Extension, and Education Reform Act of 1998 (7
24 U.S.C. 7601)), 1994 Institutions (as defined in section
25 532 of the Equity in Educational Land-Grant Status Act

1 of 1994 (7 U.S.C. 301 note; Public Law 103–382)), Alas-
2 ka Native serving institutions and Native Hawaiian serv-
3 ing institutions eligible to receive grants under subsections
4 (a) and (b), respectively, of section 1419B of the National
5 Agricultural Research, Extension, and Teaching Policy
6 Act of 1977 (7 U.S.C. 3156), Hispanic-serving institu-
7 tions eligible to receive grants under section 1455 of the
8 National Agricultural Research, Extension, and Teaching
9 Policy Act of 1977 (7 U.S.C. 3241), and the insular area
10 institutions of higher education located in the territories
11 of the United States, as referred to in section 1489 of
12 the National Agricultural Research, Extension, and
13 Teaching Policy Act of 1977 (7 U.S.C. 3361).

14 “(e) DISCRIMINATION FINANCIAL ASSISTANCE.—In
15 addition to amounts otherwise available, there is appro-
16 priated 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 \$750,000,000 for a program to provide financial assist-
20 ance to farmers, ranchers, or forest landowners deter-
21 mined to have experienced discrimination prior to January
22 1, 2021, in Department of Agriculture farm lending pro-
23 grams, under which the amount of financial assistance
24 provided to a recipient may be not more than \$500,000
25 as appropriate in relation to any consequences experienced

1 from the discrimination, which program shall be adminis-
2 tered through 1 or more qualified nongovernmental enti-
3 ties selected by the Secretary subject to standards set and
4 enforced by the Secretary, subject to the condition that
5 any selected entity administering the program shall return
6 the funds to the Secretary on the request of the Secretary
7 if the standards are not adequately carried out or the ad-
8 ministration of the program is not otherwise sufficient or
9 if any funds provided to the selected entity are not distrib-
10 uted on the date that is 5 years after the date of enact-
11 ment of the Act entitled ‘An Act to provide for reconcili-
12 ation pursuant to title II of S. Con. Res. 14’, and any
13 such returned funds shall be available for obligation for
14 any activity authorized under this section, except sub-
15 sections (c) and (f).

16 “(f) ADMINISTRATIVE COSTS.—In addition to
17 amounts otherwise available, there is appropriated to the
18 Secretary of Agriculture for fiscal year 2022, to remain
19 available until September 30, 2031, out of any money in
20 the Treasury not otherwise appropriated, \$35,000,000 for
21 administrative costs, including training employees, of the
22 agencies and offices of the Department of Agriculture to
23 carry out this section.

1 “(g) LIMITATION.—The funds made available under
2 subsection (d) are subject to the condition 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
12 subsection (d).”.

13 **Subtitle D—Research and Urban**
14 **Agriculture**

15 **SEC. 13001. DEPARTMENT OF AGRICULTURE RESEARCH**
16 **FUNDING.**

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

21 (1) to the National Agricultural Statistics Serv-
22 ice, for measurements, a survey, and data collection
23 to conduct the study required under section 7212(b)
24 of the Agriculture Improvement Act of 2018 (Public
25 Law 115–334; 132 Stat. 4812), which shall be com-

1 pleted not later than December 31, 2022,
2 \$5,000,000 for fiscal year 2022;

3 (2) to the National Institute of Food and Agri-
4 culture—

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

7 (i) through the Agriculture and Food
8 Research Initiative established by sub-
9 section (b) of the Competitive, Special, and
10 Facilities Research Grant Act (7 U.S.C.
11 3157(b)), \$210,000,000 for fiscal year
12 2022;

13 (ii) through the sustainable agri-
14 culture research education program estab-
15 lished under sections 1619, 1621, 1622,
16 1628, and 1629 of the Food, Agriculture,
17 Conservation, and Trade Act of 1990 (7
18 U.S.C. 5801, 5811, 5812, 5831, 5832),
19 \$120,000,000 for fiscal year 2022;

20 (iii) through the organic agriculture
21 research and extension initiative estab-
22 lished under section 1672B of the Food,
23 Agriculture, Conservation, and Trade Act
24 of 1990 (7 U.S.C. 5925b), \$60,000,000 for
25 fiscal year 2022;

1 (iv) through the urban, indoor, and
2 other emerging agricultural production re-
3 search, education, and extension initiative
4 established under section 1672E of the
5 Food, Agriculture, Conservation, and
6 Trade Act of 1990 (7 U.S.C. 5925g),
7 \$5,000,000 for fiscal year 2022;

8 (v) through the centers of excellence
9 led by 1890 Institutions established under
10 section 1673(d) of the Food, Agriculture,
11 Conservation, and Trade Act of 1990 (7
12 U.S.C. 5926(d)), \$5,000,000 for fiscal
13 year 2022;

14 (vi) through the specialty crop re-
15 search and extension initiative established
16 by section 412 of the Agricultural Re-
17 search, Extension, and Education Reform
18 Act of 1998 (7 U.S.C. 7632), \$60,000,000
19 for fiscal year 2022;

20 (vii) through the cooperative extension
21 under the Smith-Lever Act (7 U.S.C. 341
22 through 349) for agricultural extension ac-
23 tivities and research relating to climate
24 change, technical assistance, and tech-

1 nology adoption, \$80,000,000 for fiscal
2 year 2022;

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

8 (ix) through the cooperative extension
9 at 1890 Institutions under section 1444 of
10 the National Agricultural Research, Exten-
11 sion, and Teaching Policy Act of 1977 (7
12 U.S.C. 3221), \$40,000,000 for fiscal year
13 2022;

14 (B) for grants to covered institutions for
15 construction, alteration, acquisition, moderniza-
16 tion, renovation, or remodeling of agricultural
17 research facilities, including related building
18 costs associated with compliance with applicable
19 Federal and State law, under section 4 of the
20 Research Facilities Act (7 U.S.C. 390b),
21 \$1,000,000,000 for fiscal year 2022, subject to
22 the condition that notwithstanding section
23 3(e)(2)(A) of that Act (7 U.S.C.
24 390a(c)(2)(A)), the recipient of a grant pro-
25 vided using those amounts shall not be required

1 to provide any non-Federal share of total fund-
2 ing provided under this subparagraph;

3 (C) for the scholarships for students at
4 1890 Institutions grant program under section
5 1446 of the National Agricultural Research,
6 Extension, and Teaching Policy Act of 1977 (7
7 U.S.C. 3222a), \$100,000,000 for fiscal year
8 2022, to carry out such program in fiscal years
9 2024 through 2031;

10 (D) for grants to land-grant colleges and
11 universities to support Tribal students under
12 section 1450 of that Act (7 U.S.C. 3222e),
13 \$15,000,000 for fiscal year 2022, and for pur-
14 poses of this subparagraph, section 1450(b)(4)
15 of such Act shall not apply; and

16 (E) for the Higher Education Multicultural
17 Scholars Program carried out pursuant to sec-
18 tion 1417 of that Act (7 U.S.C. 3152),
19 \$15,000,000 for fiscal year 2022;

20 (3) to the Office of the Chief Scientist, to carry
21 out advanced research and development relating to
22 climate through the Agriculture Advanced Research
23 and Development Authority under section 1473H of
24 the National Agricultural Research, Extension, and

1 Teaching Policy Act of 1977 (7 U.S.C. 3319k),
2 \$30,000,000 for fiscal year 2022;

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

9 (5) to the Office of Urban Agriculture and In-
10 novative Production, to carry out activities in ac-
11 cordance with section 222 of the Department of Ag-
12 riculture Reorganization Act of 1994 (7 U.S.C.
13 6923), \$10,000,000 for fiscal year 2022.

14 (b) DEFINITIONS.—In this section:

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

17 (A) an 1890 Institution (as defined in sec-
18 tion 2 of the Agricultural Research, Extension,
19 and Education Reform Act of 1998 (7 U.S.C.
20 7601));

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

1 (C) an Alaska Native serving institution or
2 Native Hawaiian serving institution eligible to
3 receive grants under subsections (a) and (b), re-
4 spectively, of section 1419B of the National Ag-
5 ricultural Research, Extension, and Teaching
6 Policy Act of 1977 (7 U.S.C. 3156);

7 (D) Hispanic-serving agricultural colleges
8 and universities and Hispanic-serving institu-
9 tions (as those terms are defined in section
10 1404 of the National Agricultural Research,
11 Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3103));

13 (E) an eligible institution (as defined in
14 section 1489 of the National Agricultural Re-
15 search, Extension, and Teaching Policy Act of
16 1977 (7 U.S.C. 3361) (relating to institutions
17 of higher education in insular areas)); and

18 (F) the University of the District of Co-
19 lumbia established pursuant to the Act of July
20 2, 1862 (commonly known as the “First Morrill
21 Act”) (7 U.S.C. 301 through 309).

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

1 **SEC. 13002. LIMITATION.**

2 The funds made available under this subtitle are sub-
3 ject to the condition that the Secretary 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 subtitle.

13 **Subtitle E—Miscellaneous**

14 **SEC. 14001. ADDITIONAL SUPPORT FOR USDA OFFICE OF**
15 **THE INSPECTOR GENERAL.**

16 In addition to amounts otherwise made available,
17 there is appropriated to the Office of the Inspector Gen-
18 eral of the Department of Agriculture for fiscal year 2022,
19 out of any money in the Treasury not otherwise appro-
20 priated, \$5,000,000 to remain available until September
21 30, 2031, for audits, investigations, and other oversight
22 activities of projects and activities carried out with funds
23 made available to the Department of Agriculture under
24 this title.

1 **SEC. 14002. ADDITIONAL SUPPORT FOR FARMWORKER AND**
2 **FOOD WORKER RELIEF GRANT PROGRAM.**

3 In addition to amounts otherwise available, there is
4 appropriated to the Secretary of Agriculture for fiscal year
5 2022 to remain available until September 30, 2031, out
6 of any money in the Treasury not otherwise appropriated,
7 \$200,000,000 to provide additional funds to the Secretary
8 for the Farmworker and Food Worker Relief Grant Pro-
9 gram of the Agricultural Marketing Service to provide ad-
10 ditional COVID–19 assistance relief payments for front-
11 line grocery workers.

12 **Subtitle F—Conservation**

13 **SEC. 15001. SOIL CONSERVATION ASSISTANCE.**

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

23 (1) enter into any agreement—

24 (A) that is for a term extending beyond
25 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 such pay-
9 ments if such funds are not expressly authorized or
10 currently expended for such purposes.

11 (b) AVAILABILITY OF PAYMENTS TO PRODUCERS.—

12 (1) IN GENERAL.—Of the funds made available
13 under subsection (a), for each of the 2022 through
14 2026 crop years, the Secretary shall make payments
15 to the producers on a farm for which the producer
16 establishes 1 or more cover crop practices with re-
17 spect to the applicable crop year, as determined by
18 the Secretary, in accordance with this subsection,
19 subject to the condition that a producer receiving a
20 payment shall not receive a payment under any
21 other provision of law for the same practices on the
22 same acres.

23 (2) PAYMENT RATE.—The payment rate used
24 to make payments with respect to a producer who
25 establishes 1 or more cover crop practices under

1 paragraph (1) shall be \$25 per acre of cover crop es-
2 tablished.

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

9 (c) AVAILABILITY OF PAYMENTS TO FARM OWN-
10 ERS.—

11 (1) IN GENERAL.—Of the funds made available
12 under subsection (a), for each of the 2022 through
13 2026 crop years, the Secretary shall make payments
14 to the owners of a farm with respect to which a pro-
15 ducer establishes 1 or more cover crop practices pur-
16 suant to subsection (b), in accordance with this sub-
17 section, subject to the condition that an owner of a
18 farm may not receive a payment under this sub-
19 section and subsection (b) for the same farm or
20 acres, as determined by the Secretary.

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

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

7 (d) AVAILABILITY OF PAYMENTS FOR PREVENTED
8 PLANTING.—

9 (1) IN GENERAL.—Of the funds made available
10 under subsection (a) and in addition to any other
11 payments or assistance, for the 2022 through 2026
12 crop years, the Secretary shall make payments in ac-
13 cordance with this subsection to producers on farms
14 who establish 1 or more cover crop practices pursu-
15 ant to subsection (b).

16 (2) REQUIREMENTS.—To receive a payment
17 under this subsection, a producer—

18 (A) shall have—

19 (i) purchased a crop insurance policy
20 or plan of insurance under section 508(c)
21 of the Federal Crop Insurance Act (7
22 U.S.C. 1508(c)) for the applicable crop
23 year following the establishment of the
24 cover crop practice, as determined by the
25 Secretary;

1 (ii) established a cover crop practice
2 pursuant to subsection (b) on the farm for
3 which the insurance described in clause (i)
4 was purchased, as determined by the Sec-
5 retary; and

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

8 (B) as determined by the Secretary, shall
9 not—

10 (i) harvest the cover crop for market
11 or sale;

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

16 (iii) otherwise use the acres for which
17 payments are received under this sub-
18 section for any unapproved uses or other
19 uses that seek to defeat or undermine the
20 purposes of this section.

21 (3) PAYMENT AMOUNT.—The Secretary shall
22 make payments to producers under this subsection
23 in an amount equal to the product obtained by mul-
24 tiplying—

1 (A) the total number of acres for which the
2 producer is eligible to receive a payment under
3 this subsection; and

4 (B) the difference between—

5 (i) 100 percent of the prevented plant-
6 ing guarantee, calculated without regard to
7 the establishment of the cover crop prac-
8 tices pursuant to subsection (b), applicable
9 for the insurance policy purchased by the
10 producer under section 508A of the Fed-
11 eral Crop Insurance Act (7 U.S.C. 1508a),
12 as determined by the Secretary; and

13 (ii) the prevented planting indemnity
14 payment received by the producer under
15 that section and the policy purchased by
16 the producer for the applicable crop, as de-
17 termined by the Secretary.

18 **SEC. 15002. ADDITIONAL AGRICULTURAL CONSERVATION**
19 **INVESTMENTS.**

20 (a) APPROPRIATIONS.—In addition to amounts other-
21 wise available (and subject to subsection (b)), there are
22 appropriated to the Secretary of Agriculture (referred to
23 in this section as the “Secretary”), out of any money in
24 the Treasury not otherwise appropriated, to remain avail-
25 able until September 30, 2031 (subject to the condition

1 that no such funds may be disbursed after September 30,
2 2031)—

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

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

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

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

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

13 and

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

15 and

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

18 (i) section 1240B(f)(1) of the Food
19 Security Act of 1985 (16 U.S.C. 3839aa-
20 2(f)(1)) shall not apply;

21 (ii) section 1240H(c)(2) of the Food
22 Security Act of 1985 (16 U.S.C. 3839aa-
23 8(c)(2)) shall be applied—

1 (I) by substituting
2 “\$50,000,000” for “\$25,000,000”;
3 and

4 (II) with the Secretary
5 prioritizing proposals that utilize diet
6 and feed management to reduce en-
7 teric methane emissions from
8 ruminants;

9 (iii) the funds shall be available for 1
10 or more agricultural conservation practices
11 or enhancements that the Secretary deter-
12 mines directly improve soil carbon or re-
13 duce nitrogen losses or greenhouse gas
14 emissions, or capture or sequester green-
15 house gas emissions, associated with agri-
16 cultural production; and

17 (iv) 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 (2) to carry out, using the facilities and au-
24 thorities of the Commodity Credit Corporation, the
25 conservation stewardship program under subchapter

1 B of that chapter (16 U.S.C. 3839aa–21 through
2 3839aa–25)—

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

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

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

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

7 and

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

9 and

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

12 (i) the funds shall only be available
13 for—

14 (I) 1 or more agricultural con-
15 servation practices or enhancements
16 that the Secretary determines directly
17 improve soil carbon or reduce nitrogen
18 losses or greenhouse gas emissions, or
19 capture or sequester greenhouse gas
20 emissions, associated with agricultural
21 production; or

22 (II) State-specific or region-spe-
23 cific groupings or bundles of agricul-
24 tural conservation activities for cli-
25 mate change mitigation appropriate

1 for cropland, pastureland, rangeland,
2 nonindustrial private forest land, and
3 producers transitioning to organic or
4 perennial production systems; and

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

11 (3) to carry out, using the facilities and au-
12 thorities of the Commodity Credit Corporation, the
13 agricultural conservation easement program under
14 subtitle H of title XII of that Act (16 U.S.C. 3865
15 through 3865d)—

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

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

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

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

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

21 (B) subject to the condition on the use of
22 the funds that the Secretary shall prioritize
23 projects and activities that mitigate or address
24 climate change through the management of ag-

1 agricultural production, including by reducing or
2 avoiding greenhouse gas emissions; and

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

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

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

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

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

12 and

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

14 and

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

17 (i) shall prioritize partnership agree-

18 ments under section 1271C(d) of the Food

19 Security Act of 1985 (16 U.S.C. 3871c(d))

20 that support the implementation of con-

21 servation projects that assist agricultural

22 producers and nonindustrial private

23 forestland owners in directly improving soil

24 carbon or reducing nitrogen losses or

25 greenhouse gas emissions, or capturing or

1 sequestering greenhouse gas emissions, as-
2 sociated with agricultural production;

3 (ii) shall prioritize projects and activi-
4 ties that mitigate or address climate
5 change through the management of agri-
6 cultural production, including by reducing
7 or avoiding greenhouse gas emissions; and

8 (iii) may prioritize projects that—

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

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

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

18 (1) enter into any agreement—

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

21 (B) under which any payment could be
22 outlaid or funds disbursed after September 30,
23 2031; or

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

4 (c) CONFORMING AMENDMENTS.—

5 (1) Section 1240B of the Food Security Act of
6 1985 (16 U.S.C. 3839aa-2) is amended—

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

9 (B) in subsection (f)(2)(B)—

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

12 (ii) by striking “2023” and inserting
13 “2031”.

14 (2) Section 1240H of the Food Security Act of
15 1985 (16 U.S.C. 3839aa-8) is amended by striking
16 “2023” each place it appears and inserting “2031”.

17 (3) Section 1240J(a) of the Food Security Act
18 of 1985 (16 U.S.C. 3839aa-22(a)) is amended, in
19 the matter preceding paragraph (1), by striking
20 “2023” and inserting “2031”.

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

24 (5) Section 1241 of the Food Security Act of
25 1985 (16 U.S.C. 3841) is amended—

- 1 (A) in subsection (a)—
- 2 (i) in the matter preceding paragraph
- 3 (1), by striking “2023” and inserting
- 4 “2031”;
- 5 (ii) in paragraph (1), by striking
- 6 “2023” each place it appears and inserting
- 7 “2031”;
- 8 (iii) in paragraph (2)(F), by striking
- 9 “2023” and inserting “2031”; and
- 10 (iv) in paragraph (3), by striking “fis-
- 11 cal year 2023” each place it appears and
- 12 inserting “each of fiscal years 2023
- 13 through 2031”;
- 14 (B) in subsection (b), by striking “2023”
- 15 and inserting “2031”; and
- 16 (C) in subsection (h)—
- 17 (i) in paragraph (1)(B), in the sub-
- 18 paragraph heading, by striking “2023” and
- 19 inserting “2031”; and
- 20 (ii) by striking “2023” each place it
- 21 appears and inserting “2031”.
- 22 (6) Section 1244(n)(3)(A) of the Food Security
- 23 Act of 1985 (16 U.S.C. 3844(n)(3)(A)) is amended
- 24 by striking “2023” and inserting “2031”.

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

4 **SEC. 15003. CONSERVATION TECHNICAL ASSISTANCE.**

5 (a) APPROPRIATIONS.—In addition to amounts other-
6 wise available (and subject to subsection (b)), there are
7 appropriated to the Secretary of Agriculture (referred to
8 in this section as the “Secretary”) for fiscal year 2022,
9 out of any money in the Treasury not otherwise appro-
10 priated, to remain available until September 30, 2031
11 (subject to the condition that no such funds may be dis-
12 bursed after September 30, 2031)—

13 (1) \$200,000,000 to provide conservation tech-
14 nical assistance through the Natural Resources Con-
15 servation Service;

16 (2) \$50,000,000 to carry out climate change
17 adaptation and mitigation activities through the
18 Natural Resources Conservation Service by working
19 with the Regional Climate Hubs designed to provide
20 information and technical support on climate smart
21 agriculture and forestry to agricultural producers,
22 landowners, and resource managers, as determined
23 by the Secretary; and

24 (3) \$600,000,000 to carry out a carbon seques-
25 tration and greenhouse gas emissions quantification

1 program through which the Natural Resources Con-
2 servation Service, including through technical service
3 providers and other partners, shall collect field-based
4 data to assess the carbon sequestration and green-
5 house gas emissions reduction outcomes associated
6 with activities carried out pursuant to this section
7 and use the data to monitor and track greenhouse
8 gas emissions and carbon sequestration trends
9 through the Greenhouse Gas Inventory and Assess-
10 ment Program of the Department of Agriculture.

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

14 (1) enter into any agreement—

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

17 (B) under which any payment could be
18 outlaid or funds disbursed after September 30,
19 2031;

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

23 (3) interpret this section to authorize funds of
24 the Commodity Credit Corporation for activities

1 under this section if such funds are not expressly
2 authorized or currently expended for such purposes.

3 (c) ADMINISTRATIVE COSTS.—In addition to
4 amounts otherwise available, there is appropriated to the
5 Secretary for fiscal year 2022, out of any money in the
6 Treasury not otherwise appropriated, \$100,000,000, to re-
7 main available until September 30, 2028, for administra-
8 tive costs of the agencies and offices of the Department
9 of Agriculture for costs related to implementing this sec-
10 tion.

11 **TITLE II—COMMITTEE ON**
12 **EDUCATION AND LABOR**
13 **Subtitle A—Education Matters**
14 **PART 1—ELEMENTARY AND SECONDARY**
15 **EDUCATION**

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

17 (a) APPROPRIATIONS.—In addition to amounts other-
18 wise available, there is appropriated to the Department
19 of Education for fiscal year 2022, out of any money in
20 the Treasury not otherwise appropriated, \$112,684,000,
21 to remain available through September 30, 2025, to award
22 grants for the development and support of Grow Your
23 Own Programs, as described in section 202(g) of the
24 Higher Education Act of 1965.

1 (b) IN GENERAL.—Section 202 of the Higher Edu-
2 cation Act of 1965 is amended—

3 (1) in subsection (b)(6)(C), by striking “sub-
4 section (f) or (g)” and inserting “subsection (f) or
5 (h)”;

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

9 (3) by redesignating subsections (g), (h), (i),
10 (j), and (k), as subsections (h), (i), (j), (k), and (l),
11 respectively; and

12 (4) by inserting after subsection (f) the fol-
13 lowing:

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

16 “(1) IN GENERAL.—An eligible partnership that
17 receives a grant under this section shall carry out an
18 effective ‘Grow Your Own’ program to address
19 shortages of teachers in high-need subjects, fields,
20 schools, and geographic areas, or shortages of school
21 leaders in high-need schools, and to increase the di-
22 versity of qualified individuals entering into the
23 teacher, principal, or other school leader workforce.

24 “(2) REQUIREMENTS OF A GROW YOUR OWN
25 PROGRAM.—In addition to carrying out each of the

1 activities described in paragraphs (1) through (6) of
2 subsection (d), an eligible partnership carrying out a
3 Grow Your Own program under this subsection
4 shall—

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

12 “(B) provide opportunities for candidates
13 to practice and develop teaching skills or school
14 leadership skills;

15 “(C) support candidates as they complete
16 their associate (in furtherance of their bacca-
17 laureate), baccalaureate, or master’s degree or
18 earn their teaching or school leadership creden-
19 tial;

20 “(D) work to provide academic, counseling,
21 and programmatic supports to candidates;

22 “(E) provide academic and nonacademic
23 supports, including advising and financial as-
24 sistance, to candidates to enter and complete
25 teacher or school leadership preparation pro-

1 grams, to access and complete State licensure
2 exams, and to engage in school-based clinical
3 placements;

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

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

10 “(ii) who live in and come from the
11 communities the schools serve; and

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

14 **SEC. 20002. TEACHER RESIDENCIES.**

15 In addition to amounts otherwise available, there is
16 appropriated to the Department of Education for fiscal
17 year 2022, out of any money in the Treasury not otherwise
18 appropriated, \$112,266,000, to remain available through
19 September 30, 2025, to award grants for the development
20 and support of high-quality teaching residency programs,
21 as described in section 202(e) of the Higher Education
22 Act of 1965 (20 U.S.C. 1022a(e)), except that amounts
23 available under this section shall also be available for resi-
24 dency programs for prospective teachers in a bachelor’s
25 degree program.

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

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 development
7 and support of school leadership programs, as described
8 in section 2243 of the Elementary and Secondary Edu-
9 cation Act of 1965 (20 U.S.C. 6673).

10 **SEC. 20004. HAWKINS.**

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

19 **SEC. 20005. FUNDING FOR THE INDIVIDUALS WITH DISABIL-**
20 **ITIES EDUCATION PART D PERSONNEL DE-**
21 **VELOPMENT.**

22 In addition to amounts otherwise available, there is
23 appropriated to the Department of Education for fiscal
24 year 2022, out of any money in the Treasury not otherwise
25 appropriated, \$160,776,000, to remain available until
26 September 30, 2025, for personnel development described

1 in section 662 of the Individuals with Disabilities Edu-
2 cation Act (20 U.S.C. 1462).

3 **SEC. 20006. GRANTS FOR NATIVE AMERICAN LANGUAGE**
4 **TEACHERS AND EDUCATORS.**

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

7 **“SEC. 803D. GRANTS FOR NATIVE AMERICAN LANGUAGE**
8 **TEACHERS AND EDUCATORS.**

9 “(a) IN GENERAL.—In addition to amounts other-
10 wise available, there is appropriated for fiscal year 2022,
11 out of any money in the Treasury not otherwise appro-
12 priated, to remain available until September 30, 2031,
13 \$200,000,000 for the Secretary, in carrying out section
14 803C, to award grants to carry out activities relating to
15 preparing, training, and offering professional development
16 to Native American language teachers and Native Amer-
17 ican language early childhood educators to ensure the sur-
18 vival and continuing vitality of Native American lan-
19 guages.

20 “(b) COST SHARE PROHIBITION.—The Secretary
21 shall not impose a cost sharing or matching fund require-
22 ment with respect to grants awarded under subsection
23 (a).”.

1 **PART 2—HIGHER EDUCATION**

2 **SEC. 20021. INCREASING THE MAXIMUM FEDERAL PELL**
3 **GRANT.**

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

6 (1) in subparagraph (A)(iii), by inserting “and
7 such sums as may be necessary for fiscal year 2022
8 to carry out the \$550 increase for enrollment at in-
9 stitutions of higher education defined in section 101
10 or 102(a)(1)(B) provided under subparagraph
11 (C)(iii)” before “; and”; and

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

19 (b) SUBSEQUENT AWARD YEARS THROUGH 2025–
20 2026.—Section 401(b) of the Higher Education Act of
21 1965, as amended by section 703 of the FAFSA Sim-
22 plification Act (title VII of division FF of Public Law
23 116–260), is amended—

24 (1) in paragraph (5)(A)—

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

1 (B) by redesignating clause (ii) as clause
2 (iii); and

3 (C) by inserting after clause (i) the fol-
4 lowing:

5 “(ii) for each of award years 2023–
6 2024 through 2025–2026, an additional
7 \$550 for enrollment at institutions of high-
8 er education defined in section 101 or
9 102(a)(1)(B); and”;

10 (2) in paragraph (6)(A)—

11 (A) in clause (i)—

12 (i) by striking “appropriated) such”
13 and inserting the following: “appro-
14 priated)—

15 “(I) such”; and

16 (ii) by adding at the end the fol-
17 lowing:

18 “(II) such sums as are necessary
19 to carry out paragraph (5)(A)(ii) for
20 each of fiscal years 2023 through
21 2025; and”;

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

1 **SEC. 20022. EXPANDING FEDERAL STUDENT AID ELIGI-**
2 **BILITY.**

3 Section 484(a)(5) of the Higher Education Act of
4 1965 is amended by inserting “, or, with respect to any
5 grant, loan, or work assistance received under this title
6 for award years 2022–2023 through 2029–2030, be sub-
7 ject to a grant of deferred enforced departure or have de-
8 ferred action pursuant to the Deferred Action for Child-
9 hood Arrivals policy of the Secretary of Homeland Secu-
10 rity or temporary protected status” after “becoming a cit-
11 izen or permanent resident”.

12 **SEC. 20023. INCREASE IN PELL GRANTS FOR RECIPIENTS**
13 **OF MEANS-TESTED BENEFITS.**

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

18 “(d) SPECIAL RULE FOR MEANS-TESTED BENEFIT
19 RECIPIENTS.—During award years 2024–2025 through
20 2029–2030, and notwithstanding subsection (b), for an
21 applicant (or, as applicable, an applicant and spouse, or
22 an applicant’s parents) who is not described in subsection
23 (c) and who, at any time during the previous 24-month
24 period, received a benefit under a means-tested Federal
25 benefit program (or whose parent or spouse received such
26 a benefit, as applicable) described in clauses (i) through

1 (vi) of section 479(b)(4)(H), the Secretary shall for the
2 purposes of this title consider the student aid index as
3 equal to $-\$1,500$ for the applicant.”.

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

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

7 **“PART F—RETENTION AND COMPLETION**
8 **GRANTS**

9 **“SEC. 791. RETENTION AND COMPLETION GRANTS.**

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

16 “(b) APPLICATION.—To be eligible to receive a grant
17 under this section, an eligible entity shall submit an appli-
18 cation to the Secretary that includes a description of—

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

1 “(2) how the eligible entity will sustain such re-
2 forms or practices after the grant period.

3 “(c) PRIORITY.—In awarding grants under this sec-
4 tion to eligible entities, the Secretary shall give priority
5 to eligible entities that propose to use a significant share
6 of grant funds to, among students of color, low-income
7 students, students with disabilities, students in need of re-
8 mediation, first generation college students, student par-
9 ents, and other underserved student populations in such
10 eligible entity, improve enrollment, retention, transfer, or
11 completion rates or labor market outcomes.

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

1 “(e) **MATCHING REQUIREMENT.**—As a condition of
2 receiving a grant under this section for the applicable year
3 described in paragraphs (1) through (3), an eligible entity
4 that is not a Tribal College or University shall provide
5 matching funds for such applicable year toward the cost
6 of the activities described in the application submitted
7 under subsection (b). Such matching funds shall be in the
8 amount of—

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

12 “(2) in the third year of a grant, not less than
13 15 percent of the grant amount awarded to such eli-
14 gible entity for such year; and

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

19 “(f) **GENERAL REQUIREMENT.**—An eligible entity
20 shall use a grant under this section only to carry out ac-
21 tivities described in the application for such year under
22 subsection (b).

23 “(g) **EVIDENCE-BASED REFORMS OR PRACTICES.**—
24 An eligible entity receiving a grant under this section
25 shall, directly or in collaboration with institutions of high-

1 er education and other non-profit organizations, use the
2 grant funds to implement one or more of the following
3 evidence-based reforms or practices:

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

7 “(2) Providing assistance in applying for and
8 accessing direct support services, financial assist-
9 ance, or means-tested benefit programs to meet the
10 basic needs of students.

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

14 “(4) Reforming remedial or developmental edu-
15 cation, course scheduling, or credit-awarding poli-
16 cies.

17 “(5) Improving transfer pathways between—

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

21 “(B) in the case of an eligible entity that
22 is a system of institutions of higher education,
23 institutions within such system and other insti-
24 tutions of higher education in the State in
25 which the system is located; or

1 “(C) in the case of a Tribal College or
2 University, between the Tribal College or Uni-
3 versity and other institutions of higher edu-
4 cation.

5 “(h) SUPPLEMENT, NOT SUPPLANT.—Funds made
6 available under this part shall be used to supplement, and
7 not supplant, other Federal, State, local, Tribal, and insti-
8 tutional funds that would otherwise be expended to carry
9 out activities described in this section.

10 “(i) DEFINITIONS.—In this section:

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

14 “(2) EVIDENCE TIERS.—

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

24 “(B) EVIDENCE TIER 2.—The term ‘evi-
25 dence tier 2’, when used with respect to a re-

1 form or practice, means a reform or practice
2 that meets the criteria for receiving a mid-
3 phase grant from the education innovation and
4 research program under section 4611(a)(2)(B)
5 of the Elementary and Secondary Education
6 Act of 1965, as determined by the Secretary in
7 accordance with such section.

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

11 “(4) INSTITUTION OF HIGHER EDUCATION.—
12 The term ‘institution of higher education’ has the
13 meaning given the term in section 101 or
14 102(a)(1)(B).

15 “(5) STATE.—The term ‘State’ means each of
16 the 50 States of the United States, the District of
17 Columbia, the Commonwealth of Puerto Rico, Amer-
18 ican Samoa, Guam, the United States Virgin Is-
19 lands, the Commonwealth of the Northern Mariana
20 Islands, and the Freely Associated States.

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

24 “(j) APPROPRIATION.—In addition to amounts other-
25 wise available, there is appropriated for fiscal year 2022,

1 out of any money in the Treasury not otherwise appro-
2 priated—

3 “(1) \$310,000,000 to remain available until
4 September 30, 2030, to award competitive grants to
5 eligible entities that are not Tribal Colleges and Uni-
6 versities to carry out the approved activities de-
7 scribed in the applications submitted under sub-
8 section (b);

9 “(2) \$37,500,000 to remain available until Sep-
10 tember 30, 2030, to award competitive grants to
11 Tribal Colleges and Universities to carry out the ap-
12 proved activities described in the applications sub-
13 mitted under subsection (b);

14 “(3) \$95,000,000 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 paragraph (1) and (2) to im-
18 plement reforms or practices that meet evidence tier
19 1;

20 “(4) \$47,500,000 to remain available until Sep-
21 tember 30, 2030, to supplement the competitive
22 grant amounts awarded to eligible entities with
23 funds available under paragraphs (1) and (2) to im-
24 plement reforms or practices that meet evidence tier

1 1 or evidence tier 2, or a combination of such re-
2 forms or practices; and

3 “(5) \$10,000,000 to remain available until Sep-
4 tember 30, 2030, to evaluate the effectiveness of the
5 activities carried out under this section.

6 “(k) SUNSET.—The authority to make grants under
7 this section shall expire at the end of award year 2026–
8 2027.

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

12 **SEC. 20025. INSTITUTIONAL AID.**

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

17 (1) \$470,640,000, to remain available until
18 September 30, 2028, for carrying out section
19 371(b)(2)(B) of the Higher Education Act of 1965
20 in fiscal year 2022;

21 (2) \$470,640,000, to remain available until
22 September 30, 2028, for carrying out section
23 371(b)(2)(B) of the Higher Education Act of 1965
24 in fiscal year 2023;

1 (3) \$470,640,000, to remain available until
2 September 30, 2028, for carrying out section
3 371(b)(2)(B) of the Higher Education Act of 1965
4 in fiscal year 2024;

5 (4) \$470,640,000, to remain available until
6 September 30, 2028, for carrying out section
7 371(b)(2)(B) of the Higher Education Act of 1965
8 in fiscal year 2025;

9 (5) \$470,640,000, to remain available until
10 September 30, 2028, for carrying out section
11 371(b)(2)(B) of the Higher Education Act of 1965
12 in fiscal year 2026;

13 (6) \$470,640,000, to remain available until
14 September 30, 2028, for carrying out section
15 371(b)(2)(C) of the Higher Education Act of 1965
16 in fiscal year 2022;

17 (7) \$470,640,000, to remain available until
18 September 30, 2028, for carrying out section
19 371(b)(2)(C) of the Higher Education Act of 1965
20 in fiscal year 2023;

21 (8) \$470,640,000, to remain available until
22 September 30, 2028, for carrying out section
23 371(b)(2)(C) of the Higher Education Act of 1965
24 in fiscal year 2024;

1 (9) \$470,640,000, to remain available until
2 September 30, 2028, for carrying out section
3 371(b)(2)(C) of the Higher Education Act of 1965
4 in fiscal year 2025;

5 (10) \$470,640,000, to remain available until
6 September 30, 2028, for carrying out section
7 371(b)(2)(C) of the Higher Education Act of 1965
8 in fiscal year 2026;

9 (11) \$141,120,000, to remain available until
10 September 30, 2028, for carrying out section
11 371(b)(2)(D)(i) of the Higher Education Act of
12 1965 in fiscal year 2022;

13 (12) \$141,120,000, to remain available until
14 September 30, 2028, for carrying out section
15 371(b)(2)(D)(i) of the Higher Education Act of
16 1965 in fiscal year 2023;

17 (13) \$141,120,000, to remain available until
18 September 30, 2028, for carrying out section
19 371(b)(2)(D)(i) of the Higher Education Act of
20 1965 in fiscal year 2024;

21 (14) \$141,120,000, to remain available until
22 September 30, 2028, for carrying out section
23 371(b)(2)(D)(i) of the Higher Education Act of
24 1965 in fiscal year 2025;

1 (15) \$141,120,000, to remain available until
2 September 30, 2028, for carrying out section
3 371(b)(2)(D)(i) of the Higher Education Act of
4 1965 in fiscal year 2026;

5 (16) \$70,560,000, to remain available until
6 September 30, 2028, for carrying out section
7 371(b)(2)(D)(ii) of the Higher Education Act of
8 1965 in fiscal year 2022;

9 (17) \$70,560,000, to remain available until
10 September 30, 2028, for carrying out section
11 371(b)(2)(D)(ii) of the Higher Education Act of
12 1965 in fiscal year 2023;

13 (18) \$70,560,000, to remain available until
14 September 30, 2028, for carrying out section
15 371(b)(2)(D)(ii) of the Higher Education Act of
16 1965 in fiscal year 2024;

17 (19) \$70,560,000, to remain available until
18 September 30, 2028, for carrying out section
19 371(b)(2)(D)(ii) of the Higher Education Act of
20 1965 in fiscal year 2025;

21 (20) \$70,560,000, to remain available until
22 September 30, 2028, for carrying out section
23 371(b)(2)(D)(ii) of the Higher Education Act of
24 1965 in fiscal year 2026;

1 (21) \$23,520,000, to remain available until
2 September 30, 2028, for carrying out section
3 371(b)(2)(D)(iii) of the Higher Education Act of
4 1965 in fiscal year 2022;

5 (22) \$23,520,000, to remain available until
6 September 30, 2028, for carrying out section
7 371(b)(2)(D)(iii) of the Higher Education Act of
8 1965 in fiscal year 2023;

9 (23) \$23,520,000, to remain available until
10 September 30, 2028, for carrying out section
11 371(b)(2)(D)(iii) of the Higher Education Act of
12 1965 in fiscal year 2024;

13 (24) \$23,520,000, to remain available until
14 September 30, 2028, for carrying out section
15 371(b)(2)(D)(iii) of the Higher Education Act of
16 1965 in fiscal year 2025;

17 (25) \$23,520,000, to remain available until
18 September 30, 2028, for carrying out section
19 371(b)(2)(D)(iii) of the Higher Education Act of
20 1965 in fiscal year 2026;

21 (26) \$23,520,000, to remain available until
22 September 30, 2028, for carrying out section
23 371(b)(2)(D)(iv) of the Higher Education Act of
24 1965 in fiscal year 2022;

1 (27) \$23,520,000, to remain available until
2 September 30, 2028, for carrying out section
3 371(b)(2)(D)(iv) of the Higher Education Act of
4 1965 in fiscal year 2023;

5 (28) \$23,520,000, to remain available until
6 September 30, 2028, for carrying out section
7 371(b)(2)(D)(iv) of the Higher Education Act of
8 1965 in fiscal year 2024;

9 (29) \$23,520,000, to remain available until
10 September 30, 2028, for carrying out section
11 371(b)(2)(D)(iv) of the Higher Education Act of
12 1965 in fiscal year 2025; and

13 (30) \$23,520,000, to remain available until
14 September 30, 2028, for carrying out section
15 371(b)(2)(D)(iv) of the Higher Education Act of
16 1965 in fiscal year 2026.

17 (b) USE OF FUNDS.—

18 (1) IN GENERAL.—An institution of higher edu-
19 cation receiving funds made available under this sec-
20 tion shall use such funds in accordance with the uses
21 of funds described under subparagraphs (B), (C),
22 and clauses (i) through (iv) of subparagraph (D) of
23 section 371(b)(2) of the Higher Education Act of
24 1965, as applicable, and to award need-based finan-
25 cial aid (including emergency financial aid grants) to

1 low-income students enrolled in an eligible program
2 (as defined in section 481(b) of the Higher Edu-
3 cation Act of 1965) at such institution.

4 (2) DISTRIBUTION REQUIREMENTS.—The Sec-
5 retary of Education shall distribute each of the
6 amounts appropriated under paragraphs (6) through
7 (10) of subsection (a) in accordance with section
8 371(b)(2)(C), except that in clause (ii) of such sec-
9 tion, “25” and “of \$600,000 annually” shall not
10 apply.

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

17 **SEC. 20026. RESEARCH AND DEVELOPMENT INFRASTRUC-**
18 **TURE COMPETITIVE GRANT PROGRAM.**

19 Title III of the Higher Education Act of 1965 is
20 amended—

- 21 (1) by redesignating part G as part H; and
22 (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), and other aca-
26 demic partners, philanthropic organizations, and in-

1 industry partners, provided that the eligible institution
2 is the lead member and fiscal agent of the consor-
3 tium.

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

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

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

12 “(c) APPLICATIONS.—

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

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

22 “(d) PRIORITY IN AWARDS.—

23 “(1) IN GENERAL.—In awarding planning and
24 implementation grants under this section, the Sec-
25 retary shall administer separate competitions for

1 each of the categories of institutions listed in para-
2 graphs (1) through (7) of section 371(a).

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

7 “(e) USE OF FUNDS.—

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

13 “(A) an assessment of the existing institu-
14 tional research capacity and research and devel-
15 opment infrastructure; and

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

22 “(2) IMPLEMENTATION GRANTS.—An eligible
23 institution that receives an implementation grant
24 under subsection (b)(2) shall use the grant funds to
25 support research and development infrastructure,

1 which shall include carrying out at least one of the
2 following activities:

3 “(A) Providing for the improvement of in-
4 frastructure existing on the date of the grant
5 award, including deferred maintenance, or the
6 establishment of new physical infrastructure,
7 including instructional program spaces, labora-
8 tories, research facilities or furniture, fixtures,
9 and instructional research-related equipment
10 and technology relating to the fields of science,
11 technology, engineering, the arts, mathematics,
12 health, agriculture, education, medicine, law,
13 and other disciplines.

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

19 “(C) Creating and supporting inter- and
20 intra-institutional research centers (including
21 formal and informal communities of practice) in
22 fields of research for which research and devel-
23 opment infrastructure funds have been awarded
24 under this section, including hiring staff and
25 purchasing supplies and equipment.

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

6 “(g) SUNSET.—

7 “(1) IN GENERAL.—The authority to make—

8 “(A) planning grants under subsection
9 (b)(1) shall expire at the end of fiscal year
10 2025; and

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

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

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

1 available until September 30, 2026, for carrying out inves-
2 tigation, enforcement, outreach, and related activities.

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

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

7 (1) in subsection (a)—

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

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

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

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

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

19 (1) in paragraph (1)(A)—

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

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

24 (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 ploy 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; EMPLOYER.**—The terms “em-
13 ployee” and “employer” have the meanings given
14 such terms in section 3 of the Fair Labor Standards
15 Act of 1938 (29 U.S.C. 203).

16 (3) **INTEGRATED SERVICES.**—The term “inte-
17 grated services” means services for people with dis-
18 abilities that are—

19 (A) designed to assist such people in devel-
20 oping skills and abilities to reside successfully
21 in home and community-based settings;

22 (B) provided in accordance with a person-
23 centered written plan of care;

24 (C) created using evidence-based practices
25 that lead to such people—

1 (i) maintaining competitive integrated
2 employment;

3 (ii) achieving independent living; or

4 (iii) maximizing socioeconomic self-
5 sufficiency, optimal independence, and full
6 participation in the community;

7 (D) provided in a community location that
8 is not specifically intended for people with dis-
9 abilities;

10 (E) provided in a location that—

11 (i) allows the people receiving the
12 services to interact with people without dis-
13 abilities to the fullest extent possible; and

14 (ii) makes it possible for the people
15 receiving the services to access community
16 resources that are not specifically intended
17 for people with disabilities and to have the
18 same opportunity to participate in the
19 community as people who do not have a
20 disability; and

21 (F) provided in multiple locations to allow
22 the individual receiving the services to have op-
23 tions, thereby—

24 (i) optimizing individual initiative, au-
25 tonomy, and independence; and

1 (ii) facilitating choice regarding serv-
2 ices and supports, and choice regarding the
3 provider of such services.

4 (4) PEOPLE WITH DISABILITIES.—The term
5 “people with disabilities” includes individuals de-
6 scribed in section 14(c)(1) of the Fair Labor Stand-
7 ards Act of 1938 (29 U.S.C. 214(c)(1)).

8 (5) SECRETARY.—The term “Secretary” means
9 the Secretary of Labor.

10 **PART 4—RECRUITMENT, EDUCATION AND TRAIN-**
11 **ING, RETENTION, AND CAREER ADVANCE-**
12 **MENTS FOR THE DIRECT CARE WORKFORCE**

13 **SEC. 22301. DEFINITIONS.**

14 In this part:

15 (1) CTE DEFINITIONS.—The terms “area ca-
16 reer and technical education school”, “evidence-
17 based”, and “work-based learning” have the mean-
18 ings given such terms in paragraphs (3), (23), and
19 (55), respectively, of section 3 of the Carl D. Per-
20 kins Career and Technical Education Act of 2006
21 (20 U.S.C. 2302).

22 (2) WIOA DEFINITIONS.—The terms “career
23 pathway”, “career planning”, “individual with a bar-
24 rier to employment”, “local board”, “older indi-
25 vidual”, “on-the-job training”, “recognized postsec-

1 ondary credential”, and “State board” have the
2 meanings given such terms paragraphs (7), (8),
3 (24), (33), (39), (44), (52), and (57), respectively,
4 of section 3 of the Workforce Innovation and Oppor-
5 tunity Act (29 U.S.C. 3102).

6 (3) OTHER DEFINITIONS.—

7 (A) DIRECT SUPPORT WORKER.—The term
8 “direct support worker” means—

9 (i) a direct support professional;

10 (ii) a worker providing direct care
11 services, which may include palliative care,
12 in a home or community-based setting;

13 (iii) a respite care provider who pro-
14 vides short-term support and care to an in-
15 dividual in order to provide relief to a fam-
16 ily caregiver;

17 (iv) a direct care worker, as defined in
18 section 799B of the Public Health Service
19 Act (42 U.S.C. 295p); or

20 (v) an individual in any other position
21 or job related to those described in clauses
22 (i) through (iv), as determined by the Sec-
23 retary in consultation with the Secretary of
24 Health and Human Services acting

1 through the Administrator for the Admin-
2 istration for Community Living.

3 (B) ELIGIBLE ENTITY.—The term “eligible
4 entity” means an entity that is—

5 (i) a State;

6 (ii) a labor organization or a joint
7 labor-management organization;

8 (iii) a nonprofit organization with ex-
9 perience in aging, disability, supporting the
10 rights and interests of direct support work-
11 ers, or training or educating direct support
12 workers;

13 (iv) an Indian Tribe or Tribal organi-
14 zation;

15 (v) an urban Indian organization;

16 (vi) a State board or local board;

17 (vii) an area agency on aging (as de-
18 fined in section 102 of the Older Ameri-
19 cans Act of 1965 (42 U.S.C. 3002));

20 (viii) when in partnership with an en-
21 tity described in any of clauses (i) through
22 (vii) or with a consortium described in
23 clause (ix)—

24 (I) an institution of higher edu-
25 cation (as defined in section 101 of

1 the Higher Education Act of 1965 (20
2 U.S.C. 1001) or section 102(a)(1)(B)
3 of such Act (20 U.S.C.
4 1002(a)(1)(B)); or

5 (II) an area career and technical
6 education school; or

7 (ix) a consortium of entities listed in
8 any of clauses (i) through (vii).

9 (C) FAMILY CAREGIVER.—The term “fam-
10 ily caregiver” means a paid or unpaid adult
11 family member or other individual who has a
12 significant relationship with, and who provides
13 a broad range of assistance to, an individual
14 with a chronic or other health condition, dis-
15 ability, or functional limitation.

16 (D) HOME AND COMMUNITY-BASED SERV-
17 ICES.—The term “home and community-based
18 services” has the meaning given such term in
19 section 9817(a)(2) of the American Rescue
20 Plan Act of 2021 (Public Law 117–2).

21 (E) PERSON WITH A DISABILITY.—The
22 term “person with a disability” means an indi-
23 vidual with a disability as defined in section 3
24 of the Americans with Disabilities Act of 1990
25 (42 U.S.C. 12102).

1 (F) PRE-APPRENTICESHIP PROGRAM.—The
2 term “pre-apprenticeship program” means a
3 program that articulates to a registered appren-
4 ticeship program.

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

15 (H) SECRETARY.—The term “Secretary”
16 means the Secretary of Labor.

17 (I) STATE.—The term “State” means each
18 of the 50 States of the United States, the Dis-
19 trict of Columbia, the Commonwealth of Puerto
20 Rico, American Samoa, Guam, the United
21 States Virgin Islands, and the Commonwealth
22 of the Northern Mariana Islands.

1 **SEC. 22302. GRANTS TO SUPPORT THE DIRECT CARE WORK-**
2 **FORCE.**

3 (a) GRANTS AUTHORIZED.—In addition to amounts
4 otherwise available, there is appropriated to the Secretary
5 for fiscal year 2022, out of any money in the Treasury
6 not otherwise appropriated, \$1,000,000,000, to remain
7 available until September 30, 2031, for awarding, on a
8 competitive basis, grants to eligible entities to carry out
9 the activities described in subsection (c) with respect to
10 direct support workers.

11 (b) APPLICATIONS; AWARD BASIS.—

12 (1) APPLICATIONS.—

13 (A) IN GENERAL.—An eligible entity seek-
14 ing a grant under subsection (a) shall submit to
15 the Secretary an application at such time, in
16 such manner, and containing such information
17 as the Secretary, in coordination with the Sec-
18 retary of Health and Human Services acting
19 through the Administrator of the Administra-
20 tion for Community Living, may require.

21 (B) CONTENTS.—Each application under
22 subparagraph (A) shall include—

23 (i) a description of the type or types
24 of direct support workers the entity plans
25 to serve through the activities supported by
26 the grant;

1 (ii) a description of the one or more
2 eligible entities collaborating to carry out
3 the activities described in subsection (c);
4 and

5 (iii) an assurance that—

6 (I) the eligible entity will consult
7 on the development and implementa-
8 tion of the grant, with direct support
9 workers, their representatives, and re-
10 cipients of direct care services and
11 their families; and

12 (II) the eligible entity will consult
13 on the implementation of the grant, or
14 coordinate the activities of the grant,
15 with the agencies in the State that are
16 responsible for developmental dis-
17 ability services, aging, education,
18 workforce development, and Medicaid,
19 to the extent that each such entity is
20 not the eligible entity.

21 (2) DURATION OF GRANTS.—A grant awarded
22 under this section shall be for a period of 3 years,
23 and may be renewed. The Secretary, in coordination
24 with the Secretary of Health and Human Services
25 acting through the Administrator of the Administra-

1 tion for Community Living, shall award grants (in-
2 cluding any renewals) under this section in 3-year
3 cycles subject to the limits set forth in subsection
4 (a).

5 (c) USE OF FUNDS.—

6 (1) REQUIRED USE OF FUNDS.—Each eligible
7 entity receiving a grant under subsection (a) shall
8 use the grant funds to provide competitive wages,
9 benefits, and other supportive services, including
10 transportation, child care, dependent care, workplace
11 accommodations, and workplace health and safety
12 protections, to the direct support workers served by
13 the grant that are necessary to enable such workers
14 to participate in the activities supported by the
15 grant.

16 (2) ADDITIONAL ACTIVITIES.—In addition to
17 the requirement described in paragraph (1), each eli-
18 gible entity receiving a grant under subsection (a)
19 shall use the grant funds for one or more of the fol-
20 lowing activities:

21 (A) Developing and implementing a strat-
22 egy for the recruitment of direct support work-
23 ers.

24 (B) Developing and implementing a strat-
25 egy for the retention of direct support workers

1 using evidence-based best practices, such as
2 providing mentoring to such workers, including
3 a strategy that can also support family care-
4 givers.

5 (C) Developing or implementing an edu-
6 cation and training program for the direct sup-
7 port workers served by the grant, which shall
8 include—

9 (i) education and training on—

10 (I) the rights of direct support
11 workers under applicable Federal,
12 State, or local employment law on—

13 (aa) wages and hours, in-
14 cluding under sections 3, 6, 7,
15 12, and 13 of the Fair Labor
16 Standards Act of 1938 (29
17 U.S.C. 203, 206, 207, 212, 213);

18 (bb) safe working conditions,
19 including under section 5 of the
20 Occupational Safety and Health
21 Act of 1970 (29 U.S.C. 654);
22 and

23 (cc) forming, joining, or as-
24 sisting a labor organization, in-
25 cluding under sections 7 and 8 of

1 the National Labor Relations Act
2 (29 U.S.C. 157, 158); and

3 (II) relevant Federal and State
4 laws (including regulations) on the
5 provision of home and community-
6 based services; and

7 (ii) providing a progressively increas-
8 ing, clearly defined schedule of hourly
9 wages to be paid to each direct support
10 worker served by the grant for each hour
11 the worker spends on education or training
12 provided through the program described in
13 this subparagraph, with a schedule of
14 hourly wages that—

15 (I) is consistent with measurable
16 skill gains or attainment of a recog-
17 nized postsecondary credential re-
18 ceived as a result of participation in
19 or completion of such education or
20 training program; and

21 (II) ensures that each such work-
22 er is compensated for each hour the
23 worker spends on education or train-
24 ing through such program at an entry
25 rate that is not less than the greater

1 of the applicable minimum wage re-
2 quired by other applicable Federal,
3 State, or local law, or a collective bar-
4 gaining agreement;

5 (iii) developing and implementing a
6 strategy for the retention and career ad-
7 vancement of the direct support workers
8 served by the grant, including providing
9 career planning for the direct support
10 workers served by the grant to support the
11 identification of advancement opportuni-
12 ties, and career pathways in the direct care
13 or home care sectors; and

14 (iv) using evidence-based models and
15 standards for achievement for the attain-
16 ment of any associated recognized postsec-
17 ondary credentials, which include—

18 (I) supporting opportunities to
19 participate in pre-apprenticeship or
20 registered apprenticeship programs,
21 work-based learning, or on-the-job
22 training;

23 (II) providing on-the-job super-
24 vision or mentoring to support the de-
25 velopment of related skills and com-

1 petencies throughout completion of
2 such credentials; and

3 (III) training on the in-demand
4 skills and competencies of direct sup-
5 port workers served by the grant, in-
6 cluding the provision of culturally
7 competent and disability competent
8 supports and services.

9 (d) SUPPLEMENT AND NOT SUPPLANT.—An eligible
10 entity receiving a grant under this section shall use such
11 grant only to supplement, and not supplant, the amount
12 of funds that, in the absence of such grant, would be avail-
13 able to the eligible entity to address the recruitment, edu-
14 cation and training, retention, or career advancement of
15 direct support workers in the State served by the grant.

16 **PART 5—DEPARTMENT OF LABOR INSPECTOR**
17 **GENERAL AND PROGRAM ADMINISTRATION**
18 **FUNDING**

19 **SEC. 22401. DEPARTMENT OF LABOR INSPECTOR GENERAL.**

20 In addition to amounts otherwise available, there is
21 appropriated to the Office of Inspector General of the De-
22 partment of Labor for fiscal year 2022, out of any money
23 in the Treasury not otherwise appropriated, \$40,000,000,
24 to remain available until expended, for salaries and ex-
25 penses necessary for oversight, investigations, and audits

1 of programs, grants, and projects of the Department of
2 Labor funded under this subtitle and subtitle B of this
3 title.

4 **SEC. 22402. PROGRAM ADMINISTRATION.**

5 In addition to amounts otherwise available, there is
6 appropriated to the Department of Labor for fiscal year
7 2022, out of any money in the Treasury not otherwise ap-
8 propriated, \$90,000,000, to remain available until Sep-
9 tember 30, 2029, for program administration within the
10 Department of Labor for salaries and expenses necessary
11 to implement part 1 (other than section 22007), and parts
12 3 and 4, of this subtitle.

13 **Subtitle D—Child Care and**
14 **Universal Pre-kindergarten**

15 **SEC. 23001. BIRTH THROUGH FIVE CHILD CARE AND EARLY**
16 **LEARNING ENTITLEMENT.**

17 (a) CHILD CARE DEFINITIONS.—The definitions in
18 section 658P of the Child Care and Development Block
19 Grant Act of 1990 (42 U.S.C. 9858n) shall apply to this
20 section, except as provided in subsection (b) and as other-
21 wise specified.

22 (b) ADDITIONAL DEFINITIONS.—In this section:

23 (1) CHILD CARE CERTIFICATE.—

24 (A) IN GENERAL.—The term “child care
25 certificate” means a certificate (that may be a

1 check or other disbursement) that is issued by
2 a State, Tribal, territorial, or local government
3 under this section directly to a parent who shall
4 use such certificate only as payment for child
5 care services or as a deposit for child care serv-
6 ices if such a deposit is required of other chil-
7 dren being cared for by the provider.

8 (B) RULE.—Nothing in this section shall
9 preclude the use of such certificates for sec-
10 tarian child care services if freely chosen by the
11 parent. For the purposes of this section, child
12 care certificates shall be considered Federal fi-
13 nancial assistance to the provider.

14 (2) CHILD EXPERIENCING HOMELESSNESS.—
15 The term “child experiencing homelessness” means
16 an individual who is a homeless child or youth under
17 section 725 of the McKinney-Vento Homeless Assist-
18 ance Act (42 U.S.C. 11434a).

19 (3) ELIGIBLE ACTIVITY.—The term “eligible
20 activity”, with respect to a parent, shall include, at
21 minimum, activities consisting of—

- 22 (A) full-time or part-time employment;
- 23 (B) self-employment;
- 24 (C) job search activities;
- 25 (D) job training;

1 (E) secondary, postsecondary, or adult
2 education, including education through a pro-
3 gram of high school classes, a course of study
4 at an institution of higher education, classes to-
5 wards an equivalent of a high school diploma
6 recognized by State law, or English as a second
7 language classes;

8 (F) health treatment (including mental
9 health and substance use treatment) for a con-
10 dition that prevents the parent from partici-
11 pating in other eligible activities;

12 (G) activities to prevent child abuse and
13 neglect, or family violence prevention or inter-
14 vention activities;

15 (H) employment and training activities
16 under the supplemental nutrition assistance
17 program established under section 6(d)(4) the
18 Food and Nutrition Act of 2008 (7 U.S.C.
19 2015(d)(4));

20 (I) employment and training activities
21 under the Workforce Innovation and Oppor-
22 tunity Act;

23 (J) a work activity described in subsection
24 (d) of section 407 of the Social Security Act
25 (42 U.S.C. 607) for which, consistent with

1 clauses (ii) and (iii) of section 402(a)(1)(A) of
2 such Act (42 U.S.C. 602(a)(1)(A)), a parent or
3 caretaker is treated as being engaged in work
4 for a month in a fiscal year for purposes of the
5 program of block grants to States for tem-
6 porary assistance for needy families established
7 under part A of title IV of the Social Security
8 Act; and

9 (K) taking leave under the Family and
10 Medical Leave Act of 1993 (or equivalent provi-
11 sions for Federal employees), a State or local
12 paid or unpaid leave law, or a program of em-
13 ployer-provided leave.

14 (4) ELIGIBLE CHILD.—

15 (A) IN GENERAL.—The term “eligible
16 child” means an individual, subject to sub-
17 section (g)(1)(C)(i)(III)—

18 (i) who is less than 6 years of age;

19 (ii) who is not yet in kindergarten;

20 (iii) whose family income—

21 (I) does not exceed 100 percent
22 of the State median income for a fam-
23 ily of the same size for fiscal year
24 2022;

1 (II) does not exceed 125 percent
2 of such State median income for fiscal
3 year 2023;

4 (III) does not exceed 150 percent
5 of such State median income for fiscal
6 year 2024; and

7 (IV) does not exceed 250 percent
8 of such State median income for each
9 of the fiscal years 2025 through 2027;
10 and

11 (iv) who—

12 (I) resides with a parent or par-
13 ents who are participating in an eligi-
14 ble activity;

15 (II) is included in a population of
16 vulnerable children identified by the
17 lead agency involved, which at a min-
18 imum shall include children with dis-
19 abilities, infants and toddlers with dis-
20 abilities, children experiencing home-
21 lessness, children in foster care, chil-
22 dren in kinship care, and children who
23 are receiving, or need to receive, child
24 protective services; or

1 (III) resides with a parent who is
2 more than 65 years of age.

3 (B) EXPANDED ELIGIBILITY RULE FOR
4 FISCAL YEARS 2022 THROUGH 2024.—

5 (i) IN GENERAL.—A child who is eligi-
6 ble to receive services under this subpara-
7 graph shall be treated as an eligible child
8 for the other provisions of this section.

9 (ii) RULE.—Notwithstanding subpara-
10 graph (A)(iii), a State may use the pay-
11 ments under subsection (g)(1) for fiscal
12 year 2022, 2023, or 2024, to provide di-
13 rect child care services described in sub-
14 section (h)(1)(A) to children who meet the
15 requirements of clauses (i), (ii), and (iv) of
16 subparagraph (A) and whose family income
17 exceeds the percentage specified in sub-
18 paragraph (A)(iii) (but does not exceed
19 250 percent) of State median income for a
20 family of the same size for a given fiscal
21 year, if the State has appropriately
22 prioritized, subject to approval by the Sec-
23 retary, assistance for such services based
24 on family income.

1 (iii) VARIATION IN COST OF LIVING.—

2 In determining eligibility under this sub-
3 paragraph, the State may take into consid-
4 eration geographic variation in the cost of
5 living among regions of the State and ex-
6 pand eligibility for children described in
7 clause (ii) in a region of the State based
8 on such variation, subject to approval by
9 the Secretary.

10 (5) ELIGIBLE CHILD CARE PROVIDER.—

11 (A) IN GENERAL.—The term “eligible child
12 care provider” means a center-based child care
13 provider, a family child care provider, or other
14 provider of child care services for compensation
15 that—

16 (i) is licensed to provide child care
17 services under State law or, in the case of
18 an Indian Tribe or Tribal organization,
19 meets the rules set by the Secretary;

20 (ii) participates in the State’s tiered
21 system for measuring the quality of eligible
22 child care providers described in subsection
23 (f)(4)(B), or, in the case of an Indian
24 Tribe or Tribal organization, meets the
25 rules set by the Secretary—

1 (I) not later than the last day of
2 the third fiscal year for which the
3 State receives funds under this sec-
4 tion; and

5 (II) for the remainder of the pe-
6 riod for which the provider receives
7 funds under this section; and

8 (iii) satisfies the State and local re-
9 quirements applicable to eligible child care
10 providers under the Child Care and Devel-
11 opment Block Grant Act of 1990, includ-
12 ing those requirements described in section
13 658E(c)(2)(I) of such Act (42 U.S.C.
14 9858c(c)(2)(I)).

15 (B) SPECIAL RULE.—A child care provider
16 who is eligible to provide child care services in
17 a State for children receiving assistance under
18 the Child Care and Development Block Grant
19 Act of 1990 on the date the State submits an
20 application for funds under this section, and re-
21 mains in compliance with any licensing or reg-
22 istration standards, or regulations, of the State,
23 shall be deemed to be an eligible child care pro-
24 vider under this section for 3.5 years after the
25 State first receives funding under this section.

1 (6) FMAP.—The term “FMAP” has the mean-
2 ing given the term “Federal medical assistance per-
3 centage” in the first sentence of section 1905(b) of
4 the Social Security Act (42 U.S.C. 1396d(b)).

5 (7) FAMILY CHILD CARE PROVIDER.—The term
6 “family child care provider” means one or more indi-
7 viduals who provide child care services, in a private
8 residence other than the residences of the children
9 involved, for less than 24 hours per day per child,
10 or for 24 hours per day per child due to the nature
11 of the work of the parent involved.

12 (8) INCLUSIVE CARE.—The term “inclusive”,
13 with respect to care (including child care), means
14 care provided by an eligible child care provider—

15 (A) for whom the percentage of children
16 served by the provider who are children with
17 disabilities or infants or toddlers with disabil-
18 ities reflects the prevalence of children with disabil-
19 ities and infants and toddlers with disabil-
20 ities (whichever the provider serves) among chil-
21 dren within the State involved; and

22 (B) that provides care and full participa-
23 tion for children with disabilities and infants
24 and toddlers with disabilities (whichever the
25 provider serves) alongside children who are—

- 1 (i) not children with disabilities; and
2 (ii) not infants and toddlers with dis-
3 abilities.

4 (9) INFANT OR TODDLER.—The term “infant
5 or toddler” means an individual who is less than 3
6 years of age.

7 (10) INFANT OR TODDLER WITH A DIS-
8 ABILITY.—The term “infant or toddler with a dis-
9 ability” has the meaning given the term in section
10 632 of the Individuals with Disabilities Education
11 Act (20 U.S.C. 1432).

12 (11) LEAD AGENCY.—The term “lead agency”
13 means the agency designated under subsection (e).

14 (12) STATE.—The term “State” means any of
15 the 50 States and the District of Columbia.

16 (13) TERRITORY.—The term “territory” means
17 the Commonwealth of Puerto Rico, the Virgin Is-
18 lands of the United States, Guam, American Samoa,
19 and the Commonwealth of the Northern Mariana Is-
20 lands.

21 (c) APPROPRIATIONS.—

22 (1) STATES.—

23 (A) STATE APPROPRIATIONS.—In addition
24 to amounts otherwise available, there is appro-
25 priated to the Department of Health and

1 Human Services for fiscal year 2022, out of any
2 money in the Treasury not otherwise appro-
3 priated—

4 (i)(I) \$11,460,000,000, to remain
5 available until September 30, 2027, for
6 States and the Commonwealth of Puerto
7 Rico, to carry out the activities described
8 in subsection (h)(1)(A) in fiscal year 2022;

9 (II) \$5,730,000,000, to remain avail-
10 able until September 30, 2027, for States
11 and the Commonwealth of Puerto Rico, to
12 carry out the activities described in sub-
13 section (h)(1)(B) in fiscal year 2022;

14 (III) \$4,125,600,000, to remain avail-
15 able until September 30, 2027, for States
16 and the Commonwealth of Puerto Rico, to
17 carry out the activities described in sub-
18 paragraph (A) or (B) of subsection (h)(1),
19 as determined by the State or Common-
20 wealth, in fiscal year 2022; and

21 (IV) \$1,604,400,000, 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 paragraph (A), (B), or (C) of subsection

1 (h)(1), as determined by the State or Com-
2 monwealth, in fiscal year 2022;

3 (ii)(I) \$16,235,000,000, to remain
4 available until September 30, 2027, for
5 States and the Commonwealth of Puerto
6 Rico, to carry out the activities described
7 in subsection (h)(1)(A) in fiscal year 2023;

8 (II) \$8,117,500,000, 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 section (h)(1)(B) in fiscal year 2023;

13 (III) \$5,844,600,000, to remain avail-
14 able until September 30, 2027, for States
15 and the Commonwealth of Puerto Rico, to
16 carry out the activities described in sub-
17 paragraph (A) or (B) of subsection (h)(1),
18 as determined by the State or Common-
19 wealth, in fiscal year 2023; and

20 (IV) \$2,272,900,000, 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 paragraph (A), (B), or (C) of subsection

1 (h)(1), as determined by the State or Com-
2 monwealth, in fiscal year 2023; and

3 (iii)(I) \$20,055,000,000, to remain
4 available until September 30, 2027, for
5 States and the Commonwealth of Puerto
6 Rico, to carry out the activities described
7 in subsection (h)(1)(A) in fiscal year 2024;

8 (II) \$10,027,500,000, 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 section (h)(1)(B) in fiscal year 2024;

13 (III) \$7,219,800,000, to remain avail-
14 able until September 30, 2027, for States
15 and the Commonwealth of Puerto Rico, to
16 carry out the activities described in sub-
17 paragraph (A) or (B) of subsection (h)(1),
18 as determined by the State or Common-
19 wealth, in fiscal year 2024; and

20 (IV) \$2,807,700,000, 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 paragraph (A), (B), or (C) of subsection

1 (h)(1), as determined by the State or Com-
2 monwealth, in fiscal year 2024.

3 (B) STATE ENTITLEMENT.—In addition to
4 amounts otherwise available, there is appro-
5 priated to the Department of Health and
6 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, for payments to States, for
10 carrying out this section (other than carrying
11 out activities described in paragraph (4), (5), or
12 (6)).

13 (2) INDIAN TRIBES AND TRIBAL ORGANIZA-
14 TIONS.—

15 (A) INDIAN TRIBE AND TRIBAL ORGANIZA-
16 TION APPROPRIATIONS.—In addition to
17 amounts otherwise available, there is appro-
18 priated to the Department of Health and
19 Human Services for fiscal year 2022, out of any
20 money in the Treasury not otherwise appro-
21 priated, for grants to Indian Tribes and Tribal
22 organizations for the purpose of carrying out
23 the child care program described in this section
24 (other than carrying out activities described in
25 paragraph (4), (5), or (6)), consistent, to the

1 extent practicable as determined by the Sec-
2 retary, with the requirements applicable to
3 States—

4 (i) \$960,000,000, to remain available
5 until September 30, 2027, to carry out the
6 child care program in fiscal year 2022;

7 (ii) \$1,360,000,000, to remain avail-
8 able until September 30, 2027, to carry
9 out the child care program in fiscal year
10 2023; and

11 (iii) \$1,680,000,000 to remain avail-
12 able until September 30, 2027, to carry
13 out the child care program in fiscal year
14 2024.

15 (B) INDIAN TRIBE AND TRIBAL ORGANIZA-
16 TION ENTITLEMENT.—In addition to amounts
17 otherwise available, there is appropriated to the
18 Department of Health and Human Services,
19 out of any money in the Treasury not otherwise
20 appropriated, such sums as may be necessary
21 for each of fiscal years 2025 through 2027, for
22 payments to Indian Tribes and Tribal organiza-
23 tions, for the purpose of carrying out the child
24 care program described in this section (other
25 than carrying out activities described in para-

1 graph (4), (5), or (6)), consistent, to the extent
2 practicable as determined by the Secretary,
3 with the requirements applicable to States.

4 (3) TERRITORIES.—

5 (A) TERRITORY APPROPRIATIONS.—In ad-
6 dition to amounts otherwise available, there is
7 appropriated to the Department of Health and
8 Human Services for fiscal year 2022, out of any
9 money in the Treasury not otherwise appro-
10 priated, for grants to Guam, American Samoa,
11 the Commonwealth of the Northern Mariana Is-
12 lands, and the United States Virgin Islands for
13 the purpose of carrying out the child care pro-
14 gram described in this section (other than car-
15 rying out activities described in paragraph (4),
16 (5), or (6)), consistent, to the extent practicable
17 as determined by the Secretary, with the re-
18 quirements applicable to States—

19 (i) \$120,000,000, to remain available
20 until September 30, 2027, to carry out the
21 child care program in fiscal year 2022;

22 (ii) \$170,000,000, to remain available
23 until September 30, 2027, to carry out the
24 child care program in fiscal year 2023; and

1 (iii) \$210,000,000, to remain available
2 until September 30, 2027, to carry out the
3 child care program in fiscal year 2024.

4 (B) TERRITORY ENTITLEMENT.—In addi-
5 tion to amounts otherwise available, there is ap-
6 propriated to the Department of Health and
7 Human Services, out of any money in the
8 Treasury not otherwise appropriated, such sums
9 as may be necessary for each of fiscal years
10 2025 through 2027, for payments to territories,
11 for the purpose of carrying out the child care
12 program described in this section (other than
13 carrying out activities described in paragraph
14 (4), (5), or (6)), consistent, to the extent prac-
15 ticable as determined by the Secretary, with the
16 requirements applicable to States.

17 (4) GRANTS TO LOCALITIES.—In addition to
18 amounts otherwise available, there is appropriated to
19 the Department of Health and Human Services for
20 fiscal year 2022, out of any money in the Treasury
21 not otherwise appropriated—

22 (A) \$950,000,000, to remain available
23 until September 30, 2027, to carry out the pro-
24 gram of grants to localities described in sub-
25 section (i)(2) in fiscal year 2023;

1 (B) \$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 2024;

5 (C) \$950,000,000, to remain available
6 until September 30, 2027, to carry out the pro-
7 gram of grants to localities described in sub-
8 section (i)(2) in fiscal year 2025;

9 (D) \$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 2026; and

13 (E) \$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 2027.

17 (5) HEAD START EXPANSION IN NONPARTICI-
18 PATING STATES.—In addition to amounts otherwise
19 available, there is appropriated to the Department of
20 Health and Human Services for fiscal year 2022,
21 out of any money in the Treasury not otherwise ap-
22 propriated—

23 (A) \$2,850,000,000, 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 (i)(3) in fiscal year 2023;

3 (B) \$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 2024;

7 (C) \$2,850,000,000, to remain available
8 until September 30, 2027, to carry out the pro-
9 gram of awards to Head Start agencies de-
10 scribed in subsection (i)(3) in fiscal year 2025;

11 (D) \$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 2026;

15 and

16 (E) \$2,850,000,000, to remain available
17 until September 30, 2027, to carry out the pro-
18 gram of awards to Head Start agencies de-
19 scribed in subsection (i)(3) in fiscal year 2027.

20 (6) FEDERAL ADMINISTRATION.—

21 (A) FISCAL YEARS 2022 THROUGH 2025.—

22 In addition to amounts otherwise available,
23 there is appropriated to the Department of
24 Health and Human Services for fiscal year

1 2022, out of any money in the Treasury not
2 otherwise appropriated—

3 (i) \$130,000,000, to remain available
4 until September 30, 2027, to carry out
5 subsections (k) and (l) in fiscal year 2022;

6 (ii) \$130,000,000, to remain available
7 until September 30, 2027, to carry out
8 subsections (k) and (l) in fiscal year 2023;

9 (iii) \$130,000,000, to remain available
10 until September 30, 2027, to carry out
11 subsections (k) and (l) in fiscal year 2024;
12 and

13 (iv) \$130,000,000, to remain available
14 until September 30, 2027, to carry out
15 subsections (k) and (l) in fiscal year 2025.

16 (B) FISCAL YEARS 2026 THROUGH 2027.—

17 In addition to amounts otherwise available,
18 there is appropriated to the Department of
19 Health and Human Services, out of any money
20 in the Treasury not otherwise appropriated, for
21 each of fiscal years 2026 and 2027, an amount
22 equal to 1.06 percent of the prior year's appro-
23 priation under paragraph (1)(B), to carry out
24 subsections (k) and (l).

1 (d) ESTABLISHMENT OF BIRTH THROUGH FIVE
2 CHILD CARE AND EARLY LEARNING ENTITLEMENT PRO-
3 GRAM.—

4 (1) IN GENERAL.—The Secretary is authorized
5 to administer a child care and early learning entitle-
6 ment program under which an eligible child, in a
7 State, territory, or Indian Tribe, or served by a
8 Tribal organization, with an approved application
9 under subsection (f) or (g), shall be provided an op-
10 portunity to obtain high-quality child care services,
11 subject to the requirements of this section.

12 (2) ASSISTANCE FOR EVERY ELIGIBLE
13 CHILD.—Beginning on October 1, 2024, every child
14 who applies for assistance under this section, who is
15 in a State with an approved application under sub-
16 section (g), or in a territory or Indian Tribe or
17 served by a Tribal organization with an approved
18 application under subsection (f), and who is deter-
19 mined, by a lead agency (or other entity designated
20 by a lead agency) for the State, territory, Indian
21 Tribe, or Tribal organization involved, following
22 standards and procedures established by the Sec-
23 retary by rule, to be an eligible child, shall be offered
24 assistance for direct child care services in accordance

1 with and subject to the requirements and limitations
2 of this section.

3 (e) LEAD AGENCY.—The Governor of a State or the
4 head of a territory or Indian Tribe, desiring for the State,
5 territory, or Indian tribe or a related tribal organization
6 to receive a payment under this section, shall designate
7 a lead agency (such as a State agency or joint interagency
8 office) to administer the child care program carried out
9 under this section.

10 (f) APPLICATIONS AND STATE PLANS.—

11 (1) APPLICATION.—To be eligible to receive as-
12 sistance under this section, a State shall prepare
13 and submit to the Secretary for approval an applica-
14 tion containing a State plan that—

15 (A) for a transitional State plan, meets the
16 requirements under paragraph (3) and contains
17 such information as the Secretary may require,
18 to demonstrate the State will meet the require-
19 ments of this section; and

20 (B) for a full State plan, meets the re-
21 quirements under paragraph (4) and contains
22 that information.

23 (2) PERIOD COVERED BY PLAN.—A State plan
24 contained in the application shall be designed to be
25 implemented—

1 (A) for a transitional State plan, during a
2 period of not more than 3 years; and

3 (B) for a full State plan, during a period
4 of not more than 3 years.

5 (3) REQUIREMENTS FOR TRANSITIONAL STATE
6 PLANS.—For a period of not more than 3 years fol-
7 lowing the date of enactment of this Act, the Sec-
8 retary shall award funds under this section to States
9 with an approved application that contains a transi-
10 tional State plan, submitted under paragraph (1)(A)
11 at such time, in such manner, and containing such
12 information as the Secretary shall require, including,
13 at a minimum—

14 (A) an assurance that the State will sub-
15 mit a State plan under paragraph (4); and

16 (B) a description of how the funds received
17 by the State under this section will be spent to
18 expand access to assistance for direct child care
19 services and increase the supply and quality of
20 child care providers within the State, in align-
21 ment with the requirements of this section.

22 (4) REQUIREMENTS FOR FULL STATE PLANS.—
23 The Secretary shall award funds under this section
24 to States with an approved application that contains
25 a full State plan, submitted under paragraph (1)(B),

1 at such time, in such manner, and containing such
2 information as the Secretary shall by rule require,
3 including, at a minimum, the following:

4 (A) PAYMENT RATES AND COST ESTI-
5 MATION.—

6 (i) PAYMENT RATES.—The State plan
7 shall certify that payment rates for the
8 provision of direct child care services for
9 which assistance is provided in accordance
10 with this section for the period covered by
11 the plan, within 3 years after the State
12 first receives funds under this section—

13 (I) will be sufficient to meet the
14 cost of child care, and set in accord-
15 ance with a cost estimation model or
16 cost study described in clause (ii) that
17 is approved by the Secretary; and

18 (II) will correspond to differences
19 in quality (including improved quality)
20 based on the State's tiered system for
21 measuring the quality of eligible child
22 care providers described in subpara-
23 graph (B).

24 (ii) COST ESTIMATION.—Such State
25 plan shall—

1 (I) demonstrate that the State
2 has, after consulting with relevant en-
3 tities and stakeholders, developed and
4 uses a statistically valid and reliable
5 cost estimation model or cost study
6 for the payment rates for direct child
7 care services in the State that reflect
8 rates for providers at each of the tiers
9 of the State's tiered system for meas-
10 uring the quality of eligible child care
11 providers described in subparagraph
12 (B), and variations in the cost of di-
13 rect child care services by geographic
14 area, type of provider, and age of
15 child, and the additional costs associ-
16 ated with providing inclusive care;

17 (II) certify that the State's pay-
18 ment rates for direct child care serv-
19 ices for which assistance is provided
20 in accordance with this section—

21 (aa) are set in accordance
22 with the most recent estimates
23 from the most recent cost esti-
24 mation model or cost study under
25 subclause (I), so that providers

1 at each tier of the tiered system
2 for measuring provider quality
3 described in subparagraph (B)
4 receive a payment that is suffi-
5 cient to meet the requirements of
6 such tier;

7 (bb) are set so as to provide
8 payments to providers not at the
9 top tier of the tiered system that
10 are sufficient to enable the pro-
11 viders to increase quality to meet
12 the requirements for the next
13 tier;

14 (cc) ensure adequate wages
15 for staff of child care providers
16 providing such direct child care
17 services that—

18 (AA) at a minimum,
19 provide a living wage for all
20 staff of such child care pro-
21 viders; and

22 (BB) are equivalent to
23 wages for elementary edu-
24 cators with similar creden-

1 tials and experience in the
2 State; and

3 (dd) are adjusted on an an-
4 nual basis for cost of living in-
5 creases to ensure those payment
6 rates remain sufficient to meet
7 the requirements of this section;
8 and

9 (III) certify that the State will
10 update, not less often than once every
11 3 years, the cost estimation model or
12 cost study described in subclause (I).

13 (iii) PAYMENT PRACTICES.—Such
14 State plan shall include an assurance that
15 the State will implement payment practices
16 that support the fixed costs of providing
17 direct child care services.

18 (B) TIERED SYSTEM FOR MEASURING THE
19 QUALITY OF ELIGIBLE CHILD CARE PRO-
20 VIDERS.—Such State plan shall certify that the
21 State has implemented, or assure that the State
22 will implement within 3 years after first receiv-
23 ing funds under this section, a tiered system for
24 measuring the quality of eligible child care pro-
25 viders who provide child care services for which

1 assistance is made available under this section.

2 Such tiered system shall—

3 (i) include a set of standards, for de-
4 termining the tier of quality of a child care
5 provider, that—

6 (I) uses standards for a highest
7 tier that at a minimum are equivalent
8 to Head Start program performance
9 standards described in section
10 641A(a)(1)(B) of the Head Start Act
11 (42 U.S.C. 9836a(a)(1)(B)) or other
12 equivalent evidence-based standards
13 approved by the Secretary; and

14 (II) includes quality indicators
15 and thresholds that are appropriate
16 for child development in different
17 types of child care provider settings,
18 including child care centers and the
19 settings of family child care providers,
20 and are appropriate for providers
21 serving different age groups (includ-
22 ing mixed age groups) of children;

23 (ii) include a different set of stand-
24 ards that includes indicators, when appro-

1 priate, for care during nontraditional hours
2 of operation; and

3 (iii) provide for sufficient resources
4 and supports for child care providers at
5 tiers lower than the highest tier to facili-
6 tate progression toward meeting higher
7 quality standards.

8 (C) ACHIEVING HIGH QUALITY FOR ALL
9 CHILDREN.—Such State plan shall certify the
10 State has implemented, or will implement with-
11 in 3 years after first receiving funds under this
12 section, policies and financing practices that
13 will ensure all eligible children can choose to at-
14 tend child care at the highest quality tier within
15 6 years after the date of enactment of this Act.

16 (D) COMPENSATION.—Such plan shall pro-
17 vide a certification that the State has or will
18 have within 3 years after first receiving funds
19 under this section, a wage ladder for staff of el-
20 igible child care providers receiving assistance
21 under this section, including a certification that
22 wages for such staff, at a minimum, will meet
23 the requirements of subparagraph
24 (A)(ii)(II)(cc).

1 (E) SLIDING FEE SCALE FOR COPAY-
2 MENTS.—

3 (i) IN GENERAL.—Except as provided
4 in clause (ii)(I), the State plan shall pro-
5 vide an assurance that the State will for
6 the period covered by the plan use a slid-
7 ing fee scale described in clause (ii) to de-
8 termine a copayment for a family receiving
9 assistance under this section (or, for a
10 family receiving part-time care, a reduced
11 copayment that is the proportionate
12 amount of the full copayment).

13 (ii) SLIDING FEE SCALE.—A full co-
14 payment described in clause (i) shall use a
15 sliding fee scale that provides that, for a
16 family with a family income—

17 (I) of not more than 75 percent
18 of State median income for a family
19 of the same size, the family shall not
20 pay a copayment, toward the cost of
21 the child care involved for all eligible
22 children in the family;

23 (II) of more than 75 percent but
24 not more than 100 percent of State
25 median income for a family of the

1 same size, the copayment shall be
2 more than 0 but not more than 2 per-
3 cent of that family income, toward
4 such cost for all such children;

5 (III) of more than 100 percent
6 but not more than 125 percent of
7 State median income for a family of
8 the same size, the copayment shall be
9 more than 2 but not more than 4 per-
10 cent of that family income, toward
11 such cost for all such children;

12 (IV) of more than 125 percent
13 but not more than 150 percent of
14 State median income for a family of
15 the same size, the copayment shall be
16 more than 4 but not more than 7 per-
17 cent of that family income, toward
18 such cost for all such children; and

19 (V) of more than 150 percent but
20 not more than 250 percent of the
21 State median income for a family of
22 the same size, the copayment shall be
23 7 percent of that family income, to-
24 ward such cost for all such children.

1 (F) PROHIBITION ON CHARGING MORE
2 THAN COPAYMENT.—The State plan shall cer-
3 tify that the State will not permit a child care
4 provider receiving financial assistance under
5 this section to charge, for child care for an eli-
6 gible child, more than the total of—

7 (i) the financial assistance provided
8 for the child under this section; and

9 (ii) any applicable copayment pursu-
10 ant to subparagraph (E).

11 (G) ELIGIBILITY.—The State plan shall
12 assure that each child who receives assistance
13 under this section will be considered to meet all
14 eligibility requirements for such assistance, and
15 will receive such assistance, for not less than 12
16 months unless the child has aged out of the
17 program, and the child’s eligibility determina-
18 tion and redetermination, including any deter-
19 mination based on the State’s definition of eligi-
20 ble activities, shall be implemented in a manner
21 that supports child well-being and reduces bar-
22 riers to enrollment, including continuity of serv-
23 ices.

24 (H) POLICIES TO SUPPORT ACCESS TO
25 CHILD CARE FOR UNDERSERVED POPU-

1 LATIONS.—The State plan shall demonstrate
2 that the State will prioritize increasing access
3 to, and the quality and the supply of, child care
4 in the State for underserved populations, in-
5 cluding at a minimum, low-income children,
6 children in underserved areas, infants and tod-
7 dlers, children with disabilities and infants and
8 toddlers with disabilities, children who are dual
9 language learners, children experiencing home-
10 lessness, children in foster or kinship care, chil-
11 dren who receive care during nontraditional
12 hours, and vulnerable children as defined by the
13 lead agency pursuant to subsection
14 (b)(4)(A)(iv)(II).

15 (I) POLICIES.—The State plan shall in-
16 clude a certification that the State will apply,
17 under this section, the policies and procedures
18 described in subparagraphs (A), (B), (I), (J),
19 (K)(i), (R), and (U) of section 658E(c)(2) of
20 the Child Care and Development Block Grant
21 Act of 1990 (42 U.S.C. 9858c(c)(2)), and the
22 policies and procedures described in section
23 658H of such Act (42 U.S.C. 9858f), to child
24 care services provided under this section.

1 (J) LICENSING.—The State plan shall
2 demonstrate that the State has consulted or will
3 consult with organizations (including labor or-
4 ganizations) representing child care directors,
5 teachers, or other staff, early childhood edu-
6 cation and development experts, and families to
7 develop, within 2.5 years after first receiving
8 funds under this section, licensing standards
9 appropriate for child care providers and a path-
10 way to such licensure that is available to and
11 appropriate for child care providers in a variety
12 of settings, that will offer providers eligible
13 under the Child Care and Development Block
14 Grant Act of 1990 a reasonable pathway to be-
15 come eligible providers under this section, and
16 that will assure an adequate supply of child
17 care. Such plan shall describe the timeline the
18 State will use to ensure sufficient time for pro-
19 viders described in subsection (b)(5)(B) to com-
20 ply with such licensing standards in order to re-
21 main eligible providers after 3.5 years after the
22 State first receives funding under this section.

23 (g) PAYMENTS.—

24 (1) PAYMENTS FOR FISCAL YEARS 2022
25 THROUGH 2024.—

1 (A) DEFINITIONS.—For purposes of this
2 paragraph—

3 (i) the term “State” means the 50
4 States, the District of Columbia, and the
5 Commonwealth of Puerto Rico; and

6 (ii) the term “territory” means Guam,
7 American Samoa, the Commonwealth of
8 the Northern Mariana Islands, and the
9 United States Virgin Islands.

10 (B) ALLOTMENTS.—For each of fiscal
11 years 2022 through 2024, the Secretary shall,
12 from the amount appropriated under subsection
13 (c)(1)(A) for such fiscal year, make allotments
14 to each State with an application approved
15 under subsection (f) in the same manner as the
16 Secretary makes such allotments using the for-
17 mula under section 6580(b) of the Child Care
18 and Development Block Grant Act of 1990 (42
19 U.S.C. 9858m(b)).

20 (C) PAYMENTS.—

21 (i) INDIAN TRIBES AND TRIBAL ORGA-
22 NIZATIONS.—

23 (I) IN GENERAL.—For each of
24 fiscal years 2022 through 2024, from
25 the amount appropriated for Indian

1 Tribes and Tribal organizations under
2 subsection (c)(2)(A), the Secretary
3 shall make payments to Indian Tribes
4 and Tribal organizations with an ap-
5 plication approved under subclause
6 (II), and the Tribes and Tribal orga-
7 nizations shall be entitled to such pay-
8 ments for the purpose of carrying out
9 the child care program described in
10 this section, consistent, to the extent
11 practicable as determined by the Sec-
12 retary, with the requirements applica-
13 ble to States.

14 (II) APPLICATIONS.—An Indian
15 Tribe or Tribal organization seeking a
16 payment under this clause shall sub-
17 mit an application to the Secretary at
18 such time, in such manner, and con-
19 taining such information as the Sec-
20 retary may specify, including an
21 agreement to provide reports under
22 subsection (j)(7).

23 (III) SPECIAL RULE.—The Sec-
24 retary shall determine eligibility cri-
25 teria for children from Indian tribes

1 who are less than 6 years of age and
2 not yet in kindergarten, which eligi-
3 bility criteria shall not be more strin-
4 gent than the eligibility criteria under
5 subsection (b)(4)(A).

6 (ii) TERRITORIES.—

7 (I) IN GENERAL.—For each of
8 fiscal years 2022 through 2024, from
9 the amount appropriated for terri-
10 tories under subsection (c)(3)(A), the
11 Secretary shall make payments to the
12 territories with an application ap-
13 proved under subclause (II), and the
14 territories shall be entitled to such
15 payments, for the purpose of carrying
16 out the child care program described
17 in this section, consistent, to the ex-
18 tent practicable as determined by the
19 Secretary, with the requirements ap-
20 plicable to States.

21 (II) APPLICATIONS.—A territory
22 seeking a payment under this clause
23 shall submit an application to the Sec-
24 retary at such time, in such manner,
25 and containing such information as

1 the Secretary may specify, including
2 an agreement to provide reports under
3 subsection (j)(7).

4 (iii) STATES.—For each of fiscal years
5 2022 through 2024, each State that has
6 an application approved under subsection
7 (f) shall be entitled to a payment under
8 this clause in the amount equal to its allot-
9 ment under subparagraph (B) for such fis-
10 cal year.

11 (D) AUTHORITIES.—

12 (i) FISCAL YEARS 2022 THROUGH
13 2024.—Notwithstanding any other provi-
14 sion of this paragraph, for each of fiscal
15 years 2022 through 2024, the Secretary
16 shall have the authority—

17 (I) to reallocate funds that were al-
18 lotted under subparagraph (B) from
19 any State without an approved appli-
20 cation under subsection (f) by the
21 date required by the Secretary, to
22 States with an approved application
23 under that subsection; and

24 (II) to reallocate any amounts avail-
25 able for payments under subpara-

1 graph (C) that the Secretary elected
2 to allot for—

3 (aa) an Indian Tribe or
4 Tribal organization without an
5 approved application under sub-
6 paragraph (C)(i)(II) by the date
7 required by the Secretary, to
8 Tribes or Tribal organizations
9 with such an approved applica-
10 tion; and

11 (bb) any territory without
12 an approved application under
13 subparagraph (C)(ii)(II) by the
14 date required by the Secretary, to
15 territories with such an approved
16 application.

17 (ii) FISCAL YEAR 2025.—Notwith-
18 standing any other provision of this sec-
19 tion, on October 1, 2024, the Secretary
20 shall have the authority to reallocate funds
21 from payments made under subparagraph
22 (C) that are unobligated on such date, to
23 any entity without such unobligated funds
24 that is a State with an approved applica-
25 tion under subsection (f), an Indian Tribe

1 or Tribal organization with an approved
2 application under subparagraph (C)(i)(II),
3 or a territory with an approved application
4 under subparagraph (C)(ii)(II), to carry
5 out the purposes of this section.

6 (2) PAYMENTS FOR FISCAL YEARS 2025
7 THROUGH 2027.—

8 (A) IN GENERAL.—For each of fiscal years
9 2025 through 2027:

10 (i) CHILD CARE ASSISTANCE FOR ELI-
11 GIBLE CHILDREN.—

12 (I) IN GENERAL.—The Secretary
13 shall pay to each State with an ap-
14 proved application under subsection
15 (f), and that State shall be entitled to,
16 an amount for each quarter equal to
17 95.440 percent of expenditures (which
18 shall be the Federal share of such ex-
19 penditures) in the quarter for direct
20 child care services described under
21 subsection (h)(2)(B) for eligible chil-
22 dren.

23 (II) EXCEPTION.—Funds re-
24 served from the total under subsection

1 (h)(2)(C) shall be subject to clause
2 (ii).

3 (III) PROHIBITION.—Activities
4 described in clause (ii) and clause (iii)
5 may not be included in the cost of di-
6 rect child care services described in
7 this clause.

8 (ii) ACTIVITIES TO IMPROVE THE
9 QUALITY AND SUPPLY OF CHILD CARE
10 SERVICES.—The Secretary shall pay to
11 each State with such an approved applica-
12 tion, and that State shall be entitled to, an
13 amount equal to the product of 1.06045
14 and the FMAP of expenditures (which
15 product shall be the Federal share of such
16 expenditures) to carry out activities to im-
17 prove the quality and supply of child care
18 services under subsection (h)(2)(C) subject
19 to the limit specified in clause (i) of such
20 subsection.

21 (iii) ADMINISTRATION.—The Sec-
22 retary shall pay to each State with such an
23 approved application, and that State shall
24 be entitled to, an amount equal to 53.022
25 percent of expenditures (which shall be the

1 Federal share of such expenditures) for the
2 costs of administration incurred by the
3 State—

4 (I) which shall include costs in-
5 curred by the State in carrying out
6 the child care program established in
7 this section; and

8 (II) which may include, at the
9 option of the State, costs associated
10 with carrying out requirements, poli-
11 cies, and procedures described in sec-
12 tion 658H of the Child Care and De-
13 velopment Block Grant Act of 1990
14 (42 U.S.C. 9858f).

15 (B) ADVANCE PAYMENT; RETROSPECTIVE
16 ADJUSTMENT.—For each of fiscal years 2025
17 through 2027, the Secretary shall make pay-
18 ments under this paragraph for a period on the
19 basis of advance estimates of expenditures sub-
20 mitted by the State and such other investiga-
21 tion as the Secretary may find necessary, and
22 shall reduce or increase the payments as nec-
23 essary to adjust for any overpayment or under-
24 payment for previous periods. No interest shall
25 be charged or paid on any amount due because

1 of an overpayment or underpayment for pre-
2 vious periods.

3 (C) TERRITORIES AND TRIBES.—For each
4 of fiscal years 2025 through 2027, from the
5 amounts appropriated under paragraph (2)(B)
6 or (3)(B) of subsection (c) the Secretary shall
7 make payments to territories, and Indian
8 Tribes and Tribal organizations, as the case
9 may be, with applications submitted as de-
10 scribed in paragraph (1), and approved by the
11 Secretary for the purpose of carrying out the
12 child care program described in this section,
13 consistent, to the extent practicable as deter-
14 mined by the Secretary (subject to subsection
15 (d)(2)), with the requirements applicable to
16 States. The Secretary shall make the payments
17 to such territories, Indian Tribes, and Tribal
18 organizations on the basis of their relative need.
19 Each entity that is such a territory, Indian
20 Tribe, or Tribal organization shall be entitled to
21 such a payment as may be necessary to carry
22 out the activities described in subsection (h)(2),
23 and to pay for the costs of administration in-
24 curred by the entity, which shall include costs
25 incurred by the entity in carrying out the child

1 care program, and which may include, at the
2 option of the entity, costs associated with car-
3 rying out requirements, policies, and procedures
4 described in section 658H of the Child Care
5 and Development Block Grant Act of 1990.

6 (h) USE OF FUNDS.—

7 (1) USE OF FUNDS FOR FISCAL YEARS 2022
8 THROUGH 2024.—For each of fiscal years 2022
9 through 2024, a State (as defined in subsection
10 (g)(1)) that receives a payment under subsection
11 (g)(1) shall use such payment for—

12 (A) assistance for direct child care serv-
13 ices, which shall consist only of—

14 (i) assistance for direct child care
15 services for eligible children through grants
16 and contracts, and child care certificates;

17 (ii) increasing child care provider pay-
18 ment rates to support the cost of providing
19 high-quality direct child care services, in-
20 cluding rates sufficient to support in-
21 creased wages for staff of eligible child
22 care providers; and

23 (iii) waiving or reducing copayments,
24 to ensure that the families of children re-
25 ceiving assistance under this section do not

1 pay more than 7 percent of family income
2 toward the cost of the child care involved
3 for all eligible children in the family;

4 (B) activities described in paragraph
5 (2)(C), without regard to the requirement in
6 clause (i)(I) of such paragraph or to the ref-
7 erences to a quality child care amount in such
8 paragraph; and

9 (C) costs of administration incurred by the
10 State, which shall include the costs described in
11 subclause (I) of subsection (g)(2)(A)(iii) and
12 may, at the option of the State, include the
13 costs described in subclause (II) of such sub-
14 section.

15 (2) USE OF FUNDS FOR FISCAL YEARS 2025
16 THROUGH 2027.—

17 (A) IN GENERAL.—Starting on October 1,
18 2024, a State shall use amounts provided to the
19 State under subsection (g)(2) for direct child
20 care services (provided on a sliding fee scale
21 basis), activities to improve the quality and sup-
22 ply of child care services consistent with para-
23 graph (C), and State administration consistent
24 with subsection (g)(2)(A)(iii).

1 (B) CHILD CARE ASSISTANCE FOR ELIGI-
2 BLE CHILDREN.—

3 (i) IN GENERAL.—For each of fiscal
4 years 2025 through 2027, from payments
5 made to the State under subsection (g)(2)
6 for that particular fiscal year, the State
7 shall ensure that parents of eligible chil-
8 dren can access direct child care services
9 provided by an eligible child care provider
10 under this section through a grant or con-
11 tract as described in clause (ii) or a certifi-
12 cate as described in clause (iii).

13 (ii) GRANTS AND CONTRACTS.—The
14 State shall award grants or contracts to el-
15 igible child care providers, consistent with
16 the requirements under this section, for
17 the provision of child care services for eli-
18 gible children under this section that, at a
19 minimum—

20 (I) support providers' operating
21 expenses to meet and sustain health,
22 safety, quality, and wage standards
23 required under this section; and

1 (II) address underserved popu-
2 lations described in subsection
3 (f)(4)(H).

4 (iii) CERTIFICATES.—The State shall
5 issue a child care certificate directly to a
6 parent who shall use such certificate only
7 as payment for direct child care services or
8 as a deposit for direct child care services if
9 such a deposit is required of other children
10 being cared for by the provider, consistent
11 with the requirements under this section.

12 (C) ACTIVITIES TO IMPROVE THE QUALITY
13 AND SUPPLY OF CHILD CARE SERVICES.—

14 (i) QUALITY CHILD CARE ACTIVI-
15 TIES.—

16 (I) AMOUNT.—For each of fiscal
17 years 2025 through 2027, from the
18 total of the payments made to the
19 State for a particular fiscal year, the
20 State shall reserve and use a quality
21 child care amount equal to not less
22 than 5 percent and not more than 10
23 percent of the amount made available
24 to the State through such payments
25 for the previous fiscal year.

1 (II) USE OF QUALITY CHILD
2 CARE AMOUNT.—Each State shall use
3 the quality child care amount de-
4 scribed in subclause (I) to implement
5 activities described in this subpara-
6 graph to improve the quality and sup-
7 ply of child care services by eligible
8 child care providers, and increase the
9 number of available slots in the State
10 for child care services funded under
11 this section, prioritizing assistance for
12 child care providers who are in under-
13 served communities and who are pro-
14 viding, or are seeking to provide, child
15 care services for underserved popu-
16 lations identified in subsection
17 (f)(4)(H).

18 (III) ADMINISTRATION.—Activi-
19 ties funded under this subparagraph
20 may be administered—

21 (aa) directly by the lead
22 agency; or

23 (bb) through other State
24 government agencies, local or re-
25 gional child care resource and re-

1 ferral organizations, community
2 development financial institu-
3 tions, other intermediaries with
4 experience supporting child care
5 providers, or other appropriate
6 entities that enter into a contract
7 with the State to provide such
8 assistance.

9 (ii) QUALITY AND SUPPLY ACTIVI-
10 TIES.—Activities funded under the quality
11 child care amount described in clause (i)
12 shall include each of the following:

13 (I) STARTUP GRANTS AND SUP-
14 PLY EXPANSION GRANTS.—

15 (aa) IN GENERAL.—From a
16 portion of the quality child care
17 amount, a State shall make start-
18 up and supply expansion grants
19 to support child care providers
20 who are providing, or seeking to
21 provide, child care services to
22 children receiving assistance
23 under this section, with priority
24 for providers providing or seeking
25 to provide child care in under-

1 served communities and for un-
2 derserved populations identified
3 in subsection (f)(4)(H), to—

4 (AA) support startup
5 and expansion costs; and

6 (BB) assist such pro-
7 viders in meeting health and
8 safety requirements, achiev-
9 ing licensure, and meeting
10 requirements in the State's
11 tiered system for measuring
12 the quality of eligible child
13 care providers.

14 (bb) REQUIREMENT.—As a
15 condition of receiving a startup
16 or supply expansion grant under
17 this subclause, a child care pro-
18 vider shall commit to meeting the
19 requirements of an eligible pro-
20 vider under this section, and pro-
21 viding child care services to chil-
22 dren receiving assistance under
23 this section on an ongoing basis.

24 (II) QUALITY GRANTS.—From a
25 portion of the quality child care

1 amount, a State shall provide quality
2 grants to support eligible child care
3 providers in providing child care serv-
4 ices to children receiving assistance
5 under this section to improve the
6 quality of such providers, including—

7 (aa) supporting such pro-
8 viders in meeting or making
9 progress toward the requirements
10 for the highest tier of the State’s
11 tiered system for measuring the
12 quality of eligible child care pro-
13 viders under subsection (f)(4)(B);
14 and

15 (bb) supporting such pro-
16 viders in sustaining child care
17 quality, including supporting in-
18 creased wages for staff and sup-
19 porting payment of fixed costs.

20 (III) FACILITIES GRANTS.—

21 (aa) IN GENERAL.—From a
22 portion of the quality child care
23 amount, a State shall provide
24 support, including through
25 awarding facilities grants, for re-

1 modeling, renovation, or repair of
2 a building or facility to the ex-
3 tent permitted under section
4 658F(b) of the Child Care and
5 Development Block Grant Act of
6 1990 (42 U.S.C. 9858).

7 (bb) ADDITIONAL USES.—
8 For fiscal years 2022 through
9 2024, and in subsequent years
10 with approval from the Secretary,
11 a State may award such facilities
12 grants for construction, perma-
13 nent improvement, or major ren-
14 ovation of a building or facility
15 primarily used for providing di-
16 rect child care services, in ac-
17 cordance with the following:

18 (AA) Federal interest
19 provisions will not apply to
20 the renovation or rebuilding
21 of privately-owned family
22 child care homes under this
23 subclause.

24 (BB) Eligible child care
25 providers may not use funds

1 for buildings or facilities
2 that are used primarily for
3 sectarian instruction or reli-
4 gious worship.

5 (CC) The Secretary
6 shall develop parameters on
7 the use of funds under this
8 subclause for family child
9 care homes.

10 (DD) The Secretary
11 shall not retain Federal in-
12 terest after a period of 10
13 years in any facility built,
14 renovated, or repaired with
15 funds awarded under this
16 subclause.

17 (IV) LIMITATION.—For purposes
18 of subclause (III), the Secretary shall
19 not—

20 (aa) enter into any agree-
21 ment related to funds for activi-
22 ties carried out under subclause
23 (III)—

1 (AA) that is for a term
2 extending beyond September
3 30, 2031; and

4 (BB) under which any
5 payment could be outlaid
6 after September 30, 2031;
7 or

8 (bb) use any other funds
9 available to the Secretary, other
10 than funds provided under this
11 section, to satisfy obligations ini-
12 tially made for activities carried
13 out under subclause (III).

14 (V) STATE ACTIVITIES TO IM-
15 PROVE THE QUALITY OF CHILD CARE
16 SERVICES.—A State shall use a por-
17 tion of the quality child care amount
18 to improve the quality of child care
19 services available for this program,
20 which shall include—

21 (aa) supporting the training
22 and professional development of
23 the early childhood workforce, in-
24 cluding supporting degree attain-

1 ment and credentialing for early
2 childhood educators;

3 (bb) developing, imple-
4 menting, or enhancing the
5 State's tiered system for meas-
6 uring the quality of eligible child
7 care providers under subsection
8 (f)(4)(B);

9 (cc) improving the supply
10 and quality of developmentally
11 appropriate and inclusive child
12 care programs and services for
13 underserved populations de-
14 scribed in subsection (f)(4)(H);

15 (dd) improving access to
16 child care services for vulnerable
17 children as defined by the lead
18 agency pursuant to subsection
19 (b)(4)(A)(iv)(II); and

20 (ee) providing outreach and
21 enrollment support for families of
22 eligible children.

23 (VI) TECHNICAL ASSISTANCE.—

24 From a portion of the quality child
25 care amount, the State shall provide

1 technical assistance to increase the
2 supply and quality of eligible child
3 care providers who are providing, or
4 seeking to provide, child care services
5 to children receiving assistance under
6 this section, including providing sup-
7 port to enable providers to achieve li-
8 censure.

9 (i) GRANTS TO LOCALITIES AND AWARDS TO HEAD
10 START PROGRAMS.—

11 (1) ELIGIBLE LOCALITY DEFINED.—In this
12 subsection, the term “eligible locality” means a city,
13 county, or other unit of general local government.

14 (2) GRANTS TO LOCALITIES.—

15 (A) IN GENERAL.—The Secretary shall use
16 funds appropriated under subsection (c)(4) to
17 award local Birth Through Five Child Care and
18 Early Learning Grants, in accordance with
19 rules established by the Secretary, to eligible lo-
20 calities located in States that have not received
21 payments under subsection (g). The Secretary
22 shall award the grants to eligible localities in
23 such a State from the allotment made for that
24 State under subparagraph (B).

25 (B) ALLOTMENTS.—

1 (i) POVERTY LINE DEFINED.—In this
2 subparagraph, the term “poverty line”
3 means the poverty line defined and revised
4 as described in section 673 of the Commu-
5 nity Services Block Grant Act (42 U.S.C.
6 9902).

7 (ii) GENERAL AUTHORITY.—For each
8 State described in subparagraph (A), the
9 Secretary shall allot for the State for a fis-
10 cal year an amount that bears the same re-
11 lationship to the funds appropriated under
12 subsection (c)(4) for the fiscal year as the
13 number of children from families with fam-
14 ily incomes that are below 200 percent of
15 the poverty line, and who are under the
16 age of 6, in the State bears to the total
17 number of all such children in all States
18 described in subparagraph (A).

19 (C) APPLICATION.—To receive a grant
20 from the corresponding State allotment under
21 subparagraph (B), an eligible locality shall sub-
22 mit an application to the Secretary at such
23 time, in such manner, and containing such in-
24 formation as the Secretary may require. The re-
25 quirements for the application shall, to the

1 greatest extent practicable, be consistent with
2 the State plan requirements applicable to States
3 under subsection (f).

4 (D) REQUIREMENTS.—The Secretary shall
5 specify the requirements for an eligible locality
6 to provide access to child care, which child care
7 requirements shall, to the greatest extent prac-
8 ticable, be consistent with the requirements ap-
9 plicable to States under this section.

10 (E) RECOUPMENT OF UNUSED FUNDS.—
11 Notwithstanding any other provision of this sec-
12 tion, for each of fiscal years 2023 through
13 2027, the Secretary shall have the authority to
14 recoup any unused funds allotted under sub-
15 paragraph (B) for awards under paragraph
16 (3)(A) to Head Start agencies in accordance
17 with paragraph (3).

18 (3) HEAD START EXPANSION IN NONPARTICI-
19 PATING STATES.—

20 (A) IN GENERAL.—The Secretary shall use
21 funds appropriated under subsection (c)(5) or
22 recouped under paragraph (2) to make awards
23 to Head Start agencies in a State described in
24 paragraph (2)(A) to carry out the purposes of
25 the Head Start Act in such State.

1 (B) RULE.—For purposes of carrying out
2 the Head Start Act in circumstances not involv-
3 ing awards under this paragraph, funds award-
4 ed under subparagraph (A) shall not be in-
5 cluded in the calculation of a “base grant” as
6 such term is defined in section 640(a)(7)(A) of
7 the Head Start Act (42 U.S.C. 9835(a)(7)(A)).

8 (C) DEFINITION.—In this paragraph, the
9 term “Head Start agency” means an entity des-
10 ignated or eligible to be designated as a Head
11 Start agency under section 641(a)(1) of the
12 Head Start Act or as an Early Head Start
13 agency (by receiving a grant) under section
14 645A(a) of such Act.

15 (4) PRIORITY FOR SERVING UNDERSERVED
16 POPULATIONS.—In making determinations to award
17 a grant or make an award under this subsection, the
18 Secretary shall give priority to entities serving a
19 high percentage of individuals from underserved
20 populations described in subsection (f)(4)(H).

21 (j) PROGRAM REQUIREMENTS.—

22 (1) NONDISCRIMINATION.—The following provi-
23 sions of law shall apply to any program or activity
24 that receives funds provided under this section:

1 (A) Title IX of the Education Amendments
2 of 1972.

3 (B) Title VI of the Civil Rights Act of
4 1964.

5 (C) Section 504 of the Rehabilitation Act
6 of 1973.

7 (D) The Americans with Disabilities Act of
8 1990.

9 (E) Section 654 of the Head Start Act.

10 (2) PROHIBITION ON ADDITIONAL ELIGIBILITY
11 REQUIREMENTS.—No individual shall be determined,
12 by the Secretary, a State, or another recipient of
13 funds under this section, to be ineligible for child
14 care services provided under this section, except on
15 the basis of eligibility requirements specified in or
16 under this section.

17 (3) MAINTENANCE OF EFFORT.—

18 (A) IN GENERAL.—A State that receives
19 payments under this section for a fiscal year, in
20 using the funds made available through the
21 payments, shall maintain the expenditures of
22 the State for child care services at the average
23 level of such expenditures by the State for the
24 3 preceding fiscal years.

1 (B) COUNTING RULE.—State expenditures
2 counted for purposes of meeting the require-
3 ment in subparagraph (A) may also be counted
4 for purposes of meeting the requirement to pro-
5 vide a non-Federal share under clause (i), (ii),
6 or (iii), as appropriate, of subsection (g)(2)(A).

7 (4) SUPPLEMENT NOT SUPPLANT.—Funds re-
8 ceived under this section shall be used to supplement
9 and not supplant other Federal, State, and local
10 public funds expended to provide child care services
11 in the State on the date of enactment of this Act,
12 calculated as the average amount of such Federal,
13 State, and local public funds expended for fiscal
14 years 2019, 2020, and 2021.

15 (5) ALLOWABLE SOURCES OF NON-FEDERAL
16 SHARE.—For purposes of providing the non-Federal
17 share required under subsection (g)(2), a State’s
18 non-Federal share—

19 (A) for direct child care services described
20 in subsection (g)(2)(A)(i)—

21 (i) shall not include contributions
22 being used as a non-Federal share or
23 match for another Federal award; and

24 (ii) shall be provided from State or
25 local sources, contributions from philan-

1 thropy or other private organizations, or a
2 combination of such sources and contribu-
3 tions; and

4 (B) for activities to improve the quality
5 and supply of child care services described in
6 subsection (g)(2)(A)(ii), and administration de-
7 scribed in subsection (g)(2)(A)(iii)—

8 (i) shall not include contributions
9 being used as a non-Federal share or
10 match for another Federal award;

11 (ii) shall be provided from State or
12 local sources, contributions from philan-
13 thropy or other private organizations, or a
14 combination of such sources and contribu-
15 tions; and

16 (iii) may be in cash or in kind, fairly
17 evaluated, including facilities or property,
18 equipment, or services.

19 (6) INFORMATION FOR DETERMINATIONS.—For
20 purposes of determinations of participation in an eli-
21 gible activity, the provision of information for such
22 determinations by Federal agencies other than the
23 Department of Health and Human Services shall not
24 be required.

1 (7) REPORTS.—A State, Indian Tribe, Tribal
2 organization, or territory receiving funds under this
3 section shall provide to the Secretary such periodic
4 reports, providing a detailed accounting of the uses
5 of the funds received under this section, as the Sec-
6 retary may require for the administration of this
7 section. The State, Indian Tribe, Tribal organiza-
8 tion, or territory shall begin to provide the reports
9 beginning not later than 60 days after its initial re-
10 ceipt of a payment under subsection (g)(1).

11 (k) MONITORING AND ENFORCEMENT.—

12 (1) REVIEW OF COMPLIANCE WITH REQUIRE-
13 MENTS AND STATE PLAN.—The Secretary shall re-
14 view and monitor compliance of States, territories,
15 Tribal entities, and local entities with this section
16 and State compliance with the plan described in sub-
17 section (f)(4).

18 (2) ISSUANCE OF RULE.—The Secretary shall
19 establish by rule procedures for—

20 (A) receiving, processing, and determining
21 the validity of complaints or findings concerning
22 any failure of a State to comply with the State
23 plan or any other requirement of this section;

24 (B) notifying a State when the Secretary
25 has determined there has been a failure by the

1 State to comply with a requirement of this sec-
2 tion; and

3 (C) imposing sanctions under this sub-
4 section for such a failure.

5 (l) FEDERAL ADMINISTRATION.—Using funds re-
6 served under subsection (c)(6), the Secretary shall carry
7 out administration of this section, shall provide (including
8 through the use of grants or cooperative agreements) tech-
9 nical assistance to States, territories, Indian Tribes, and
10 Tribal organizations, and shall carry out research, and
11 evaluations related to this section.

12 (m) TRANSITION PROVISIONS.—

13 (1) TREATMENT OF CHILD CARE AND DEVEL-
14 OPMENT BLOCK GRANT FUNDS.—For each of fiscal
15 years 2025, 2026, and 2027, a State receiving as-
16 sistance under this section shall not use more than
17 10 percent of any funds received under the Child
18 Care and Development Block Grant Act of 1990 to
19 provide assistance for direct child care services to
20 children who are under the age of 6, are not yet in
21 kindergarten, and are eligible under that Act.

22 (2) SPECIAL RULES REGARDING ELIGIBILITY.—
23 Any child who is less than 6 years of age, is not yet
24 in kindergarten, and is receiving assistance under
25 the Child Care and Development Block Grant Act of

1 1990 on the date funding is first allocated to the
2 lead agency for the State, territory, Indian Tribe, or
3 Tribal organization involved under this section—

4 (A) shall be deemed immediately eligible to
5 receive assistance under this section; and

6 (B) may continue to use the child care pro-
7 vider of the family’s choice.

8 (3) **TRANSITION PROCEDURES.**—The Secretary
9 is authorized to institute procedures for imple-
10 menting this section, including issuing guidance for
11 States receiving funds under subsection (g)(1).

12 **SEC. 23002. UNIVERSAL PRESCHOOL.**

13 (a) **DEFINITIONS.**—In this section:

14 (1) **CHILD EXPERIENCING HOMELESSNESS.**—
15 The term “child experiencing homelessness” means
16 an individual who is a homeless child or youth under
17 section 725 of the McKinney-Vento Homeless Assist-
18 ance Act (42 U.S.C. 11434a).

19 (2) **CHILD WITH A DISABILITY.**—The term
20 “child with a disability” has the meaning given the
21 term in section 602 of the Individuals with Disabil-
22 ities Education Act (20 U.S.C. 1401).

23 (3) **COMPREHENSIVE SERVICES.**—The term
24 “comprehensive services” means services that are
25 provided to low-income children and their families,

1 and that are health, educational, nutritional, social,
2 and other services that are determined, based on
3 family needs assessments, to be necessary, within
4 the meaning of section 636 of the Head Start Act
5 (42 U.S.C. 9831).

6 (4) DUAL LANGUAGE LEARNER.—The term
7 “dual language learner” means a child who is learn-
8 ing 2 or more languages at the same time, or a child
9 who is learning a second language while continuing
10 to develop the child’s first language.

11 (5) ELIGIBLE CHILD.—The term “eligible
12 child” means a child who is age 3 or 4, on the date
13 established by the applicable local educational agen-
14 cy for kindergarten entry.

15 (6) ELIGIBLE PROVIDER.—The term “eligible
16 provider” means—

17 (A) a local educational agency, acting
18 alone or in a consortium or in collaboration
19 with an educational service agency (as defined
20 in section 8101 of the Elementary and Sec-
21 ondary Education Act of 1965 (20 U.S.C.
22 7801)), that is licensed by the State or meets
23 comparable health and safety standards;

24 (B) a Head Start agency or delegate agen-
25 cy funded under the Head Start Act;

1 (C) a licensed center-based child care pro-
2 vider, licensed family child care provider, or
3 community- or neighborhood-based network of
4 licensed family child care providers; or

5 (D) a consortium of entities described in
6 any of subparagraphs (A), (B), and (C).

7 (7) HEAD START AGENCY.—The term “Head
8 Start agency”, as used in paragraph (6)(B), or sub-
9 section (c)(5)(D) or (f)(1), means an entity des-
10 ignated as a Head Start agency under section
11 641(a)(1) of the Head Start Act or as an Early
12 Head Start agency (by receiving a grant) under sec-
13 tion 645A(a) of such Act.

14 (8) INDIAN TRIBE.—The term “Indian Tribe”
15 has the meaning given the term in section 4 of the
16 Indian Self-Determination and Education Assistance
17 Act (25 U.S.C. 5304).

18 (9) LOCAL EDUCATIONAL AGENCY.—The term
19 “local educational agency” has the meaning given
20 the term in section 8101 of the Elementary and Sec-
21 ondary Education Act of 1965 (20 U.S.C. 7801).

22 (10) POVERTY LINE.—The term “poverty line”
23 means the poverty line defined and revised as de-
24 scribed in section 673 of the Community Services
25 Block Grant Act (42 U.S.C. 9902).

1 (11) SECRETARY.—The term “Secretary”
2 means the Secretary of Health and Human Services.

3 (12) STATE.—The term “State” means each of
4 the several States and the District of Columbia.

5 (13) TERRITORY.—The term “territory” means
6 each of the Commonwealth of Puerto Rico, the
7 United States Virgin Islands, Guam, American
8 Samoa, and the Commonwealth of the Northern
9 Mariana Islands.

10 (14) TRIBAL ORGANIZATION.—The term “Trib-
11 al organization” has the meaning given the term
12 “tribal organization” in section 658P of the Child
13 Care and Development Block Grant Act of 1990 (42
14 U.S.C. 9858n).

15 (b) UNIVERSAL PRESCHOOL.—

16 (1) APPROPRIATIONS FOR STATES.—

17 (A) IN GENERAL.—In addition to amounts
18 otherwise available, there is appropriated to the
19 Department of Health and Human Services for
20 fiscal year 2022, out of any money in the
21 Treasury not otherwise appropriated—

22 (i) \$4,000,000,000, 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 2022;

3 (ii) \$6,000,000,000, to remain avail-
4 able until September 30, 2027, for pay-
5 ments to States, for carrying out this sec-
6 tion (except provisions and activities cov-
7 ered by paragraph (2)) in fiscal year 2023;
8 and

9 (iii) \$8,000,000,000, to remain avail-
10 able until September 30, 2027, for pay-
11 ments to States, for carrying out this sec-
12 tion (except provisions and activities cov-
13 ered by paragraph (2)) in fiscal year 2024.

14 (B) ADDITIONAL APPROPRIATIONS.—In
15 addition to amounts otherwise available, there
16 is appropriated to the Department of Health
17 and Human Services, out of any money in the
18 Treasury not otherwise appropriated, such sums
19 as may be necessary for each of fiscal years
20 2025 through 2027, to remain available for 1
21 additional fiscal year, for payments to States,
22 for carrying out this section (except provisions
23 and activities covered by paragraph (2)).

24 (2) ADDITIONAL APPROPRIATIONS.—In addition
25 to amounts otherwise available, there is appropriated

1 to the Department of Health and Human Services
2 for fiscal year 2022, out of any money in the Treas-
3 ury not otherwise appropriated—

4 (A) \$2,500,000,000, to remain available
5 until September 30, 2027, for carrying out pay-
6 ments to Indian Tribes and Tribal organiza-
7 tions for activities described in this section;

8 (B) \$1,000,000,000, to remain available
9 until September 30, 2027, for carrying out pay-
10 ments to the territories, to be distributed
11 among the territories on the basis of their rel-
12 ative need, as determined by the Secretary in
13 accordance with the objectives of this section,
14 for activities described in this section;

15 (C) \$300,000,000, to remain available
16 until September 30, 2027, for carrying out pay-
17 ments to eligible local entities that serve chil-
18 dren in families who are engaged in migrant or
19 seasonal agricultural labor, for activities de-
20 scribed in this section;

21 (D)(i) \$165,000,000, to remain available
22 until September 30, 2027, for carrying out
23 Federal activities to support the activities fund-
24 ed under this section, including administration,

1 monitoring, technical assistance, and research,
2 in fiscal year 2022;

3 (ii) \$200,000,000 to remain available until
4 September 30, 2027, for carrying out Federal
5 activities to support the activities funded under
6 this section, including administration, moni-
7 toring, technical assistance, and research, in fis-
8 cal year 2023;

9 (iii) \$200,000,000, to remain available
10 until September 30, 2027, for carrying out
11 Federal activities to support the activities fund-
12 ed under this section, including administration,
13 monitoring, technical assistance, and research,
14 in fiscal year 2024;

15 (iv) \$208,000,000, 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 2025;

21 (v) \$212,000,000, to remain available until
22 September 30, 2027, for carrying out Federal
23 activities to support the activities funded under
24 this section, including administration, moni-

1 toring, technical assistance, and research, in fis-
2 cal year 2026; and

3 (vi) \$216,000,000, 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 2027;

9 (E)(i) \$2,500,000,000, to remain available
10 until September 30, 2027, to improve com-
11 pensation of Head Start staff consistent with
12 subparagraphs (A)(i) and (B)(viii) of section
13 640(a)(5) of the Head Start Act (42 U.S.C.
14 9835(a)(5)), notwithstanding section 653(a) of
15 such Act (42 U.S.C. 9848(a)), in fiscal year
16 2022;

17 (ii) \$2,500,000,000, to remain available
18 until September 30, 2027, to improve com-
19 pensation of Head Start staff consistent with
20 subparagraphs (A)(i) and (B)(viii) of section
21 640(a)(5) of the Head Start Act (42 U.S.C.
22 9835(a)(5)), notwithstanding section 653(a) of
23 such Act (42 U.S.C. 9848(a)), in fiscal year
24 2023;

1 (iii) \$2,500,000,000, to remain available
2 until September 30, 2027, to improve com-
3 pensation of Head Start staff consistent with
4 subparagraphs (A)(i) and (B)(viii) of section
5 640(a)(5) of the Head Start Act (42 U.S.C.
6 9835(a)(5)), notwithstanding section 653(a) of
7 such Act (42 U.S.C. 9848(a)), in fiscal year
8 2024;

9 (iv) \$2,500,000,000, to remain available
10 until September 30, 2027, to improve com-
11 pensation of Head Start staff consistent with
12 subparagraphs (A)(i) and (B)(viii) of section
13 640(a)(5) of the Head Start Act (42 U.S.C.
14 9835(a)(5)), notwithstanding section 653(a) of
15 such Act (42 U.S.C. 9848(a)), in fiscal year
16 2025;

17 (v) \$2,500,000,000, to remain available
18 until September 30, 2027, to improve com-
19 pensation of Head Start staff consistent with
20 subparagraphs (A)(i) and (B)(viii) of section
21 640(a)(5) of the Head Start Act (42 U.S.C.
22 9835(a)(5)), notwithstanding section 653(a) of
23 such Act (42 U.S.C. 9848(a)), in fiscal year
24 2026; and

1 (vi) \$2,500,000,000, to remain available
2 until September 30, 2027, to improve com-
3 pensation of Head Start staff consistent with
4 subparagraphs (A)(i) and (B)(viii) of section
5 640(a)(5) of the Head Start Act (42 U.S.C.
6 9835(a)(5)), notwithstanding section 653(a) of
7 such Act (42 U.S.C. 9848(a)), in fiscal year
8 2027;

9 (F)(i) \$1,900,000,000, to remain available
10 until September 30, 2027, to carry out the pro-
11 gram of grants to localities described in sub-
12 section (f)(2) in fiscal year 2023;

13 (ii) \$1,900,000,000, to remain available
14 until September 30, 2027, to carry out the pro-
15 gram of grants to localities described in sub-
16 section (f)(2) in fiscal year 2024;

17 (iii) \$1,900,000,000, to remain available
18 until September 30, 2027, to carry out the pro-
19 gram of grants to localities described in sub-
20 section (f)(2) in fiscal year 2025;

21 (iv) \$1,900,000,000, to remain available
22 until September 30, 2027, to carry out the pro-
23 gram of grants to localities described in sub-
24 section (f)(2) in fiscal year 2026; and

1 (v) \$1,900,000,000, to remain available
2 until September 30, 2027, to carry out the pro-
3 gram of grants to localities described in sub-
4 section (f)(2) in fiscal year 2027; and

5 (G)(i) \$1,900,000,000, to remain available
6 until September 30, 2027, to carry out the pro-
7 gram of awards to Head Start agencies de-
8 scribed in subsection (f)(3) in fiscal year 2023;

9 (ii) \$1,900,000,000, to remain available
10 until September 30, 2027, to carry out the pro-
11 gram of awards to Head Start agencies de-
12 scribed in subsection (f)(3) in fiscal year 2024;

13 (iii) \$1,900,000,000, to remain available
14 until September 30, 2027, to carry out the pro-
15 gram of awards to Head Start agencies de-
16 scribed in subsection (f)(3) in fiscal year 2025;

17 (iv) \$1,900,000,000, to remain available
18 until September 30, 2027, to carry out the pro-
19 gram of awards to Head Start agencies de-
20 scribed in subsection (f)(3) in fiscal year 2026;

21 and

22 (v) \$1,900,000,000, to remain available
23 until September 30, 2027, to carry out the pro-
24 gram of awards to Head Start agencies de-
25 scribed in subsection (f)(3) in fiscal year 2027.

1 (c) PAYMENTS FOR STATE UNIVERSAL PRESCHOOL
2 SERVICES.—

3 (1) IN GENERAL.—A State that has submitted,
4 and had approved by the Secretary, the State plan
5 described in paragraph (5) is entitled to a payment
6 under this subsection.

7 (2) PAYMENTS TO STATES.—

8 (A) PAYMENTS FOR FISCAL YEARS 2022
9 THROUGH 2024.—From amounts made available
10 under subsection (b)(1) for any of fiscal years
11 2022 through 2024, the Secretary, in collabora-
12 tion with the Secretary of Education, shall allot
13 for the fiscal year, to each State that has a
14 State plan under paragraph (5) or transitional
15 State plan under paragraph (7) that is ap-
16 proved for a period including that fiscal year,
17 an amount for the purpose of providing grants
18 to eligible providers to provide high-quality pre-
19 school, using a formula that considers—

20 (i) the proportion of the number of
21 children who are below the age of 6 and
22 whose families have a family income at or
23 below 200 percent of the poverty line for
24 the most recent year for which satisfactory
25 data are available, residing in the State, as

1 compared to the number of such children,
2 who reside in all States with approved
3 plans for the fiscal year for which the al-
4 lotment is being made; and

5 (ii) the existing Federal preschool in-
6 vestments in the State under the Head
7 Start Act, as of the date of the allotment.

8 (B) PAYMENTS FOR FISCAL YEARS 2025
9 THROUGH 2027.—

10 (i) PRESCHOOL SERVICES.—For each
11 of fiscal years 2025 through 2027, the
12 Secretary shall pay to each State with an
13 approved State plan under paragraph (5),
14 an amount for that year equal to—

15 (I) 95.440 percent of the State's
16 expenditures in the year for preschool
17 services provided under subsection
18 (d), for fiscal year 2025;

19 (II) 79.534 percent of the State's
20 expenditures in the year for such pre-
21 school services, for fiscal year 2026;
22 and

23 (III) 63.627 percent of the
24 State's expenditures in the year for

1 such preschool services, for fiscal year
2 2027.

3 (ii) STATE ACTIVITIES.—The Sec-
4 retary shall pay to each State with an ap-
5 proved State plan under paragraph (5) an
6 amount for a fiscal year equal to 53.022
7 percent of the amount of the State’s ex-
8 penditures for the activities described in
9 paragraph (3), except that in no case shall
10 a payment for a fiscal year under this
11 clause exceed the amount equal to 10 per-
12 cent of the State’s expenditures described
13 in clause (i) for such fiscal year.

14 (iii) NON-FEDERAL SHARE.—The re-
15 mainder of the cost paid by the State for
16 preschool services, that is not provided
17 under clause (i), shall be considered the
18 non-Federal share of the cost of those
19 services. The remainder of the cost paid by
20 the State for State activities, that is not
21 provided under clause (ii), shall be consid-
22 ered the non-Federal share of the cost of
23 those activities.

24 (iv) ADVANCE PAYMENT; RETROSPEC-
25 TIVE ADJUSTMENT.—The Secretary shall

1 make a payment under clause (i) or (ii) for
2 a year on the basis of advance estimates of
3 expenditures submitted by the State and
4 such other investigation as the Secretary
5 may find necessary, and shall reduce or in-
6 crease the payment as necessary to adjust
7 for any overpayment or underpayment for
8 a previous year.

9 (C) AUTHORITIES.—

10 (i) FISCAL YEARS 2022 THROUGH
11 2024.—Notwithstanding any other provi-
12 sion of this paragraph, for each of fiscal
13 years 2022 through 2024, the Secretary
14 shall have the authority to reallocate funds
15 that were allotted under subparagraph (A)
16 from any State without an approved appli-
17 cation under paragraph (5) by the date re-
18 quired by the Secretary, to States with an
19 approved application under that sub-
20 section.

21 (ii) FISCAL YEAR 2025.—Notwith-
22 standing any other provision of this sec-
23 tion, on October 1, 2024, the Secretary
24 shall have the authority to reallocate funds
25 from payments made from allotments

1 under subparagraph (A) that are unobli-
2 gated on such date, to any State without
3 such unobligated funds that is a State with
4 an approved application under paragraph
5 (5), to carry out the purposes of this sec-
6 tion.

7 (3) STATE ACTIVITIES.—A State that receives a
8 payment under paragraph (2) shall carry out all of
9 the following activities:

10 (A) State administration of the State pre-
11 school program described in this section.

12 (B) Supporting a continuous quality im-
13 provement system for providers of preschool
14 services participating, or seeking to participate,
15 in the State preschool program, through the use
16 of data, researching, monitoring, training, tech-
17 nical assistance, professional development, and
18 coaching.

19 (C) Providing outreach and enrollment
20 support for families of eligible children.

21 (D) Supporting data systems building.

22 (E) Supporting staff of eligible providers
23 in pursuing credentials and degrees, including
24 baccalaureate degrees.

1 (F) Supporting activities that ensure ac-
2 cess to inclusive preschool programs for chil-
3 dren with disabilities.

4 (G) Providing age-appropriate transpor-
5 tation services for children, which at a min-
6 imum shall include transportation services for
7 children experiencing homelessness and children
8 in foster care.

9 (H) Conducting or updating a statewide
10 needs assessment of access to high-quality pre-
11 school services.

12 (4) LEAD AGENCY.—The Governor of a State
13 desiring for the State to receive a payment under
14 this subsection shall designate a lead agency (such
15 as a State agency or joint interagency office) for the
16 administration of the State's preschool program
17 under this section.

18 (5) STATE PLAN.—In order to be eligible for
19 payments under this section, the Governor of a State
20 shall submit a State plan to the Secretary for ap-
21 proval by the Secretary, in collaboration with the
22 Secretary of Education, at such time, in such man-
23 ner, and containing such information as the Sec-
24 retary shall by rule require, that includes a plan for
25 achieving universal, high-quality, free, inclusive, and

1 mixed-delivery preschool services. Such plan shall in-
2 clude, at a minimum, each of the following:

3 (A) A certification that—

4 (i) the State has in place develop-
5 mentally appropriate, evidence-based pre-
6 school standards that, at a minimum, are
7 as rigorous as the standards specified in
8 subparagraph (B) of section 641A(a)(1) of
9 the Head Start Act (42 U.S.C.
10 9836a(a)(1)) and include program stand-
11 ards for class sizes and ratios; and

12 (ii) the State will coordinate such
13 standards with other early learning stand-
14 ards in the State.

15 (B) An assurance that the State will en-
16 sure—

17 (i) all preschool services in the State
18 funded under this section will—

19 (I) be universally available to all
20 children in the State without any ad-
21 ditional eligibility requirements;

22 (II) be high-quality, free, and in-
23 clusive; and

24 (III) by not later than 1 year
25 after the State receives such funding,

1 meet the State's preschool education
2 standards described in subparagraph
3 (A); and

4 (ii) that the local preschool programs
5 in the State funded under this section
6 will—

7 (I) offer programming that meets
8 the duration requirements of at least
9 1,020 annual hours;

10 (II) adopt policies and practices
11 to conduct outreach and provide expe-
12 dited enrollment, including
13 prioritization, to—

14 (aa) children experiencing
15 homelessness (which, in the case
16 of a child attending a program
17 provided by an eligible provider
18 described in subsection (a)(6)(A),
19 shall include immediate enroll-
20 ment for the child);

21 (bb) children in foster care
22 or kinship care;

23 (cc) children in families who
24 are engaged in migrant or sea-
25 sonal agricultural labor;

1 (dd) children with disabil-
2 ities, including eligible children
3 who are served under part C of
4 the Individuals with Disabilities
5 Education Act; and

6 (ee) dual language learners;

7 (III) provide for salaries, and set
8 schedules for salaries, for staff of pro-
9 viders in the State preschool program
10 that are equivalent to salaries of ele-
11 mentary school staff with similar cre-
12 dentials and experience;

13 (IV) at a minimum, provide a liv-
14 ing wage for all staff of such pro-
15 viders; and

16 (V) require educational qualifica-
17 tions for teachers in the preschool
18 program including, at a minimum, re-
19 quiring that lead teachers in the pre-
20 school program have a baccalaureate
21 degree in early childhood education or
22 a related field by not later than 6
23 years after the date on which the
24 State first receives funds under this
25 Act, except that—

1 (aa) subject to item (bb),
2 the requirements under this sub-
3 clause shall not apply to individ-
4 uals who were employed by an el-
5 igible provider or early education
6 program for a cumulative 3 of
7 the 5 years immediately pre-
8 ceeding the date of enactment of
9 this Act and have the necessary
10 content knowledge and teaching
11 skills for early childhood edu-
12 cators, as demonstrated through
13 measures determined by the
14 State; and

15 (bb) nothing in this section
16 shall require the State to lessen
17 State requirements for edu-
18 cational qualifications, in exist-
19 ence on the date of enactment of
20 this Act, to serve as a teacher in
21 a State preschool program.

22 (C) For States with existing publicly fund-
23 ed State preschool programs (as of the date of
24 submission of the State plan), a description of
25 how the State plans to use funding provided

1 under this section to ensure that such existing
2 programs in the State meet the requirements of
3 this section for a State preschool program.

4 (D) A description of how the State, in es-
5 tablishing and operating the State preschool
6 program supported under this section, will—

7 (i) support a mixed-delivery system
8 for any new slots funded under this sec-
9 tion, including by facilitating the participa-
10 tion of Head Start programs and programs
11 offered by licensed child care providers;

12 (ii) ensure the State preschool pro-
13 gram does not disrupt the stability of in-
14 fant and toddler child care throughout the
15 State;

16 (iii) ensure adequate consultation with
17 the State Advisory Council on Early Child-
18 hood Education and Care designated or es-
19 tablished in section 642B(b)(1)(A)(i) of
20 the Head Start Act (42 U.S.C.
21 9837b(b)(1)(A)(i)) in the development of
22 its plan, including consultation in how the
23 State intends to distribute slots under
24 clause (v);

1 (iv) partner with Head Start agencies
2 to ensure the full utilization of Head Start
3 programs within the State; and

4 (v) distribute new preschool slots equi-
5 tably among child care (including family
6 child care) providers, Head Start agencies,
7 and schools within the State.

8 (E) A certification that the State, in oper-
9 ating the program described in this section for
10 a fiscal year—

11 (i) will not reduce the total preschool
12 slots provided in State-funded preschool
13 programs from the number of such slots in
14 the previous fiscal year; or

15 (ii) if the number of eligible children
16 identified in the State declines from the
17 previous fiscal year, will maintain at least
18 the previous year's ratio of the total pre-
19 school slots described in clause (i) to eligi-
20 ble children so identified.

21 (F) An assurance that the State will use
22 funding provided under this section to ensure
23 children with disabilities have access to and
24 participate in inclusive preschool programs con-
25 sistent with provisions in the Individuals with

1 Disabilities Education Act, and a description of
2 how the State will collaborate with entities car-
3 rying out programs under section 619 or part
4 C of the Individuals with Disabilities Education
5 Act, to support inclusive preschool programs.

6 (G) A certification that the State will sup-
7 port the continuous quality improvement of pro-
8 grams providing preschool services under this
9 section, including support through technical as-
10 sistance, monitoring, and research.

11 (H) A certification that the State will en-
12 sure a highly qualified early childhood work-
13 force to support the requirements of this sec-
14 tion.

15 (I) An assurance that the State will meet
16 the requirements of clauses (ii) and (iii) of sec-
17 tion 658E(c)(2)(T) of the Child Care and De-
18 velopment Block Grant Act of 1990 (42 U.S.C.
19 9858c(c)(2)(T)), with respect to funding and
20 assessments under this section.

21 (J) A certification that subgrant and con-
22 tract amounts provided as described in sub-
23 section (d) will be sufficient to enable eligible
24 providers to meet the requirements of this sec-
25 tion, and will provide for increased payment

1 amounts based on the criteria described in sub-
2 clauses (III) and (IV) of subparagraph (B)(ii).

3 (K) An agreement to provide to the Sec-
4 retary such periodic reports, providing a de-
5 tailed accounting of the uses of funding re-
6 ceived under this section, as the Secretary may
7 require for the administration of this section.

8 (6) DURATION OF THE PLAN.—Each State plan
9 shall remain in effect for a period of not more than
10 3 years. Amendments to the State plan shall remain
11 in effect for the duration of the plan.

12 (7) TRANSITIONAL STATE PLAN.—

13 (A) IN GENERAL.—The Secretary shall de-
14 velop parameters for, and allow a State to sub-
15 mit for purposes of this subsection for a period
16 of not more than 3 years, a transitional State
17 plan, at such time, in such manner and con-
18 taining such information as the Secretary shall
19 require.

20 (B) CONTENTS.—The transitional plan
21 shall—

22 (i) demonstrate that the State will
23 meet the requirements of such plan as de-
24 termined by the Secretary; and

25 (ii) include, at a minimum—

1 (I) an assurance that the State
2 will submit a State plan under para-
3 graph (5);

4 (II) a description of how the
5 funds received by the State under this
6 section will be spent to expand access
7 to universal, high-quality, free, inclu-
8 sive, and mixed-delivery preschool in
9 alignment with the requirements of
10 this section; and

11 (III) such data as the Secretary
12 may require on the provision of pre-
13 school services in the State.

14 (d) SUBGRANTS AND CONTRACTS FOR LOCAL PRE-
15 SCHOOL PROGRAMS.—

16 (1) SUBGRANTS AND CONTRACTS.—

17 (A) IN GENERAL.—A State that receives a
18 payment under subsection (c)(2) for a fiscal
19 year shall use amounts provided through the
20 payment to pay the costs of subgrants to, or
21 contracts with, eligible providers to operate uni-
22 versal, high-quality, free, and inclusive pre-
23 school programs (which State-funded programs
24 may be referred to in this section as “local pre-
25 school programs”) through the State preschool

1 program in accordance with paragraph (3). A
2 State shall reduce or increase the amounts pro-
3 vided under such subgrants or contracts if
4 needed to adjust for any overpayment or under-
5 payment described in subsection (c)(2)(B)(iv).

6 (B) AMOUNT.—A State shall award a
7 subgrant or contract under this subsection in a
8 sufficient amount to enable the eligible provider
9 to operate a local preschool program that meets
10 the requirements of subsection (c)(5)(B), which
11 amount shall reflect variations in the cost of
12 preschool services by geographic area, type of
13 provider, and age of child, and the additional
14 costs associated with providing inclusive pre-
15 school services for children with disabilities.

16 (C) DURATION.—The State shall award a
17 subgrant or contract under this subsection for
18 a period of not less than 3 years, unless the
19 subgrant or contract is terminated or sus-
20 pended, or the subgrant period is reduced, for
21 cause.

22 (2) ENHANCED PAYMENTS FOR COMPREHEN-
23 SIVE SERVICES.—In awarding subgrants or con-
24 tracts under this subsection and in addition to meet-
25 ing the requirements of paragraph (1)(B), the State

1 shall award subgrants or contracts with enhanced
2 payments to eligible providers that offer local pre-
3 school programs funded under this subsection to a
4 high percentage of low-income children to support
5 comprehensive services.

6 (3) ESTABLISHING AND EXPANDING UNIVERSAL
7 PRESCHOOL PROGRAMS.—

8 (A) ESTABLISHING AND EXPANDING UNI-
9 VERSAL PRESCHOOL PROGRAMS IN HIGH-NEED
10 COMMUNITIES.—In awarding subgrants or con-
11 tracts under this subsection, the State shall
12 first prioritize establishing and expanding uni-
13 versal local preschool programs within and
14 across high-need communities by awarding sub-
15 grants or contracts to eligible providers oper-
16 ating within and across, or with capacity to op-
17 erate within and across, such high-need commu-
18 nities. The State shall—

19 (i) use a research-based methodology
20 approved by the Secretary to identify such
21 high-need communities, as determined
22 by—

23 (I) the rate of poverty in the
24 community;

1 (II) rates of access to high-quality
2 preschool within the community;
3 and

4 (III) other indicators of commu-
5 nity need as required by the Sec-
6 retary; and

7 (ii) distribute funding for preschool
8 services under this section within such a
9 high-need community so that a majority of
10 children in the community are offered such
11 preschool services before the State estab-
12 lishes and expands preschool services in
13 communities with lower levels of need.

14 (B) USE OF FUNDS.—Subgrants or con-
15 tracts awarded under subparagraph (A) shall be
16 used to enroll and serve children in such a local
17 preschool program involved, including by paying
18 the costs—

19 (i) of personnel (including classroom
20 and administrative personnel), including
21 compensation and benefits;

22 (ii) associated with implementing the
23 State’s preschool standards, providing cur-
24 riculum supports, and meeting early learn-
25 ing and development standards;

1 (iii) of professional development,
2 teacher supports, and training;

3 (iv) of implementing and meeting de-
4 velopmentally appropriate health and safe-
5 ty standards (including licensure, where
6 applicable), teacher to child ratios, and
7 group size maximums;

8 (v) of materials, equipment, and sup-
9 plies; and

10 (vi) of rent or a mortgage, utilities,
11 building security, indoor and outdoor
12 maintenance, and insurance.

13 (4) ESTABLISHING AND EXPANDING UNIVERSAL
14 PRESCHOOL PROGRAMS IN ADDITIONAL COMMU-
15 NITIES.—Once a State that receives a payment
16 under subsection (c)(2) meets the requirements of
17 paragraph (3) with respect to establishing and ex-
18 panding local preschool programs within and across
19 high-need communities, the State shall use funds
20 from such payment to enroll and serve children in
21 local preschool programs, as described in such para-
22 graph, in additional communities in accordance with
23 the metrics described in paragraph (3)(A)(i). Such
24 funds shall be used for the activities described in
25 clauses (i) through (vi) of paragraph (3)(B).

1 (e) PAYMENTS FOR UNIVERSAL PRESCHOOL SERV-
2 ICES INDIAN TRIBES AND TERRITORIES.—

3 (1) INDIAN TRIBES AND TRIBAL ORGANIZA-
4 TIONS.—

5 (A) IN GENERAL.—For each of fiscal years
6 2022 through 2027, from the amount appro-
7 priated for Indian Tribes and Tribal organiza-
8 tions under subsection (b)(2)(A), the Secretary
9 shall make payments to Indian Tribes and
10 Tribal organizations with an application ap-
11 proved under subparagraph (B), and the Tribes
12 and Tribal organizations shall be entitled to
13 such payments for the purpose of carrying out
14 the preschool program described in this section,
15 consistent, to the extent practicable as deter-
16 mined by the Secretary, with the requirements
17 applicable to States.

18 (B) APPLICATIONS.—An Indian Tribe or
19 Tribal organization seeking a payment under
20 this paragraph shall submit an application to
21 the Secretary at such time, in such manner,
22 and containing such information as the Sec-
23 retary may specify.

24 (2) TERRITORIES.—

1 (A) IN GENERAL.—For each of fiscal years
2 2022 through 2027, from the amount appro-
3 priated for territories under subsection
4 (b)(2)(B), the Secretary shall make payments
5 to the territories with an application approved
6 under subparagraph (B), and the territories
7 shall be entitled to such payments, for the pur-
8 pose of carrying out the preschool program de-
9 scribed in this section, consistent, to the extent
10 practicable as determined by the Secretary,
11 with the requirements applicable to States.

12 (B) APPLICATIONS.—A territory seeking a
13 payment under this paragraph shall submit an
14 application to the Secretary at such time, in
15 such manner, and containing such information
16 as the Secretary may specify.

17 (3) LEAD AGENCY.—The head of an Indian
18 tribe or territory desiring for the Indian tribe or a
19 related tribal organization, or territory, to receive a
20 payment under this subsection shall designate a lead
21 agency (such as a tribal or territorial agency or joint
22 interagency office) for the administration of the pre-
23 school program of the Indian tribe or territory,
24 under this section.

1 (f) GRANTS TO LOCALITIES AND HEAD START EX-
2 PANSION IN NONPARTICIPATING STATES.—

3 (1) ELIGIBLE LOCALITY DEFINED.—In this
4 subsection, the term “eligible locality” means a city,
5 county, or other unit of general local government, a
6 local educational agency, or a Head Start agency.

7 (2) GRANTS TO LOCALITIES.—

8 (A) IN GENERAL.—The Secretary, in con-
9 sultation with the Secretary of Education, shall
10 use funds reserved in subsection (b)(2)(F) to
11 award local universal preschool grants, in ac-
12 cordance with rules established by the Secretary
13 of Health and Human Services, to eligible local-
14 ities located in States that have not received
15 payments under subsection (c)(2)(A). The Sec-
16 retary shall award the grants to eligible local-
17 ities in a State from the allotment made for
18 that State under subparagraph (B). The Sec-
19 retary shall specify the requirements for an eli-
20 gible locality to conduct a preschool program
21 under this subsection which shall, to the great-
22 est extent practicable, be consistent with the re-
23 quirements applicable to States under this sec-
24 tion, for a universal, high-quality, free, and in-
25 clusive preschool program.

1 (B) ALLOTMENTS.—For each State de-
2 scribed in subparagraph (A), the Secretary shall
3 allot for the State for a fiscal year an amount
4 that bears the same relationship to the funds
5 appropriated under subsection (b)(2)(F) for the
6 fiscal year as the number of children from fami-
7 lies with family incomes at or below 200 per-
8 cent of the poverty line, and who are under the
9 age of 6, in the State bears to the total number
10 of all such children in all States described in
11 subparagraph (A).

12 (C) APPLICATION.—To receive a grant
13 from the corresponding State allotment under
14 this subsection, an eligible locality shall submit
15 an application to the Secretary at such time, in
16 such manner, and containing such information
17 as the Secretary may require. The requirements
18 for the application shall, to the greatest extent
19 practicable, be consistent with the State plan
20 requirements applicable to States under this
21 section.

22 (D) RECOUPMENT OF UNUSED FUNDS.—
23 Notwithstanding any other provision of this sec-
24 tion, for each of fiscal years 2023 through
25 2027, the Secretary shall have the authority to

1 recoup any unused funds allotted under sub-
2 paragraph (B) for awards under paragraph
3 (3)(A) to Head Start agencies in accordance
4 with paragraph (3).

5 (3) HEAD START EXPANSION IN NONPARTICI-
6 PATING STATES.—

7 (A) IN GENERAL.—The Secretary shall use
8 funds appropriated under subsection (b)(2)(G)
9 or recouped under paragraph (2) to make
10 awards to Head Start agencies in a State de-
11 scribed in paragraph (2)(A) to carry out the
12 purposes of the Head Start Act in such State.

13 (B) RULE.—For purposes of carrying out
14 the Head Start Act in circumstances not involv-
15 ing awards under this paragraph, funds award-
16 ed under subparagraph (A) shall not be in-
17 cluded in the calculation of a “base grant” as
18 such term is defined in section 640(a)(7)(A) of
19 the Head Start Act (42 U.S.C. 9835(a)(7)(A)).

20 (C) DEFINITION.—In this paragraph, the
21 term “Head Start agency” means an entity des-
22 ignated or eligible to be designated as a Head
23 Start agency under section 641(a)(1) of the
24 Head Start Act or as an Early Head Start

1 agency (by receiving a grant) under section
2 645A(a) of such Act.

3 (4) PRIORITY FOR SERVING UNDERSERVED
4 COMMUNITIES.—In making determinations to award
5 a grant or make an award under this subsection, the
6 Secretary shall give priority to entities serving com-
7 munities with a high percentage of children from
8 families with family incomes at or below 200 percent
9 of the poverty line.

10 (g) ALLOWABLE SOURCES OF NON-FEDERAL
11 SHARE.—For purposes of calculating the amount of the
12 non-Federal share, as determined under subsection
13 (c)(2)(B)(iii), relating to a payment under subsection
14 (c)(2)(B), a State’s non-Federal share—

15 (1) may be in cash or in kind, fairly evaluated,
16 including facilities or property, equipment, or serv-
17 ices;

18 (2) shall include any increase in amounts spent
19 by the State to expand half-day kindergarten pro-
20 grams in the State, as of the day before the date of
21 enactment of this Act, into full-day kindergarten
22 programs;

23 (3) shall not include contributions being used as
24 a non-Federal share or match for another Federal
25 award;

1 (4) shall be provided from State or local
2 sources, contributions from philanthropy or other
3 private organizations, or a combination of such
4 sources and contributions; and

5 (5) shall count not more than 100 percent of
6 the State's current spending on prekindergarten pro-
7 grams, calculated as the average amount of such
8 spending by the State for fiscal years 2019, 2020,
9 and 2021, toward the State's non-Federal share.

10 (h) MAINTENANCE OF EFFORT.—

11 (1) IN GENERAL.—If a State reduces its com-
12 bined fiscal effort per child for the State preschool
13 program (whether a publicly funded preschool pro-
14 gram or a program under this section) or through
15 State supplemental assistance funds for Head Start
16 programs assisted under the Head Start Act, or
17 through any State spending on preschool services for
18 any fiscal year that a State receives payments under
19 subsection (c)(2) (referred to in this paragraph as
20 the “reduction fiscal year”) relative to the previous
21 fiscal year, the Secretary, in collaboration with the
22 Secretary of Education, shall reduce support for
23 such State under such subsection by the same
24 amount as the total reduction in that State fiscal ef-
25 fort for such reduction fiscal year.

1 (2) WAIVER.—The Secretary, in collaboration
2 with the Secretary of Education, may waive the re-
3 quirements of paragraph (1) if—

4 (A) the Secretaries determine that a waiv-
5 er would be appropriate due to a precipitous de-
6 cline in the financial resources of a State as a
7 result of unforeseen economic hardship, or a
8 natural disaster, that has necessitated across-
9 the-board reductions in State services during
10 the 5-year period preceding the date of the de-
11 termination, including for early childhood edu-
12 cation programs; or

13 (B) due to the circumstance of a State re-
14 quiring reductions in specific programs, includ-
15 ing early childhood education programs, the
16 State presents to the Secretaries a justification
17 and demonstration why other programs could
18 not be reduced and how early childhood edu-
19 cation programs in the State will not be dis-
20 proportionately harmed by such State reduc-
21 tions.

22 (i) SUPPLEMENT NOT SUPPLANT.—Funds received
23 under this section shall be used to supplement and not
24 supplant other Federal, State, and local public funds ex-
25 pended on prekindergarten programs in the State on the

1 date of enactment of this Act, calculated as the average
2 amount of such Federal, State, and local public funds ex-
3 pended for fiscal years 2019, 2020, and 2021.

4 (j) NONDISCRIMINATION PROVISIONS.—The fol-
5 lowing provisions of law shall apply to any program or ac-
6 tivity that receives funds provided under this section:

7 (1) Title IX of the Education Amendments of
8 1972.

9 (2) Title VI of the Civil Rights Act of 1964.

10 (3) Section 504 of the Rehabilitation Act of
11 1973.

12 (4) The Americans with Disabilities Act of
13 1990.

14 (5) Section 654 of the Head Start Act.

15 (k) MONITORING AND ENFORCEMENT.—

16 (1) REVIEW OF COMPLIANCE WITH REQUIRE-
17 MENTS AND STATE PLAN.—The Secretary shall re-
18 view and monitor compliance of States, territories,
19 Tribal entities, and local entities with this section
20 and State compliance with the State plan described
21 in subsection (c)(5).

22 (2) ISSUANCE OF RULE.—The Secretary shall
23 establish by rule procedures for—

24 (A) receiving, processing, and determining
25 the validity of complaints or findings concerning

1 any failure of a State to comply with the State
2 plan or any other requirement of this section;

3 (B) notifying a State when the Secretary
4 has determined there has been a failure by the
5 State to comply with a requirement of this sec-
6 tion; and

7 (C) imposing sanctions under this sub-
8 section for such a failure.

9 **Subtitle E—Child Nutrition and**
10 **Related Programs**

11 **SEC. 24001. EXPANDING COMMUNITY ELIGIBILITY.**

12 (a) MULTIPLIER AND THRESHOLD ADJUSTED.—

13 (1) MULTIPLIER.—Clause (vii) of section
14 11(a)(1)(F) of the Richard B. Russell National
15 School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is
16 amended to read as follows:

17 “(vii) MULTIPLIER.—

18 “(I) IMPLEMENTATION IN 2022–
19 2027.—For each school year beginning
20 on or after July 1, 2022, and ending
21 before July 1, 2027, the Secretary
22 shall use a multiplier of 2.5.

23 “(II) IMPLEMENTATION AFTER
24 2027.—For each school year beginning

1 on or after July 1, 2027, the Sec-
2 retary shall use a multiplier of 1.6.”.

3 (2) THRESHOLD.—Clause (viii) of section
4 11(a)(1)(F) of the Richard B. Russell National
5 School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is
6 amended to read as follows:

7 “(viii) THRESHOLD.—

8 “(I) IMPLEMENTATION IN 2022—
9 2027.—For each school year beginning
10 on or after July 1, 2022, and ending
11 before July 1, 2027, the threshold
12 shall be not more than 25 percent.

13 “(II) IMPLEMENTATION AFTER
14 2027.—For each school year beginning
15 on or after July 1, 2027, the thresh-
16 old shall be not more than 40 per-
17 cent.”.

18 (b) STATEWIDE COMMUNITY ELIGIBILITY.—Section
19 11(a)(1)(F) of the Richard B. Russell National School
20 Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended by
21 adding at the end the following:

22 “(xiv) STATEWIDE COMMUNITY ELIGI-
23 BILITY.—For each school year beginning
24 on or after July 1, 2022, and ending be-
25 fore July 1, 2027, the Secretary shall es-

1 tabish a statewide community eligibility
2 program under which, in the case of a
3 State agency that agrees to provide fund-
4 ing from sources other than Federal funds
5 to ensure that local educational agencies in
6 the State receive the free reimbursement
7 rate for 100 percent of the meals served at
8 applicable schools—

9 “(I) the multiplier described in
10 clause (vii) shall apply;

11 “(II) notwithstanding clause
12 (viii), the threshold shall be zero; and

13 “(III) the percentage of enrolled
14 students who were identified students
15 shall be calculated across all applica-
16 ble schools in the State regardless of
17 local educational agency.”.

18 **SEC. 24002. SUMMER ELECTRONIC BENEFITS TRANSFER**
19 **FOR CHILDREN PROGRAM.**

20 The Richard B. Russell National School Lunch Act
21 is amended by inserting after section 13 (42 U.S.C. 1761)
22 the following:

1 **“SEC. 13A. SUMMER ELECTRONIC BENEFITS TRANSFER**
2 **FOR CHILDREN PROGRAM.**

3 “(a) PROGRAM ESTABLISHED.—The Secretary shall
4 establish a program under which States and covered In-
5 dian Tribal organizations participating in such program
6 shall, for summer 2023 and summer 2024 issue to eligible
7 households summer EBT benefits—

8 “(1) in accordance with this section; and

9 “(2) for the purpose of providing nutrition as-
10 sistance through electronic benefits transfer during
11 the summer months for eligible children, to ensure
12 continued access to food when school is not in ses-
13 sion for the summer.

14 “(b) SUMMER EBT BENEFITS REQUIREMENTS.—

15 “(1) PURCHASE OPTIONS.—

16 “(A) BENEFITS ISSUED BY STATES.—

17 “(i) WIC PARTICIPATION STATES.—In
18 the case of a State that participated in a
19 demonstration program under section
20 749(g) of the Agriculture, Rural Develop-
21 ment, Food and Drug Administration, and
22 Related Agencies Appropriations Act, 2010
23 (Public Law 111–80; 123 Stat. 2132) dur-
24 ing calendar year 2018 using a WIC
25 model, summer EBT benefits issued pur-
26 suant to subsection (a) by such a State

1 may only be used by the eligible household
2 that receives such summer EBT benefits to
3 purchase—

4 “(I) supplemental foods from re-
5 tailers that have been approved for
6 participation in—

7 “(aa) the special supple-
8 mental nutrition program for
9 women, infants, and children
10 under section 17 of the Child
11 Nutrition Act of 1966 (42 U.S.C.
12 1786); or

13 “(bb) the program under
14 this section; or

15 “(II) food (as defined in section
16 3(k) of the Food and Nutrition Act of
17 2008 (7 U.S.C. 2012(k))) from retail
18 food stores that have been approved
19 for participation in the supplemental
20 nutrition assistance program estab-
21 lished under such Act, in accordance
22 with section 9 of such Act (7 U.S.C.
23 2018).

24 “(ii) OTHER STATES.—Summer EBT
25 benefits issued pursuant to subsection (a)

1 by a State not described in clause (i) may
2 only be used by the eligible household that
3 receives such summer EBT benefits to
4 purchase food (as defined in section 3(k)
5 of the Food and Nutrition Act of 2008 (7
6 U.S.C. 2012(k))) from retail food stores
7 that have been approved for participation
8 in the supplemental nutrition assistance
9 program established under such Act, in ac-
10 cordance with section 9(b) of such Act (7
11 U.S.C. 2018) or retail food stores that
12 have been approved for participation in a
13 Department of Agriculture grant funded
14 nutrition assistance program in the Com-
15 monwealth of the Northern Mariana Is-
16 lands, Puerto Rico, or American Samoa.

17 “(B) BENEFITS ISSUED BY COVERED IN-
18 DIAN TRIBAL ORGANIZATIONS.—Summer EBT
19 benefits issued pursuant to subsection (a) by a
20 covered Indian Tribal organization may only be
21 used by the eligible household that receives such
22 summer EBT benefits to purchase supple-
23 mental foods from retailers that have been ap-
24 proved for participation in—

1 “(i) the special supplemental nutrition
2 program for women, infants, and children
3 under section 17 of the Child Nutrition
4 Act of 1966 (42 U.S.C. 1786); or

5 “(ii) the program under this section.

6 “(2) AMOUNT.—Summer EBT benefits issued
7 pursuant to subsection (a)—

8 “(A) shall be—

9 “(i) for calendar year 2023, in an
10 amount equal to \$65 for each child in the
11 eligible household per month during the
12 summer; and

13 “(ii) for calendar year 2024, in an
14 amount equal to the amount described in
15 clause (i), adjusted to the nearest lower
16 dollar increment to reflect changes to the
17 cost of the thrifty food plan (as defined in
18 section 3(u) of the Food and Nutrition Act
19 of 2008 (7 U.S.C. 2012(u)) for the 12-
20 month period ending on November 30 of
21 the preceding calendar year; and

22 “(B) may be issued—

23 “(i) in the form of an EBT card; or

24 “(ii) through electronic delivery.

25 “(c) ENROLLMENT IN PROGRAM.—

1 “(1) STATE REQUIREMENTS.—States partici-
2 pating in the program under this section shall—

3 “(A) with respect to a summer, automati-
4 cally enroll eligible children in the program
5 under this section without further application;
6 and

7 “(B) require local educational agencies to
8 allow eligible households to opt out of participa-
9 tion in the program under this section and es-
10 tablish procedures for opting out of such par-
11 ticipation.

12 “(2) COVERED INDIAN TRIBAL ORGANIZATION
13 REQUIREMENTS.—Covered Indian Tribal organiza-
14 tions participating in the program under this section
15 shall, to the maximum extent practicable, meet the
16 requirements under subparagraphs (A) through (C)
17 of paragraph (1).

18 “(d) IMPLEMENTATION GRANTS.—On and after Jan-
19 uary 1, 2022, the Secretary shall carry out a program to
20 make grants to States and covered Indian Tribal organiza-
21 tions to build capacity for implementing the program
22 under this section.

23 “(e) ALTERNATE PLANS IN THE CASE OF CONTIN-
24 UOUS SCHOOL CALENDAR.—The Secretary shall establish
25 an alternative method for determining the schedule and

1 number of days during which summer EBT benefits may
2 be issued pursuant to subsection (a) in the case of children
3 who are under a continuous school calendar.

4 “(f) FUNDING.—

5 “(1) PROGRAM FUNDING.—In addition to
6 amounts otherwise available, there is appropriated
7 for each of fiscal years 2022 through 2024, out of
8 any money in the Treasury not otherwise appro-
9 priated, such sums, to remain available for the 2-
10 year period following the date such amounts are
11 made available, as may be necessary to carry out
12 this section, including for administrative expenses
13 incurred by the Secretary, States, covered Indian
14 Tribal organizations, and local educational agencies.

15 “(2) IMPLEMENTATION GRANT FUNDING.—In
16 addition to amounts otherwise available, including
17 under paragraph (1), there is appropriated for fiscal
18 year 2022, out of any money in the Treasury not
19 otherwise appropriated, \$50,000,000, to remain
20 available until expended, to carry out subsection (d).

21 “(g) SUNSET.—The authority under this section shall
22 terminate on September 30, 2024.

23 “(h) DEFINITIONS.—In this section:

24 “(1) COVERED INDIAN TRIBAL ORGANIZA-
25 TION.—The term ‘covered Indian Tribal organiza-

1 tion’ means an Indian Tribal organization that par-
2 ticipates in the special supplemental nutrition pro-
3 gram for women, infants, and children under section
4 17 of the Child Nutrition Act of 1966 (42 U.S.C.
5 1786).

6 “(2) ELIGIBLE CHILD.—The term ‘eligible
7 child’ means, with respect to a summer, a child who
8 was, during the school year immediately preceding
9 such summer—

10 “(A) certified to receive free or reduced
11 price lunch under the school lunch program
12 under this Act;

13 “(B) certified to receive free or reduced
14 price breakfast under the school breakfast pro-
15 gram under section 4 of the Child Nutrition Act
16 of 1966 (42 U.S.C. 1773); or

17 “(C) enrolled in a school described in sub-
18 paragraph (B), (C), (D), (E), or (F) of section
19 11(a)(1).

20 “(3) ELIGIBLE HOUSEHOLD.—The term ‘eligi-
21 ble household’ means a household that includes at
22 least 1 eligible child.”.

23 **SEC. 24003. HEALTHY FOOD INCENTIVES DEMONSTRATION.**

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

1 Agriculture for fiscal year 2022, out of any money in the
2 Treasury not otherwise appropriated, \$250,000,000, to re-
3 main available until expended, to provide—

4 (1) technical assistance and evaluation with re-
5 spect to the activities described in subparagraphs
6 (A) through (D) of paragraph (2); and

7 (2) grants and monetary incentives to carry out
8 1 or more of the following:

9 (A) Improving the nutritional quality of
10 meals and snacks served under a child nutrition
11 program.

12 (B) Enhancing the nutrition and wellness
13 environment of institutions participating in a
14 child nutrition program, including by reducing
15 the availability of less healthy foods during the
16 school day.

17 (C) Increasing the procurement of fresh,
18 local, regional, and culturally appropriate foods
19 and foods produced by underserved or limited
20 resource farmers, as defined by the Secretary of
21 Agriculture, to be served as part of a child nu-
22 trition program.

23 (D) Funding a statewide nutrition edu-
24 cation coordinator—

1 (i) to support individual school food
2 authority nutrition education efforts; and
3 (ii) to facilitate collaboration with
4 other nutrition education efforts in the
5 State.

6 (b) STATE DEFINED.—In this section, the term
7 “State” has the meaning given the term in section 12(d)
8 of the Richard B. Russell National School Lunch Act (42
9 U.S.C. 1760(d)).

10 **SEC. 24004. SCHOOL KITCHEN EQUIPMENT GRANTS.**

11 In addition to amounts otherwise available, there is
12 appropriated to the Secretary of Agriculture for fiscal year
13 2022, out of any money in the Treasury not otherwise ap-
14 propriated, \$30,000,000, to remain available until ex-
15 pended through fiscal year 2030, for training and tech-
16 nical assistance to support scratch cooking and to award
17 grants to States (as defined in section 12(d) of the Rich-
18 ard B. Russell National School Lunch Act (42 U.S.C.
19 1760(d))) to make competitive subgrants to local edu-
20 cational agencies and schools to purchase equipment with
21 a value of greater than \$1,000 that, with respect to the
22 school lunch program established under the Richard B.
23 Russell National School Lunch Act (42 U.S.C. 1751–
24 1769j) and the school breakfast program established
25 under section 4 of the Child Nutrition Act of 1966 (42

1 U.S.C. 1773), is necessary to serve healthier meals, im-
2 prove food safety, and increase scratch cooking.

3 **Subtitle F—Human Services and**
4 **Community Supports**

5 **SEC. 25001. ASSISTIVE TECHNOLOGY.**

6 In addition to amounts otherwise available, there is
7 appropriated for fiscal year 2022, out of any money in
8 the Treasury not otherwise appropriated, \$10,000,000, to
9 remain available until expended, for necessary expenses to
10 carry out the Assistive Technology Act of 1998 (29 U.S.C.
11 3003(a)).

12 **SEC. 25002. FAMILY VIOLENCE PREVENTION AND SERVICES**
13 **FUNDING.**

14 In addition to amounts otherwise available, there is
15 appropriated to the Secretary of Health and Human Serv-
16 ices, for fiscal year 2022, out of any money in the Treas-
17 ury not otherwise appropriated, \$30,000,000, to remain
18 available until expended, for necessary administrative ex-
19 penses to carry out subsections (c) and (d) of section 2204
20 of the American Rescue Plan Act of 2021 (Public Law
21 117–2).

22 **SEC. 25003. PREGNANCY ASSISTANCE FUND.**

23 Section 10214 of the Patient Protection and Afford-
24 able Care Act (42 U.S.C. 18204) is amended by adding
25 at the end the following new sentence:

1 “In addition, there is appropriated for fiscal year 2022,
2 out of any money in the Treasury not otherwise appro-
3 priated—

4 “(1) \$25,000,000, to remain available until ex-
5 pended, to carry out this part in fiscal year 2022;

6 “(2) \$25,000,000, to remain available until ex-
7 pended, to carry out this part in fiscal year 2023;
8 and

9 “(3) \$25,000,000, to remain available until ex-
10 pended, to carry out this part in fiscal year 2024.”.

11 **SEC. 25004. FUNDING FOR THE AGING NETWORK AND IN-**
12 **FRASTRUCTURE.**

13 (a) APPROPRIATION.—In addition to amounts other-
14 wise available, there are appropriated for fiscal year 2022,
15 out of any money in the Treasury not otherwise appro-
16 priated, to the Department of Health and Human Serv-
17 ices—

18 (1) \$75,000,000 for the Research, Demonstra-
19 tion, and Evaluation Center for the Aging Network
20 for necessary expenses to carry out the activities of
21 the Center under section 201(g) of the Older Ameri-
22 cans Act of 1965 (OAA);

23 (2) \$655,000,000 for necessary expenses to
24 carry out part B of title III of the OAA, including
25 for—

1 (A) supportive services of the type made
2 available for fiscal year 2021 and authorized
3 under such part;

4 (B) investing in the aging services network
5 for the purposes of improving the availability of
6 supportive services, including investing in the
7 aging services network workforce;

8 (C) the acquisition, alteration, or renova-
9 tion of facilities, including multipurpose senior
10 centers and mobile units; and

11 (D) construction or modernization of facili-
12 ties to serve as multipurpose senior centers;

13 (3) \$140,000,000 for necessary expenses to
14 carry out part C of title III of the OAA, including
15 to support the modernization of infrastructure and
16 technology, including kitchen equipment and delivery
17 vehicles, to support the provision of congregate nu-
18 trition services and home delivered nutrition services
19 under such part;

20 (4) \$150,000,000 for necessary expenses to
21 carry out part E of title III of the OAA, including
22 section 373(e) of such part;

23 (5) \$50,000,000 for necessary expenses to carry
24 out title VI of the OAA, including part C of such
25 title;

1 (6) \$50,000,000 for necessary expenses to carry
2 out the long-term care ombudsman program under
3 title VII of the OAA;

4 (7) \$59,000,000 for necessary expenses for
5 technical assistance centers or national resource cen-
6 ters supported under the OAA, including all such
7 centers that received funding under title IV of the
8 OAA for fiscal year 2021, in order to support tech-
9 nical assistance and resource development related to
10 culturally appropriate care management and services
11 for older individuals with the greatest social need,
12 including racial and ethnic minority individuals;

13 (8) \$15,000,000 for necessary expenses for
14 technical assistance centers or national resource cen-
15 ters supported under the OAA that are focused on
16 providing services for older individuals who are un-
17 derserved due to their sexual orientation or gender
18 identity;

19 (9) \$1,000,000 for necessary expenses for ef-
20 forts of national training and technical assistance
21 centers supported under the OAA to—

22 (A) support expanding the reach of the
23 aging services network to more effectively assist
24 older individuals in remaining socially engaged
25 and active;

1 (B) provide additional support in technical
2 assistance and training to the aging services
3 network to address the social isolation of older
4 individuals;

5 (C) promote best practices and identify in-
6 novation in the field; and

7 (D) continue to support a repository for
8 innovations designed to increase the ability of
9 the aging services network to tailor social en-
10 gagement activities to meet the needs of older
11 individuals; and

12 (10) \$5,000,000 for necessary expenses to carry
13 out section 417 of the OAA.

14 Amounts appropriated by this subsection shall remain
15 available until expended.

16 (b) NONAPPLICABILITY OF CERTAIN REQUIRE-
17 MENTS.—The non-Federal contribution requirements
18 under sections 304(d)(1)(D) and 431(a) of the Older
19 Americans Act of 1965, and section 373(h)(2) of such Act,
20 shall not apply to—

21 (1) any amounts made available under this sec-
22 tion; or

23 (2) any amounts made available under section
24 2921 of the American Rescue Plan Act of 2021
25 (Public Law 117–2).

1 **SEC. 25005. TECHNICAL ASSISTANCE CENTER FOR SUP-**
2 **PORTING DIRECT CARE AND CAREGIVING.**

3 (a) IN GENERAL.—In addition to amounts otherwise
4 available, there is appropriated to the Secretary of Health
5 and Human Services, acting through the Administrator
6 for the Administration for Community Living, for fiscal
7 year 2022, out of any money in the Treasury not otherwise
8 appropriated, \$20,000,000, to remain available until Sep-
9 tember 30, 2031, for necessary expenses to establish, di-
10 rectly or through grants, contracts, or cooperative agree-
11 ments, a national technical assistance center (referred to
12 in this section as the “Center”) to—

13 (1) provide technical assistance for supporting
14 direct care workforce recruitment, education and
15 training, retention, career advancement, and for sup-
16 porting family caregivers and caregiving activities;

17 (2) develop and disseminate a set of replicable
18 models or evidence-based or evidence-informed strat-
19 egies or best practices for—

20 (A) recruitment, education and training,
21 retention, and career advancement of direct
22 support workers;

23 (B) reducing barriers to accessing direct
24 care services; and

1 (C) increasing access to alternatives to di-
2 rect care services, including assistive tech-
3 nology, that reduce reliance on such services;

4 (3) provide recommendations for education and
5 training curricula for direct support workers; and

6 (4) provide recommendations for activities to
7 further support paid and unpaid family caregivers,
8 including expanding respite care.

9 (b) DIRECT SUPPORT WORKER DEFINED.—The term
10 “direct support worker” has the meaning given such term
11 in section 22301.

12 **SEC. 25006. FUNDING TO SUPPORT UNPAID CAREGIVERS.**

13 (a) IN GENERAL.—In addition to amounts otherwise
14 available, there is appropriated to the Secretary of Health
15 and Human Services (referred to in this section as the
16 “Secretary”) for fiscal year 2022, out of any money in
17 the Treasury not otherwise appropriated, \$40,000,000, to
18 remain available until expended, for carrying out the pur-
19 pose described in subsection (b).

20 (b) USE OF FUNDING.—The Secretary, acting
21 through the Assistant Secretary for Aging, shall use
22 amounts appropriated by subsection (a) for necessary ex-
23 penses to make awards, pursuant to section 373(i) of the
24 Older Americans Act of 1965 (42 U.S.C. 3030s–1(i)), to
25 States, public agencies, private nonprofit agencies, institu-

1 tions of higher education, and organizations, including
2 Tribal organizations, for initiatives to address the behav-
3 ioral health needs of family caregivers and older relative
4 caregivers.

5 (c) SUPPLEMENT NOT SUPPLANT.—Amounts appro-
6 priated by this section shall be used to supplement and
7 not supplant other Federal, State, or local public funds
8 to support unpaid caregivers.

9 **SEC. 25007. FUNDING TO SUPPORT INDIVIDUALS WITH IN-**
10 **TELLECTUAL AND DEVELOPMENTAL DIS-**
11 **ABILITIES.**

12 (a) IN GENERAL.—In addition to amounts otherwise
13 available, there is appropriated to the Secretary of Health
14 and Human Services (referred to in this section as the
15 “Secretary”), for fiscal year 2022, out of any money in
16 the Treasury not otherwise appropriated, \$25,000,000, to
17 remain available until expended, for carrying out the pur-
18 pose described in subsection (b).

19 (b) USE OF FUNDING.—The Secretary, acting
20 through the Administrator of the Administration for Com-
21 munity Living, shall use amounts appropriated by sub-
22 section (a) for necessary expenses to award grants, con-
23 tracts, or cooperative agreements to public or private non-
24 profit entities pursuant to section 162 of the Develop-
25 mental Disabilities Assistance and Bill of Rights Act of

1 2000 (42 U.S.C. 15082) for initiatives to address the be-
2 havioral health needs of individuals with intellectual and
3 developmental disabilities.

4 (c) SUPPLEMENT NOT SUPPLANT.—Amounts appro-
5 priated by this section shall be used to supplement and
6 not supplant other Federal, State, or local public funds
7 to support individuals with intellectual and developmental
8 disabilities.

9 **SEC. 25008. OFFICE OF THE INSPECTOR GENERAL OF THE**
10 **DEPARTMENT OF HEALTH AND HUMAN SERV-**
11 **ICES.**

12 In addition to amounts otherwise available, there is
13 appropriated to the Department of Health and Human
14 Services for fiscal year 2022, out of any money in the
15 Treasury not otherwise appropriated, \$50,000,000, to re-
16 main available until expended, for the Office of Inspector
17 General of the Department of Health and Human Serv-
18 ices, for salaries and expenses necessary for oversight, in-
19 vestigations, and audits of programs, grants, and projects
20 funded under subtitles D and F of this title.

1 **Subtitle G—National Service and**
2 **Workforce Development in Sup-**
3 **port of Climate Resilience and**
4 **Mitigation**

5 **SEC. 26001. CORPORATION FOR NATIONAL AND COMMU-**
6 **NITY SERVICE AND THE NATIONAL SERVICE**
7 **TRUST.**

8 (a) AMERICORPS STATE AND NATIONAL.—

9 (1) IN GENERAL.—In addition to amounts oth-
10 erwise available, there is appropriated for fiscal year
11 2022, out of any money in the Treasury not other-
12 wise appropriated, to the Corporation for National
13 and Community Service, \$3,200,000,000, to remain
14 available until September 30, 2026, which shall be
15 used to make funding adjustments to existing (as of
16 the date of enactment of this Act) awards and make
17 new awards to entities (whether or not such entities
18 are already recipients of a grant or other agreement
19 on the date of enactment of this Act) to support na-
20 tional service programs described in paragraphs
21 (1)(A), (2)(A), (3)(A), and (5)(A) of subsection (a),
22 and subsection (b)(2), of section 122 of the National
23 and Community Service Act of 1990 and national
24 service programs carrying out activities described in
25 clauses (i), (ii), (iii), (v), (vi), and (vii) of paragraph

1 (4)(B) of subsection (a) of such section, to increase
2 living allowances and improve benefits of partici-
3 pants in such programs.

4 (2) REQUIREMENTS.—For the purposes of car-
5 rying out paragraph (1)—

6 (A) the Corporation shall waive the re-
7 quirements described in section 121(e)(1) of the
8 National and Community Service Act of 1990,
9 in whole or in part, if a recipient of a grant or
10 other agreement for such a national service pro-
11 gram demonstrates—

12 (i) the recipient will serve underserved
13 or low-income communities, and a signifi-
14 cant percentage of participants in such
15 program are low-income individuals; and

16 (ii) without such waiver, the recipient
17 cannot meet the requirements of this sec-
18 tion;

19 (B) section 189(a) of such Act shall be ap-
20 plied by substituting “125 percent of the
21 amount of the minimum living allowance of a
22 full-time participant per full-time equivalent po-
23 sition” for “\$18,000 per full-time equivalent
24 position”; and

1 (C) section 140(a)(1) of such Act shall be
2 applied by substituting “200 percent of the pov-
3 erty line” for “the average annual subsistence
4 allowance provided to VISTA volunteers under
5 section 105 of the Domestic Volunteer Service
6 Act of 1973 (42 U.S.C. 4955)”.

7 (b) STATE COMMISSIONS.—

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, \$400,000,000, to remain
13 available until September 30, 2026, which shall be
14 used to make funding adjustments to existing (as of
15 the date of enactment of this Act) awards and make
16 new awards to States to establish or operate State
17 Commissions on National and Community Service.

18 (2) MATCH WAIVER.—For the purposes of car-
19 rying out paragraph (1), the Corporation shall waive
20 the matching requirement described in section
21 126(a)(2) of the National and Community Service
22 Act of 1990, in whole or in part, for a State Com-
23 mission, if such State Commission demonstrates
24 need for such waiver.

1 (c) NATIONAL CIVILIAN COMMUNITY CORPS.—In ad-
2 dition to amounts otherwise available, there is appro-
3 priated for fiscal year 2022, out of any money in the
4 Treasury not otherwise appropriated, to the Corporation
5 for National and Community Service, \$80,000,000, to re-
6 main available until September 30, 2029, which shall be
7 used to increase the living allowance and benefits of par-
8 ticipants in the National Civilian Community Corps au-
9 thorized under section 152 of the National and Commu-
10 nity Service Act of 1990.

11 (d) AMERICORPS VISTA.—

12 (1) IN GENERAL.—In addition to amounts oth-
13 erwise available, there is appropriated for fiscal year
14 2022, out of any money in the Treasury not other-
15 wise appropriated, to the Corporation for National
16 and Community Service, \$600,000,000 to remain
17 available until September 30, 2029, which shall be
18 used to increase the subsistence allowances and im-
19 prove benefits of participants in the Volunteers in
20 Service to America program authorized under sec-
21 tion 102 of the Domestic Volunteer Service Act of
22 1973.

23 (2) REQUIREMENT.—For purposes of carrying
24 out paragraph (1)—

1 (A) section 105(b)(2)(A) of the Domestic
2 Volunteer Service Act of 1973 shall be applied
3 by substituting “200 percent” for “95 percent”;
4 and

5 (B) section 105(b)(2)(B) of the Domestic
6 Volunteer Service Act of 1973 shall be applied
7 by substituting “210 percent” for “105 per-
8 cent”.

9 (e) NATIONAL SERVICE IN SUPPORT OF CLIMATE
10 RESILIENCE AND MITIGATION.—

11 (1) IN GENERAL.—In addition to amounts oth-
12 erwise available, there is appropriated for fiscal year
13 2022, out of any money in the Treasury not oth-
14 erwise appropriated, to the Corporation for National
15 and Community Service, \$6,915,000,000, which
16 shall be used for the purposes specified in paragraph
17 (3).

18 (2) AVAILABILITY OF FUNDS.—Amounts appro-
19 priated under paragraph (1) shall—

20 (A) be available until September 30, 2026,
21 for national service programs described in para-
22 graphs (1)(A), (2)(A), (3)(A), and (5)(A) of
23 subsection (a), and subsection (b)(2), of section
24 122 of the National and Community Service
25 Act of 1990 and national service programs car-

1 rying out activities described in clauses (i), (ii),
2 (iii), (v), (vi), and (vii) of paragraph (4)(B) of
3 subsection (a) of such section; and

4 (B) be available until September 30, 2029,
5 for National Civilian Community Corps pro-
6 grams authorized under section 152 of the Na-
7 tional and Community Service Act of 1990 and
8 Volunteers in Service to America programs au-
9 thorized under section 102 of the Domestic Vol-
10 unteer Service Act of 1973.

11 (3) USE OF FUNDS.—

12 (A) IN GENERAL.—The Corporation shall
13 use amounts appropriated under paragraph (1)
14 to fund programs described in subparagraph
15 (B) to carry out projects or activities described
16 in section 122(a)(3)(B) of the National and
17 Community Service Act of 1990.

18 (B) PROGRAMS.—The programs described
19 in subparagraph (A) shall include—

20 (i) national service programs de-
21 scribed in paragraphs (1)(A), (2)(A),
22 (3)(A), and (5)(A) of subsection (a), and
23 subsection (b)(2), of section 122 of the Na-
24 tional and Community Service Act of 1990
25 and national service programs carrying out

1 activities described in clauses (i), (ii), (iii),
2 (v), (vi), and (vii) of paragraph (4)(B) of
3 subsection (a) of such section;

4 (ii) National Civilian Community
5 Corps programs authorized under section
6 152 of the National and Community Serv-
7 ice Act of 1990; and

8 (iii) Volunteers in Service to America
9 programs authorized under section 102 of
10 the Domestic Volunteer Service Act of
11 1973.

12 (C) TERMS.—In funding programs de-
13 scribed in subparagraph (A), the Corporation
14 shall ensure—

15 (i) awards are made to entities that
16 serve, and have representation from, low-
17 income communities or communities expe-
18 riencing (or at risk of experiencing) ad-
19 verse health and environmental conditions;

20 (ii) such programs utilize culturally
21 competent and multilingual strategies;

22 (iii) projects carried out through such
23 programs are planned with community
24 input, and implemented by diverse partici-

1 pants who are from communities being
2 served by such programs; and

3 (iv) such programs provide partici-
4 pants with workforce development opportu-
5 nities, such as pre-apprenticeships that ar-
6 ticulate to registered apprenticeship pro-
7 grams, and pathways to post-service em-
8 ployment in high-quality jobs, including
9 registered apprenticeships.

10 (4) REQUIREMENTS.—For the purposes of car-
11 rying out paragraph (1)—

12 (A) in implementing national service pro-
13 grams described in paragraph (3)(B)(i) and
14 funded by the appropriations specified in para-
15 graph (1)—

16 (i) the Corporation shall waive the re-
17 quirements described in section 121(e)(1)
18 of the National and Community Service
19 Act of 1990, in whole or in part, if a re-
20 cipient of a grant or other agreement for
21 the national service program involved dem-
22 onstrates—

23 (I) the recipient will serve under-
24 served or low-income communities,
25 and a significant percentage of par-

1 participants in such program are low-in-
2 come individuals; and

3 (II) without such waiver, the re-
4 cipient cannot meet the requirements
5 of this section;

6 (ii) section 189(a) of the National and
7 Community Service Act of 1990 shall be
8 applied by substituting “125 percent of the
9 amount of the minimum living allowance of
10 a full-time participant per full-time equiva-
11 lent position” for “\$18,000 per full-time
12 equivalent position”;

13 (iii) section 140(a)(1) of the National
14 and Community Service Act of 1990 shall
15 be applied by substituting “200 percent of
16 the poverty line” for “the average annual
17 subsistence allowance provided to VISTA
18 volunteers under section 105 of the Do-
19 mestic Volunteer Service Act of 1973 (42
20 U.S.C. 4955)”;

21 (iv) the Corporation shall waive the
22 matching requirement described in section
23 126(a)(2) of the National and Community
24 Service Act of 1990, in whole or in part,
25 for a State Commission, if such State

1 Commission demonstrates need for such
2 waiver; and

3 (B) in implementing national service pro-
4 grams described in paragraph (3)(B)(iii) and
5 funded by the appropriations specified in para-
6 graph (1)—

7 (i) section 105(b)(2)(A) of the Domes-
8 tic Volunteer Service Act of 1973 shall be
9 applied by substituting “200 percent” for
10 “95 percent”; and

11 (ii) section 105(b)(2)(B) of the Do-
12 mestic Volunteer Service Act of 1973 shall
13 be applied by substituting “210 percent”
14 for “105 percent”.

15 (f) ADMINISTRATIVE COSTS.—

16 (1) IN GENERAL.—In addition to amounts oth-
17 erwise available, there is appropriated for fiscal year
18 2022, out of any money in the Treasury not other-
19 wise appropriated, to the Corporation for National
20 and Community Service, \$1,010,400,000, to remain
21 available until September 30, 2029, which shall be
22 used for Federal administrative expenses to carry
23 out programs and activities funded under this sec-
24 tion, including—

1 (A) corrective actions to address rec-
2 ommendations arising from audits of the finan-
3 cial statements of the Corporation and the Na-
4 tional Service Trust, and, in consultation with
5 the Inspector General of the Corporation, the
6 development of fraud prevention and detection
7 controls and risk-based anti-fraud monitoring
8 for grants and other financial assistance funded
9 under this section; and

10 (B) coordination of efforts and activities
11 with the Departments of Labor and Education
12 to support the national service programs funded
13 under subsections (a), (c), (d), and (e) in im-
14 proving the readiness of participants to transi-
15 tion to high-quality jobs or further education.

16 (2) FISCAL YEAR 2030 PROGRAM ADMINISTRA-
17 TION.—In addition to amounts otherwise available,
18 there is appropriated for fiscal year 2030, out of any
19 money in the Treasury not otherwise appropriated,
20 to the Corporation for National and Community
21 Service, \$79,800,000, to remain available until Sep-
22 tember 30, 2030, which shall be used, in fiscal year
23 2030, for Federal administrative expenses to carry
24 out programs and activities funded under this sec-
25 tion.

1 (3) PLAN.—In addition to amounts otherwise
2 available, there is appropriated for fiscal year 2022,
3 out of any money in the Treasury not otherwise ap-
4 propriated, to the Corporation, \$300,000, to remain
5 available until September 30, 2023, which shall be
6 used by the Chief Executive Officer of the Corpora-
7 tion to—

8 (A) develop, publish, and implement, not
9 later than 180 days after the date of enactment
10 of this Act, a project, operations, and manage-
11 ment plan for funds appropriated under this
12 section; and

13 (B) consult with the Secretary of Labor
14 and the Inspector General of the Corporation in
15 developing the plan under subparagraph (A).

16 (4) OUTREACH.—In addition to amounts other-
17 wise made available, there is appropriated for fiscal
18 year 2022, out of any money in the Treasury not
19 otherwise appropriated, to the Corporation for Na-
20 tional and Community Service, \$49,500,000, to re-
21 main available until September 30, 2030, for out-
22 reach to and recruitment of members from commu-
23 nities traditionally underrepresented in national
24 service programs and members of a community expe-

1 riencing a significant dislocation of workers, includ-
2 ing energy transition communities.

3 (g) OFFICE OF INSPECTOR GENERAL.—In addition
4 to amounts otherwise available, there is appropriated for
5 fiscal year 2022, out of any money in the Treasury not
6 otherwise appropriated, to the Corporation for National
7 and Community Service, \$75,000,000, to remain available
8 until September 30, 2030, which shall be used for the Of-
9 fice of Inspector General of the Corporation for salaries
10 and expenses necessary for oversight and audit of pro-
11 grams and activities funded under this section.

12 (h) NATIONAL SERVICE TRUST.—

13 (1) IN GENERAL.—In addition to amounts oth-
14 erwise available, there is appropriated for fiscal year
15 2022, out of any money in the Treasury not other-
16 wise appropriated, to the National Service Trust,
17 \$1,150,000,000, to remain available until September
18 30, 2030, for—

19 (A) administration of the National Service
20 Trust; and

21 (B) payment to the Trust for the provision
22 of national service educational awards and in-
23 terest expenses—

1 (i) for participants, for a term of serv-
2 ice supported by funds made available
3 under subsection (e); and

4 (ii) pursuant to section 145(a)(1)(A)
5 of the National and Community Service
6 Act of 1990.

7 (2) SUPPLEMENTAL EDUCATIONAL AWARDS.—

8 (A) APPROPRIATION.—In addition to
9 amounts otherwise available, there is appro-
10 priated for fiscal year 2022, out of any money
11 in the Treasury not otherwise appropriated, to
12 the National Service Trust, \$1,660,000,000, to
13 remain available until September 30, 2030, for
14 payment to the National Service Trust for the
15 purpose of providing a supplemental national
16 service educational award to an individual eligi-
17 ble to receive a national service educational
18 award pursuant to section 146(a), and the indi-
19 vidual's transferee pursuant to section 148(f),
20 of the National and Community Service Act of
21 1990, for a term of service that began after the
22 date of enactment of this Act in a national serv-
23 ice program (including a term of service sup-
24 ported by funds made available under sub-
25 section (e)).

1 (B) AWARD AVAILABILITY.—The supple-
2 mental educational award referred to in sub-
3 paragraph (A) shall be available to an indi-
4 vidual or their transferee described in subpara-
5 graph (A) in accordance with the paragraph
6 (3).

7 (C) CALCULATION.—The amount of the
8 supplemental educational award that shall be
9 available to an individual or their transferee de-
10 scribed in subparagraph (A) shall be calculated
11 as follows:

12 (i) AMOUNT FOR FULL-TIME NA-
13 TIONAL SERVICE.—For an individual who
14 completes a required term of full-time na-
15 tional service, or the individual's trans-
16 feree—

17 (I) in a case in which the award
18 year for which the national service po-
19 sition is approved by the Corporation
20 is award year 2022-2023, 50 percent
21 of the maximum amount of a Federal
22 Pell Grant under section 401 of the
23 Higher Education Act of 1965 that a
24 student eligible for such Grant may

1 receive in the aggregate for such
2 award year; and

3 (II) in a case in which the award
4 year for which the national service po-
5 sition is approved by the Corporation
6 is award year 2023-2024 or a subse-
7 quent award year, 50 percent of the
8 total maximum Federal Pell Grant
9 under section 401 of the Higher Edu-
10 cation Act of 1965 that a student eli-
11 gible for such Grant may receive in
12 the aggregate for such award year.

13 (ii) AMOUNT FOR PART-TIME NA-
14 TIONAL SERVICE.—For an individual who
15 completes a required term of part-time na-
16 tional service, or the individual's trans-
17 feree, 50 percent of the amount deter-
18 mined under clause (i).

19 (iii) AMOUNT FOR PARTIAL COMPLE-
20 TION OF NATIONAL SERVICE.—For an in-
21 dividual released from completing the full-
22 time or part-time term of service agreed to
23 by the individuals, or the individual's
24 transferee, the portion of the amount de-
25 termined under clause (i) that corresponds

1 to the portion of the term of service com-
2 pleted by the individual.

3 (3) PERIOD OF AVAILABILITY FOR NATIONAL
4 SERVICE EDUCATIONAL AWARDS.—

5 (A) IN GENERAL.—Notwithstanding sec-
6 tion 146(d) of the National and Community
7 Service Act of 1990, relating to a period of time
8 for use of a national service educational award,
9 or any extensions to such time period granted
10 under section 146(d)(2) of such Act, an indi-
11 vidual eligible to receive a national service edu-
12 cational award for a term of service supported
13 by funds made available under subsection (e),
14 or the individual's transferee, and an individual
15 eligible to receive a supplemental educational
16 award described in paragraph (2) for a term of
17 service, or the individual's transferee, shall not
18 use, after September 30, 2030, the national
19 service educational award or supplemental edu-
20 cational award for the term of service involved,
21 and the national service educational award and
22 supplemental educational award shall be avail-
23 able for the lengths of time described in sub-
24 paragraph (B).

1 (B) LENGTHS OF TIME.—The lengths of
2 time described in this subparagraph are as fol-
3 lows:

4 (i) For an individual who completes
5 the term of service involved by September
6 30, 2023 or the individual's transferee,
7 until the end of the 7-year period begin-
8 ning on that date.

9 (ii) For an individual who completes
10 such term of service by September 30,
11 2024 or the individual's transferee, until
12 the end of the 6-year period beginning on
13 that date.

14 (iii) For an individual who completes
15 such term of service by September 30,
16 2025 or the individual's transferee, until
17 the end of the 5-year period beginning on
18 that date.

19 (iv) For an individual who completes
20 such term of service by September 30,
21 2026 or the individual's transferee, until
22 the end of the 4-year period beginning on
23 that date.

24 (v) For an individual who completes
25 such term of service by September 30,

1 2027 or the individual's transferee, until
2 the end of the 3-year period beginning on
3 that date.

4 (vi) For an individual who completes
5 such term of service by September 30,
6 2028 or the individual's transferee, until
7 the end of the 2-year period beginning on
8 that date.

9 (vii) For an individual who completes
10 such term of service by September 30,
11 2029 or the individual's transferee, until
12 the end of the 1-year period beginning on
13 that date.

14 (i) LIMITATION.—The funds made available under
15 this section are subject to the condition that the Corpora-
16 tion shall not—

17 (1) use such funds to make any transfer to the
18 National Service Trust for any use, or enter into any
19 agreement involving such funds—

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

22 (B) for which or under which any payment
23 could be outlaid after September 30, 2031; and

1 (1) carrying out activities described in section
2 171(c)(2) of the Workforce Innovation and Oppor-
3 tunity Act; and

4 (2) improving and expanding access to services,
5 stipends, wages, and benefits described in subpara-
6 graphs (A)(vii) and (F) of section 171(c)(2) of such
7 Act.

8 (b) JOB CORPS.—

9 (1) IN GENERAL.—In addition to amounts oth-
10 erwise available, there is appropriated to the Depart-
11 ment of Labor for fiscal year 2022, out of any
12 amounts in the Treasury not otherwise appropriated,
13 \$450,000,000, to remain available until September
14 30, 2026, to support activities aligned with high-
15 quality employment opportunities in industry sectors
16 or occupations related to climate resilience or miti-
17 gation and aligned with the activities described in
18 subsection (e)(3) of section 26001 by—

19 (A) providing funds to operators and serv-
20 ice providers to—

21 (i) carry out the activities and services
22 described in sections 148 and 149 of the
23 Workforce Innovation and Opportunity
24 Act; and

1 (ii) improve and expand access to al-
2 lowances and services described in section
3 150 of such Act; and

4 (B) notwithstanding section 158(e) of such
5 Act, constructing, rehabilitating, and acquiring
6 Job Corps centers to support activities de-
7 scribed in subparagraph (A).

8 (2) ELIGIBILITY.—For the purposes of carrying
9 out paragraph (1), an entity in a State or outlying
10 area may be eligible to be selected as an operator or
11 service provider.

12 (c) PRE-APPRENTICESHIP, AND REGISTERED AP-
13 PRENTICESHIP PROGRAMS.—

14 (1) PRE-APPRENTICESHIP PROGRAMS.—In addi-
15 tion to amounts otherwise available, there is appro-
16 priated to the Department of Labor for fiscal year
17 2022, out of any amounts in the Treasury not other-
18 wise appropriated, \$1,000,000,000, to remain avail-
19 able until September 30, 2026, to carry out activi-
20 ties through grants, cooperative agreements, con-
21 tracts, or other arrangements, to create or expand
22 pre-apprenticeship programs that articulate to reg-
23 istered apprenticeship programs, are aligned with
24 high-quality employment opportunities in industry
25 sectors or occupations related to climate resilience or

1 mitigation, and are aligned with the activities de-
2 scribed in subsection (e)(3) of section 26001.

3 (2) PRE-APPRENTICESHIP PARTNERSHIPS.—In
4 addition to amounts otherwise available, there is ap-
5 propriated to the Department of Labor for fiscal
6 year 2022, out of any amounts in the Treasury not
7 otherwise appropriated, \$150,000,000, to remain
8 available until September 30, 2026, to support part-
9 nerships between entities carrying out pre-appren-
10 ticeship programs that articulate to registered ap-
11 prenticeship programs and entities funded under
12 subsection (e) of section 26001 to ensure past and
13 current participants in programs funded under sub-
14 section (e)(1) of section 26001 have access to such
15 pre-apprenticeship programs.

16 (3) REGISTERED APPRENTICESHIP PRO-
17 GRAMS.—In addition to amounts otherwise available,
18 there is appropriated to the Department of Labor
19 for fiscal year 2022, out of any amounts in the
20 Treasury not otherwise appropriated, \$450,000,000,
21 to remain available until September 30, 2026, to
22 carry out activities through grants, cooperative
23 agreements, contracts, or other arrangements, to
24 create or expand registered apprenticeship programs

1 in climate-related nontraditional apprenticeship oc-
2 cupations.

3 (4) PARTICIPANTS WITH BARRIERS TO EMPLOY-
4 MENT AND NONTRADITIONAL APPRENTICESHIP POP-
5 ULATIONS.—In addition to amounts otherwise avail-
6 able, there is appropriated to the Department of
7 Labor for fiscal year 2022, out of any amounts in
8 the Treasury not otherwise appropriated,
9 \$350,000,000, to remain available until September
10 30, 2026, for entities to carry out pre-apprenticeship
11 programs described in paragraph (1), and registered
12 apprenticeship program described in paragraph (3),
13 serving a high number or high percentage of individ-
14 uals with barriers to employment, including individ-
15 uals with disabilities, or nontraditional apprentice-
16 ship populations.

17 (d) REENTRY EMPLOYMENT OPPORTUNITIES PRO-
18 GRAM.—In addition to amounts otherwise available, there
19 is appropriated to the Department of Labor for fiscal year
20 2022, out of any amounts in the Treasury not otherwise
21 appropriated, \$1,000,000,000, to remain available until
22 September 30, 2026, for the Reentry Employment Oppor-
23 tunities program, which amount shall be used to support
24 activities aligned with high-quality employment opportuni-
25 ties in industry sectors or occupations related to climate

1 resilience or mitigation and aligned with the activities de-
2 scribed in subsection (e)(3) of section 26001.

3 (e) PAID YOUTH EMPLOYMENT OPPORTUNITIES.—In
4 addition to amounts otherwise available, there is appro-
5 priated for fiscal year 2022, out of any money in the
6 Treasury not otherwise appropriated, to the Department
7 of Labor, \$350,000,000, to remain available until Sep-
8 tember 30, 2026, to carry out activities through grants,
9 contracts, or cooperative agreements, for the purposes of
10 providing in-school youth and out-of-school youth with
11 paid work experiences authorized under section
12 129(e)(2)(C) of the Workforce Innovation and Oppor-
13 tunity Act, notwithstanding section 194(10) of such Act,
14 that are—

15 (1) carried out by public agencies or private
16 nonprofit entities, including community-based orga-
17 nizations;

18 (2) provided in conjunction with supportive
19 services and other elements described in section
20 129(e)(2) of such Act;

21 (3) aligned with the activities described in sub-
22 section (e)(3) of section 26001; and

23 (4) designed to prepare participants for—

1 (A) high-quality, unsubsidized employment
2 opportunities in industry sectors or occupations
3 related to climate resilience or mitigation;

4 (B) enrollment in an institution of higher
5 education (as defined in section 101 or 102(c)
6 of the Higher Education Act of 1965); and

7 (C) registered apprenticeship programs.

8 (f) DEPARTMENT OF LABOR INSPECTOR GEN-
9 ERAL.—In addition to amounts otherwise available, there
10 is appropriated to the Office of Inspector General of the
11 Department of Labor for fiscal year 2022, out of any
12 money in the Treasury not otherwise appropriated,
13 \$10,000,000, to remain available until expended, for sala-
14 ries and expenses necessary for oversight, investigations,
15 and audits of programs, grants, and projects of the De-
16 partment of Labor funded under this section.

17 (g) ADMINISTRATION.—

18 (1) IN GENERAL.—In addition to amounts oth-
19 erwise available, there is appropriated to the Depart-
20 ment of Labor for fiscal year 2022, out of any
21 money in the Treasury not otherwise appropriated,
22 \$69,800,000, to remain available until September
23 30, 2029, for program administration within the De-
24 partment of Labor for salaries and expenses nec-
25 essary to implement this section.

1 (2) PLAN.—In addition to amounts otherwise
2 available, there is appropriated for fiscal year 2022,
3 out of any money in the Treasury not otherwise ap-
4 propriated, to the Department of Labor, \$200,000,
5 to remain available until September 30, 2023, which
6 shall be used by the Secretary to—

7 (A) develop, publish, and implement, not
8 later than 180 days after the date of enactment
9 of this Act, a project, operations, and manage-
10 ment plan for funds appropriated under this
11 section; and

12 (B) consult with the Chief Executive Offi-
13 cer of the Corporation for National and Com-
14 munity Service in developing the plan under
15 subparagraph (A).

16 (h) DEFINITION.—For purposes of this section:

17 (1) CLIMATE-RELATED NONTRADITIONAL AP-
18 PRENTICESHIP OCCUPATION.—The term “climate-re-
19 lated nontraditional apprenticeship occupation”
20 means an apprenticeable occupation—

21 (A) that aligns with the activities described
22 in subsection (e)(3) of section 26001;

23 (B) in an industry sector that trains less
24 than 10 percent of all civilian registered ap-

1 prentices as of the date of the enactment of this
2 Act; and

3 (C) that is related to climate resilience or
4 mitigation.

5 (2) REGISTERED APPRENTICESHIP PROGRAM.—

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

15 (3) WIOA DEFINITIONS.—The terms “commu-
16 nity-based organization”, “individual with a barrier
17 to employment”, “in-school youth”, “outlying area”,
18 and “out-of-school youth” have the meanings given
19 such terms in paragraphs (10), (24), (27), (45), and
20 (46), respectively, of section 3 of the Workforce In-
21 novation and Opportunity Act.

1 **Subtitle H—Prescription Drug**
2 **Coverage Provisions**

3 **SEC. 27001. REQUIREMENTS WITH RESPECT TO COST-SHAR-**
4 **ING FOR CERTAIN INSULIN PRODUCTS.**

5 (a) IN GENERAL.—Subpart B of part 7 of subtitle
6 B of title I of the Employee Retirement Income Security
7 Act of 1974 (29 U.S.C. 1185 et seq.) is amended by add-
8 ing at the end the following:

9 **“SEC. 726. REQUIREMENTS WITH RESPECT TO COST-SHAR-**
10 **ING FOR CERTAIN INSULIN PRODUCTS.**

11 “(a) IN GENERAL.—For plan years beginning on or
12 after January 1, 2023, a group health plan or health in-
13 surance issuer offering group health insurance coverage
14 shall provide coverage of selected insulin products, and
15 with respect to such products, shall not—

16 “(1) apply any deductible; or

17 “(2) impose any cost-sharing in excess of the
18 lesser of, per 30-day supply—

19 “(A) \$35; or

20 “(B) the amount equal to 25 percent of
21 the negotiated price of the selected insulin prod-
22 uct net of all price concessions received by or on
23 behalf of the plan or coverage, including price
24 concessions received by or on behalf of third-
25 party entities providing services to the plan or

1 coverage, such as pharmacy benefit manage-
2 ment 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 or health insurance issuer.

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 or issuer that has a network
24 of providers to provide benefits for selected insulin prod-
25 ucts described in this section that are delivered by an out-

1 of-network provider, or precludes a plan or issuer that has
2 a network of providers from imposing higher cost-sharing
3 than the levels specified in subsection (a) for selected insu-
4 lin products described in this section that are delivered
5 by an out-of-network provider.

6 “(d) RULE OF CONSTRUCTION.—Subsection (a) shall
7 not be construed to require coverage of, or prevent a group
8 health plan or health insurance coverage from imposing
9 cost-sharing other than the levels specified in subsection
10 (a) on, insulin products that are not selected insulin prod-
11 ucts, to the extent that such coverage is not otherwise re-
12 quired and such cost-sharing is otherwise permitted under
13 Federal and applicable State 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 or coverage.”.

19 (b) CLERICAL AMENDMENT.—The table of contents
20 in section 1 of the Employee Retirement Income Security
21 Act of 1974 (29 U.S.C. 1001 et seq.) is amended by in-
22 serting after the item relating to section 725 the following:

“Sec. 726. Requirements with respect to cost-sharing for certain insulin prod-
ucts.”.

1 **SEC. 27002. OVERSIGHT OF PHARMACY BENEFIT MANAGER**
2 **SERVICES.**

3 (a) IN GENERAL.—Subtitle B of title I of the Em-
4 ployee Retirement Income Security Act of 1974 (29
5 U.S.C. 1021 et seq.) is amended—

6 (1) in subpart B of part 7 (29 U.S.C. 1185 et
7 seq.), by adding at the end the following:

8 **“SEC. 727. OVERSIGHT OF PHARMACY BENEFIT MANAGER**
9 **SERVICES.**

10 “(a) IN GENERAL.—For plan years beginning on or
11 after January 1, 2023, a group health plan (or health in-
12 surance issuer offering group health insurance coverage
13 in connection with such a plan) or an entity or subsidiary
14 providing pharmacy benefits management services on be-
15 half of such a plan or issuer shall not enter into a contract
16 with a drug manufacturer, distributor, wholesaler, subcon-
17 tractor, rebate aggregator, or any associated third party
18 that limits the disclosure of information to plan sponsors
19 in such a manner that prevents the plan or issuer, or an
20 entity or subsidiary providing pharmacy benefits manage-
21 ment services on behalf of a plan or issuer, from making
22 the reports described in subsection (b).

23 “(b) REPORTS.—

24 “(1) IN GENERAL.—For plan years beginning
25 on or after January 1, 2023, not less frequently
26 than once every 6 months, a health insurance issuer

1 offering group health insurance coverage or an enti-
2 ty providing pharmacy benefits management services
3 on behalf of a group health plan or an issuer pro-
4 viding group health insurance coverage shall submit
5 to the plan sponsor (as defined in section 3(16)(B))
6 of such group health plan or group health insurance
7 coverage a report in accordance with this subsection
8 and make such report available to the plan sponsor
9 in a machine-readable format. Each such report
10 shall include, with respect to the applicable group
11 health plan or health insurance coverage—

12 “(A) as applicable, information collected
13 from drug manufacturers by such issuer or en-
14 tity on the total amount of copayment assist-
15 ance dollars paid, or copayment cards applied,
16 that were funded by the drug manufacturer
17 with respect to the participants and bene-
18 ficiaries in such plan or coverage;

19 “(B) a list of each drug covered by such
20 plan, issuer, or entity providing pharmacy ben-
21 efit management services that was dispensed
22 during the reporting period, including, with re-
23 spect to each such drug during the reporting
24 period—

1 “(i) the brand name, chemical entity,
2 and National Drug Code;

3 “(ii) the number of participants and
4 beneficiaries for whom the drug was filled
5 during the plan year, the total number of
6 prescription fills for the drug (including
7 original prescriptions and refills), and the
8 total number of dosage units of the drug
9 dispensed across the plan year, including
10 whether the dispensing channel was by re-
11 tail, mail order, or specialty pharmacy;

12 “(iii) the wholesale acquisition cost,
13 listed as cost per days supply and cost per
14 pill, or in the case of a drug in another
15 form, per dose;

16 “(iv) the total out-of-pocket spending
17 by participants and beneficiaries on such
18 drug, including participant and beneficiary
19 spending through copayments, coinsurance,
20 and deductibles; and

21 “(v) for any drug for which gross
22 spending of the group health plan or
23 health insurance coverage exceeded
24 \$10,000 during the reporting period—

1 “(I) a list of all other drugs in
2 the same therapeutic category or
3 class, including brand name drugs
4 and biological products and generic
5 drugs or biosimilar biological products
6 that are in the same therapeutic cat-
7 egory or class as such drug; and

8 “(II) the rationale for preferred
9 formulary placement of such drug in
10 that therapeutic category or class;

11 “(C) a list of each therapeutic category or
12 class of drugs that were dispensed under the
13 health plan or health insurance coverage during
14 the reporting period, and, with respect to each
15 such therapeutic category or class of drugs,
16 during the reporting period—

17 “(i) total gross spending by the plan,
18 before manufacturer rebates, fees, or other
19 manufacturer remuneration;

20 “(ii) the number of participants and
21 beneficiaries who filled a prescription for a
22 drug in that category or class;

23 “(iii) if applicable to that category or
24 class, a description of the formulary tiers
25 and utilization mechanisms (such as prior

1 authorization or step therapy) employed
2 for drugs in that category or class;

3 “(iv) the total out-of-pocket spending
4 by participants and beneficiaries, including
5 participant and beneficiary spending
6 through copayments, coinsurance, and
7 deductibles; and

8 “(v) for each therapeutic category or
9 class under which 3 or more drugs are in-
10 cluded on the formulary of such plan or
11 coverage—

12 “(I) the amount received, or ex-
13 pected to be received, from drug man-
14 ufacturers in rebates, fees, alternative
15 discounts, or other remuneration—

16 “(aa) to be paid by drug
17 manufacturers for claims in-
18 curred during the reporting pe-
19 riod; or

20 “(bb) that is related to utili-
21 zation of drugs, in such thera-
22 peutic category or class;

23 “(II) the total net spending, after
24 deducting rebates, price concessions,
25 alternative discounts or other remu-

1 neration from drug manufacturers, by
2 the health plan or health insurance
3 coverage on that category or class of
4 drugs; and

5 “(III) the net price per course of
6 treatment or single fill, such as a 30-
7 day supply or 90-day supply, incurred
8 by the health plan or health insurance
9 coverage and its participants and
10 beneficiaries, after manufacturer re-
11 bates, fees, and other remuneration
12 for drugs dispensed within such thera-
13 peutic category or class during the re-
14 porting period;

15 “(D) total gross spending on prescription
16 drugs by the plan or coverage during the re-
17 porting period, before rebates and other manu-
18 facturer fees or remuneration;

19 “(E) total amount received, or expected to
20 be received, by the health plan or health insur-
21 ance coverage in drug manufacturer rebates,
22 fees, alternative discounts, and all other remu-
23 neration received from the manufacturer or any
24 third party, other than the plan sponsor, re-
25 lated to utilization of drug or drug spending

1 under that health plan or health insurance cov-
2 erage during the reporting period;

3 “(F) the total net spending on prescription
4 drugs by the health plan or health insurance
5 coverage during the reporting period; and

6 “(G) amounts paid directly or indirectly in
7 rebates, fees, or any other type of remuneration
8 to brokers, consultants, advisors, or any other
9 individual or firm who referred the group health
10 plan’s or health insurance issuer’s business to
11 the pharmacy benefit manager.

12 “(2) PRIVACY REQUIREMENTS.—Health insur-
13 ance issuers offering group health insurance cov-
14 erage and entities providing pharmacy benefits man-
15 agement services on behalf of a group health plan
16 shall provide information under paragraph (1) in a
17 manner consistent with the privacy, security, and
18 breach notification regulations promulgated under
19 section 264(c) of the Health Insurance Portability
20 and Accountability Act of 1996, and shall restrict
21 the use and disclosure of such information according
22 to such privacy regulations.

23 “(3) DISCLOSURE AND REDISCLOSURE.—

24 “(A) LIMITATION TO BUSINESS ASSOCI-
25 ATES.—A group health plan receiving a report

1 under paragraph (1) may disclose such informa-
2 tion only to business associates of such plan as
3 defined in section 160.103 of title 45, Code of
4 Federal Regulations (or successor regulations).

5 “(B) CLARIFICATION REGARDING PUBLIC
6 DISCLOSURE OF INFORMATION.—Nothing in
7 this section prevents a health insurance issuer
8 offering group health insurance coverage or an
9 entity providing pharmacy benefits management
10 services on behalf of a group health plan from
11 placing reasonable restrictions on the public dis-
12 closure of the information contained in a report
13 described in paragraph (1), except that such
14 issuer or entity may not restrict disclosure of
15 such report to the Department of Health and
16 Human Services, the Department of Labor, or
17 the Department of the Treasury.

18 “(C) LIMITED FORM OF REPORT.—The
19 Secretary shall define through rulemaking a
20 limited form of the report under paragraph (1)
21 required of plan sponsors who are drug manu-
22 facturers, drug wholesalers, or other direct par-
23 ticipants in the drug supply chain, in order to
24 prevent anti-competitive behavior.

1 “(4) REPORT TO GAO.—A health insurance
2 issuer offering group health insurance coverage or
3 an entity providing pharmacy benefits management
4 services on behalf of a group health plan shall sub-
5 mit to the Comptroller General of the United States
6 each of the first 4 reports submitted to a plan spon-
7 sor under paragraph (1) with respect to such cov-
8 erage or plan, and other such reports as requested,
9 in accordance with the privacy requirements under
10 paragraph (2) and the disclosure and redisclosure
11 standards under paragraph (3), and such other in-
12 formation that the Comptroller General determines
13 necessary to carry out the study under section
14 30606(b) of the Act entitled ‘An Act to provide for
15 reconciliation pursuant to title II of S. Con. Res.
16 14’.

17 “(c) ENFORCEMENT.—

18 “(1) IN GENERAL.—The Secretary, in consulta-
19 tion with the Secretary of Health and Human Serv-
20 ices and the Secretary of the Treasury, shall enforce
21 this section.

22 “(2) FAILURE TO PROVIDE TIMELY INFORMA-
23 TION.—A health insurance issuer or an entity pro-
24 viding pharmacy benefit management services that
25 violates subsection (a) or fails to provide information

1 required under subsection (b), or a drug manufac-
2 turer that fails to provide information under sub-
3 section (b)(1)(A) in a timely manner, shall be sub-
4 ject to a civil monetary penalty in the amount of
5 \$10,000 for each day during which such violation
6 continues or such information is not disclosed or re-
7 ported.

8 “(3) FALSE INFORMATION.—A health insurance
9 issuer, entity providing pharmacy benefit manage-
10 ment services, or drug manufacturer that knowingly
11 provides false information under this section shall be
12 subject to a civil money penalty in an amount not
13 to exceed \$100,000 for each item of false informa-
14 tion. Such civil money penalty shall be in addition to
15 other penalties as may be prescribed by law.

16 “(4) PROCEDURE.—The provisions of section
17 1128A of the Social Security Act, other than sub-
18 section (a) and (b) and the first sentence of sub-
19 section (c)(1) of such section shall apply to civil
20 monetary penalties under this subsection in the
21 same manner as such provisions apply to a penalty
22 or proceeding under section 1128A of the Social Se-
23 curity Act.

24 “(5) WAIVERS.—The Secretary may waive pen-
25 alties under paragraph (2), or extend the period of

1 time for compliance with a requirement of this sec-
2 tion, for an entity in violation of this section that
3 has made a good-faith effort to comply with this sec-
4 tion.

5 “(d) RULE OF CONSTRUCTION.—Nothing in this sec-
6 tion shall be construed to permit a health insurance issuer,
7 group health plan, or other entity to restrict disclosure to,
8 or otherwise limit the access of, the Department of Labor
9 to a report described in subsection (b)(1) or information
10 related to compliance with subsection (a) by such issuer,
11 plan, or entity.

12 “(e) DEFINITION.—In this section, the term ‘whole-
13 sale acquisition cost’ has the meaning given such term in
14 section 1847A(c)(6)(B) of the Social Security Act.”; and
15 (2) in section 502(b)(3) (29 U.S.C.
16 1132(b)(3)), by inserting “(other than section 727)”
17 after “part 7”.

18 (b) CLERICAL AMENDMENT.—The table of contents
19 in section 1 of the Employee Retirement Income Security
20 Act of 1974 (29 U.S.C. 1001 et seq.) is amended by in-
21 serting after the item relating to section 726 the following
22 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) and any greenhouse gas other than water
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 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 133 of such Act, as added by section 30102 of this
9 Act, the following:
10 Act, the following:

11 **“SEC. 134. GREENHOUSE GAS REDUCTION FUND.**

12 “(a) APPROPRIATIONS.—

13 “(1) ZERO-EMISSION TECHNOLOGIES.—In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022,
14 tion to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022,
15 appropriated to the Administrator for fiscal year 2022,
16 out of any money in the Treasury not otherwise appropriated, \$7,000,000,000, to remain available
17 appropriated, \$7,000,000,000, to remain available
18 until September 30, 2024, to make grants, on a competitive basis and beginning not later than 180
19 competitive basis and beginning not later than 180
20 calendar days after the date of enactment of this section, to States, municipalities, Tribal governments,
21 section, to States, municipalities, Tribal governments, and eligible recipients for the purposes of
22 ments, and eligible recipients for the purposes of providing grants, loans, or other forms of financial
23 providing grants, loans, or other forms of financial assistance, as well as technical assistance, to enable
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, a territory, a unit of local
20 government (including any special district, such as an air
21 quality management district), or an Indian Tribe.

22 **SEC. 30105. DIESEL EMISSIONS REDUCTIONS.**

23 (a) GOODS MOVEMENT.—In addition to amounts oth-
24 erwise available, there is appropriated to the Adminis-
25 trator of the Environmental Protection Agency for fiscal

1 year 2022, out of any money in the Treasury not otherwise
2 appropriated, \$60,000,000, to remain available until Sep-
3 tember 30, 2031, for grants, rebates, and loans under sec-
4 tion 792 of the Energy Policy Act of 2005 (42 U.S.C.
5 16132) to identify and reduce diesel emissions resulting
6 from goods movement facilities, and vehicles servicing
7 goods movement facilities, in low-income and disadvan-
8 taged communities to address the health impacts of such
9 emissions on such communities.

10 (b) ADMINISTRATIVE COSTS.—The Administrator of
11 the Environmental Protection Agency shall reserve 2 per-
12 cent of the amounts made available under this section for
13 the administrative costs necessary to carry out activities
14 pursuant to this section.

15 **SEC. 30106. FUNDING TO ADDRESS AIR POLLUTION.**

16 (a) APPROPRIATIONS.—

17 (1) FENCELINE AIR MONITORING AND SCREEN-
18 ING AIR MONITORING.—In addition to amounts oth-
19 erwise available, there is appropriated to the Admin-
20 istrator of the Environmental Protection Agency for
21 fiscal year 2022, out of any money in the Treasury
22 not otherwise appropriated, \$117,500,000, to remain
23 available until September 30, 2031, for grants and
24 other activities authorized under subsections (a)
25 through (c) of section 103 and section 105 of the

1 Clean Air Act (42 U.S.C. 7403(a)–(e), 7405) to de-
2 ploy, integrate, support, and maintain fenceline air
3 monitoring, screening air monitoring, national air
4 toxics trend stations, and other air toxics and com-
5 munity monitoring.

6 (2) MULTIPOLLUTANT MONITORING STA-
7 TIONS.—In addition to amounts otherwise available,
8 there is appropriated to the Administrator of the
9 Environmental Protection Agency for fiscal year
10 2022, out of any money in the Treasury not other-
11 wise appropriated, \$50,000,000, to remain available
12 until September 30, 2031, for grants and other ac-
13 tivities authorized under subsections (a) through (c)
14 of section 103 and section 105 of the Clean Air Act
15 (42 U.S.C. 7403(a)–(e), 7405)—

16 (A) to expand the national ambient air
17 quality monitoring network with new multi-
18 pollutant monitoring stations; and

19 (B) to replace, repair, operate, and main-
20 tain existing monitors.

21 (3) AIR QUALITY SENSORS IN LOW-INCOME AND
22 DISADVANTAGED COMMUNITIES.—In addition to
23 amounts otherwise available, there is appropriated to
24 the Administrator of the Environmental Protection
25 Agency for fiscal year 2022, out of any money in the

1 Treasury not otherwise appropriated, \$3,000,000, to
2 remain available until September 30, 2031, for
3 grants and other activities authorized under sub-
4 sections (a) through (c) of section 103 and section
5 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c),
6 7405) to deploy, integrate, and operate air quality
7 sensors in low-income and disadvantaged commu-
8 nities.

9 (4) EMISSIONS FROM WOOD HEATERS.—In ad-
10 dition to amounts otherwise available, there is ap-
11 propriated to the Administrator of the Environ-
12 mental Protection Agency for fiscal year 2022, out
13 of any money in the Treasury not otherwise appro-
14 priated, \$15,000,000, to remain available until Sep-
15 tember 30, 2031, for grants and other activities au-
16 thorized under subsections (a) through (c) of section
17 103 and section 105 of the Clean Air Act (42 U.S.C.
18 7403(a)–(c), 7405) for testing and other agency ac-
19 tivities to address emissions from wood heaters.

20 (5) METHANE MONITORING.—In addition to
21 amounts otherwise available, there is appropriated to
22 the Administrator of the Environmental Protection
23 Agency for fiscal year 2022, out of any money in the
24 Treasury not otherwise appropriated, \$20,000,000,
25 to remain available until September 30, 2031, for

1 grants and other activities authorized under sub-
2 sections (a) through (c) of section 103 and section
3 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c),
4 7405) for monitoring emissions of methane.

5 (6) CLEAN AIR ACT GRANTS.—In addition to
6 amounts otherwise available, there is appropriated to
7 the Administrator of the Environmental Protection
8 Agency for fiscal year 2022, out of any money in the
9 Treasury not otherwise appropriated, \$25,000,000,
10 to remain available until September 30, 2031, for
11 grants and other activities authorized under sub-
12 sections (a) through (c) of section 103 and section
13 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c),
14 7405).

15 (7) OTHER ACTIVITIES.—In addition to
16 amounts otherwise available, there is appropriated to
17 the Administrator of the Environmental Protection
18 Agency for fiscal year 2022, out of any money in the
19 Treasury not otherwise appropriated, \$45,000,000,
20 to remain available until September 30, 2031, to
21 carry out, with respect to greenhouse gases, sections
22 111, 115, 165, 177, 202, 211, 213, 231, and 612
23 of the Clean Air Act (42 U.S.C. 7411, 7415, 7475,
24 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; and

8 “(ii) may share common facilities; and

9 “(B) that is not a home.

10 “(11) QUALIFIED ELECTRIFICATION PROJECT;
11 QEP.—

12 “(A) IN GENERAL.—The terms ‘qualified
13 electrification project’ and ‘QEP’ mean a
14 project that, as applicable—

15 “(i) installs, or enables the installa-
16 tion and use of, in a home or multifamily
17 building—

18 “(I) an electric load or service
19 center upgrade;

20 “(II) an electric heat pump;

21 “(III) an induction or noninduc-
22 tion electric stove, cooktop, range, or
23 oven;

24 “(IV) an electric heat pump
25 clothes dryer; or

1 “(V) insulation, air sealing, and
2 ventilation, in accordance with re-
3 quirements established by the Sec-
4 retary; or

5 “(ii) installs, or enables the installa-
6 tion and use of, in a home or multifamily
7 building described in subparagraph (B)—

8 “(I) a solar photovoltaic system,
9 including any electrical equipment,
10 wiring, or other components necessary
11 for the installation and use of the
12 solar photovoltaic system, including a
13 battery storage system;

14 “(II) electric vehicle charging in-
15 frastructure or electric vehicle support
16 equipment necessary to recharge an
17 electric vehicle on-site; or

18 “(III) electrical rewiring, power
19 sharing plugs, or other installation
20 tasks directly related to and necessary
21 for the safe and effective functioning
22 of a QEP in a home or multifamily
23 building.

24 “(B) HOME OR MULTIFAMILY BUILDING
25 DESCRIBED.—A home or multifamily building

1 referred to in subparagraph (A)(ii) is a home or
2 multifamily building that is certified, or the
3 household of the homeowner of which is cer-
4 tified, as applicable, as low- or moderate-in-
5 come.

6 “(C) EXCLUSIONS.—The terms ‘qualified
7 electrification project’ and ‘QEP’ do not include
8 any project with respect to which the appliance,
9 system, equipment, infrastructure, component,
10 or other item described in clause (i) or (ii) of
11 subparagraph (A) is not certified under the En-
12 ergy Star program if, as of the date on which
13 the project is carried out, the item is of a cat-
14 egory for which a certification is provided under
15 that program.

16 “(12) QUALIFIED PROVIDER.—The term ‘quali-
17 fied provider’ means an electric utility, Tribal-owned
18 entity or Tribally Designated Housing Entity
19 (TDHE), or commercial, nonprofit, or government
20 entity, including a retailer and a certified contractor
21 company, that provides services for which a rebate
22 may be provided pursuant to this section for 1 or
23 more portfolios that consist of 1 or more qualified
24 electrification projects.

1 “(13) SOLAR PHOTOVOLTAIC SYSTEM.—The
2 term ‘solar photovoltaic system’ means a system—

3 “(A) placed on-site at a home or multi-
4 family building, or as part of the community of
5 the home or multifamily building; and

6 “(B) that generates electricity from the
7 sun specifically for the home, multifamily build-
8 ing, or community.

9 “(14) STATE.—The term ‘State’ means a State,
10 the District of Columbia, or any territory or posses-
11 sion of the United States.

12 “(15) TRIBAL COMMUNITY.—The term ‘Tribal
13 community’ means a Tribal tract or Tribal block
14 group.

15 “(16) UNDERSERVED COMMUNITY.—The term
16 ‘underserved community’ means a community lo-
17 cated in a census tract that is identified by the Sec-
18 retary as—

19 “(A) a low- or moderate-income commu-
20 nity; or

21 “(B) a community of racial or ethnic mi-
22 nority concentration.”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) The table of contents for the Energy Policy
25 Act of 2005 (Public Law 109–58; 119 Stat. 594) is

1 amended by striking the item relating to section 124
2 and inserting the following:

“Sec. 124. High-Efficiency Electric Home Rebate Program.”.

3 (2) Section 3201(c)(2)(A)(i) of the Energy Act
4 of 2020 (42 U.S.C. 17232(c)(2)(A)(i)) is amended
5 by striking “(a)” each place it appears.

6 **PART 2—BUILDING EFFICIENCY AND**
7 **RESILIENCE**

8 **SEC. 30421. CRITICAL FACILITY MODERNIZATION.**

9 (a) APPROPRIATION.—In addition to amounts other-
10 wise available, there is appropriated to the Secretary for
11 fiscal year 2022, out of any money in the Treasury not
12 otherwise appropriated, \$500,000,000, to remain available
13 through September 30, 2031, to provide financial assist-
14 ance to States to develop and implement State programs
15 described in subsection (d)(5) of section 362 of the Energy
16 Policy and Conservation Act (42 U.S.C. 6322), as part
17 of an approved State energy conservation plan under that
18 section, to be distributed to States in accordance with the
19 formula for the State Energy Program established in part
20 420 of title 10, Code of Federal Regulations (as in effect
21 on January 1, 2021), to carry out projects to improve the
22 energy resilience of public or nonprofit buildings, including
23 projects to increase the energy efficiency and grid integra-
24 tion of public or nonprofit buildings or the renewable en-
25 ergy used at public or nonprofit buildings.

1 (b) USE OF FUNDS.—

2 (1) GUIDELINES.—Not later than 180 days
3 after the date of enactment of this Act, the Sec-
4 retary shall issue guidelines for measures for States
5 to include in any program with respect to which a
6 State receives financial assistance under this section.

7 (2) ADMINISTRATIVE EXPENSES.—A State re-
8 ceiving financial assistance under this section shall
9 use not more than 10 percent for administrative
10 purposes.

11 (3) NO MATCHING FUNDS REQUIREMENT.—The
12 Secretary may not require a State receiving financial
13 assistance under this section to provide matching
14 funds.

15 (4) EXEMPTION.—Activities carried out using
16 funds appropriated under subsection (a) shall not be
17 subject to the expenditure prohibitions and limita-
18 tions of the State Energy Program under section
19 420.18 of title 10, Code of Federal Regulations.

20 (c) DEFINITIONS.—In this section:

21 (1) ENERGY RESILIENCE.—The term “energy
22 resilience” means the ability to withstand and quick-
23 ly recover from an energy supply disruption.

24 (2) PUBLIC OR NONPROFIT BUILDING.—The
25 term “public or nonprofit building” means a public

1 or nonprofit building described in section
2 362(d)(5)(B) of the Energy Policy and Conservation
3 Act (42 U.S.C. 6322(d)(5)(B)).

4 (3) STATE.—The term “State” has the mean-
5 ing given the term in section 3 of the Energy Policy
6 and Conservation Act (42 U.S.C. 6202).

7 **SEC. 30422. ASSISTANCE FOR LATEST AND ZERO BUILDING**
8 **ENERGY CODE ADOPTION.**

9 (a) APPROPRIATION.—In addition to amounts other-
10 wise available, there is appropriated to the Secretary of
11 Energy for fiscal year 2022, out of any money in the
12 Treasury not otherwise appropriated—

13 (1) \$100,000,000, to remain available until
14 September 30, 2031, to carry out activities under
15 part D of title III of the Energy Policy and Con-
16 servation Act (42 U.S.C. 6321 through 6326) in ac-
17 cordance with subsection (b); and

18 (2) \$200,000,000, to remain available until
19 September 30, 2031, to carry out activities under
20 part D of title III of the Energy Policy and Con-
21 servation Act (42 U.S.C. 6321 through 6326) in ac-
22 cordance with subsection (c).

23 (b) LATEST BUILDING ENERGY CODE.—The Sec-
24 retary of Energy shall use funds made available under
25 subsection (a)(1) for grants to assist States, and units of

1 local government that have authority to adopt building
2 codes, to—

3 (1) adopt—

4 (A) a building energy code (or codes) for
5 residential buildings that meets or exceeds the
6 2021 International Energy Conservation Code,
7 or achieves equivalent or greater energy sav-
8 ings;

9 (B) a building energy code (or codes) for
10 commercial buildings that meets or exceeds the
11 ANSI/ASHRAE/IES Standard 90.1–2019, or
12 achieves equivalent or greater energy savings;
13 or

14 (C) any combination of building energy
15 codes described in subparagraph (A) or (B);
16 and

17 (2) implement a plan for the jurisdiction to
18 achieve full compliance with any building energy
19 code adopted under paragraph (1) in new and ren-
20 ovated residential or commercial buildings, as appli-
21 cable, which plan shall include active training and
22 enforcement programs and measurement of the rate
23 of compliance each year.

24 (c) ZERO ENERGY CODE.—The Secretary of Energy
25 shall use funds made available under subsection (a)(2) for

1 grants to assist States, and units of local government that
2 have authority to adopt building codes, to—

3 (1) adopt a building energy code (or codes) for
4 residential and commercial buildings that meets or
5 exceeds the zero energy provisions in the 2021 Inter-
6 national Energy Conservation Code or an equivalent
7 stretch code; and

8 (2) implement a plan for the jurisdiction to
9 achieve full compliance with any building energy
10 code adopted under paragraph (1) in new and ren-
11 ovated residential and commercial buildings, which
12 plan shall include active training and enforcement
13 programs and measurement of the rate of compli-
14 ance each year.

15 (d) STATE MATCH.—The State cost share require-
16 ment under the item relating to “Department of Energy—
17 Energy Conservation” in title II of the Department of the
18 Interior and Related Agencies Appropriations Act, 1985
19 (42 U.S.C. 6323a; 98 Stat. 1861) shall not apply to assist-
20 ance provided under this section.

21 (e) STATE DEFINED.—In this section, the term
22 “State” has the meaning given that term in section 3 of
23 the Energy Policy and Conservation Act (42 U.S.C.
24 6202).

1 (f) ADMINISTRATIVE COSTS.—Of the amounts made
2 available under this section, the Secretary shall reserve 5
3 percent for administrative costs necessary to carry out this
4 section.

5 **PART 3—ZERO-EMISSIONS VEHICLE**
6 **INFRASTRUCTURE**

7 **SEC. 30431. ZERO-EMISSIONS VEHICLE INFRASTRUCTURE**
8 **GRANTS.**

9 (a) APPROPRIATIONS.—In addition to amounts other-
10 wise available, there is appropriated to the Secretary for
11 fiscal year 2022, out of any money in the Treasury not
12 otherwise appropriated, to remain available through Sep-
13 tember 30, 2028, to be distributed to States in accordance
14 with the formula for the State Energy Program estab-
15 lished in part 420 of title 10, Code of Federal Regulations
16 (as in effect on January 1, 2021)—

17 (1) \$600,000,000 to carry out a program to
18 provide financial assistance to States to develop and
19 implement State programs described in subsection
20 (d)(5) of section 362 of the Energy Policy and Con-
21 servation Act (42 U.S.C. 6322), as part of an ap-
22 proved State energy conservation plan under that
23 section, to carry out projects to build out publicly
24 accessible level 2 electric vehicle supply equipment in

1 rural communities or underserved or disadvantaged
2 communities;

3 (2) \$200,000,000 to carry out a program to
4 provide financial assistance to States to develop and
5 implement State programs described in subsection
6 (d)(5) of section 362 of the Energy Policy and Con-
7 servation Act (42 U.S.C. 6322), as part of an ap-
8 proved State energy conservation plan under that
9 section, to carry out projects to build out publicly
10 accessible networked direct current fast charge elec-
11 tric vehicle supply equipment in rural communities
12 or underserved or disadvantaged communities; and

13 (3) \$200,000,000 to carry out a program to
14 provide financial assistance to States to develop and
15 implement State programs described in subsection
16 (d)(5) of section 362 of the Energy Policy and Con-
17 servation Act (42 U.S.C. 6322), as part of an ap-
18 proved State energy conservation plan under that
19 section, to carry out projects to build out hydrogen
20 fueling stations in rural communities or underserved
21 or disadvantaged communities.

22 (b) REQUIREMENTS.—

23 (1) MEASURES.—Not later than 180 days after
24 the date of enactment of this Act, the Secretary
25 shall establish requirements for measures to be in-

1 cluded in any program with respect to which a State
2 receives financial assistance under this section.

3 (2) ADMINISTRATIVE EXPENSES.—A State re-
4 ceiving financial assistance under this section shall
5 use not more than 5 percent for administrative pur-
6 poses.

7 (3) NO MATCHING FUNDS REQUIREMENT.—The
8 Secretary may not require a State receiving financial
9 assistance under this section to provide matching
10 funds.

11 (4) ELIGIBLE ENTITIES.—Financial assistance
12 provided by a State using funds made available
13 under this section shall only be available to eligible
14 entities.

15 (5) THIRD-PARTY CONTRACTS.—A State or eli-
16 gible entity may enter into a contract with a private
17 third-party entity for the build out of electric vehicle
18 supply equipment or hydrogen fueling stations under
19 subsection (a).

20 (6) USE OF PRIVATE PROPERTY.—A State or
21 eligible entity may enter into an agreement for the
22 use of publicly accessible private property.

23 (7) LIMITATION.—The Secretary shall ensure
24 that no entity receives a profit for access to or
25 hosting of electric vehicle supply equipment or hy-

1 drogen fueling stations built out under a contract
2 entered into under paragraph (5) or pursuant to an
3 agreement entered into under paragraph (6), except
4 that the Secretary shall determine an appropriate
5 amount of profit that an entity may receive for the
6 sale of electricity or hydrogen and the operation and
7 maintenance of such electric vehicle supply equip-
8 ment or hydrogen fueling stations.

9 (8) REALLOCATION OF FUNDS.—A State shall
10 return to the Secretary any funds received under
11 subsection (a) that the State does not award within
12 3 years of receiving such funds, and the Secretary
13 shall reallocate such funds to other States.

14 (c) DEFINITIONS.—In this section:

15 (1) ELECTRIC VEHICLE SUPPLY EQUIPMENT.—
16 The term “electric vehicle supply equipment” means
17 any conductors, including ungrounded, grounded,
18 and equipment grounding conductors, electric vehicle
19 connectors, attachment plugs, and all other fittings,
20 devices, power outlets, electrical equipment, sta-
21 tionary energy storage systems, off-grid charging in-
22 stallations, or apparatuses installed specifically for
23 the purpose of delivering energy to an electric vehicle
24 or to a battery intended to be used in an electric ve-
25 hicle.

1 (2) ELIGIBLE ENTITY.—The term “eligible enti-
2 ty” means a local, Tribal, or territorial government,
3 a not-for-profit entity, a nonprofit entity, a metro-
4 politan planning organization, or an entity with
5 fewer than 50 employees, as determined by the Sec-
6 retary.

7 (3) LEVEL 2 ELECTRIC VEHICLE SUPPLY
8 EQUIPMENT.—The term “level 2 electric vehicle sup-
9 ply equipment” means electric vehicle supply equip-
10 ment that provides an alternating current power
11 source at a minimum of 208 volts.

12 (4) NETWORKED DIRECT CURRENT FAST
13 CHARGE ELECTRIC VEHICLE SUPPLY EQUIPMENT.—
14 The term “networked direct current fast charge elec-
15 tric vehicle supply equipment” means electric vehicle
16 supply equipment that is capable of providing a di-
17 rect current power source at a minimum of 50 kilo-
18 watts and is enabled to connect to a network to fa-
19 cilitate at least data collection and access.

20 (5) PRIVATE THIRD-PARTY ENTITY.—The term
21 “private third-party entity” means a non-govern-
22 mental entity, including a private business, that is
23 able to contract with the State or an eligible entity
24 to carry out projects to build out electric vehicle sup-
25 ply equipment or hydrogen fueling stations.

1 (6) PUBLICLY ACCESSIBLE.—The term “pub-
2 licly accessible” means available to members of the
3 public, including within or around—

4 (A) multiunit housing structures;

5 (B) workplaces;

6 (C) commercial locations that are acces-
7 sible for a minimum of 12 hours per day at
8 least 5 days a week, and capable of being mon-
9 itored remotely; or

10 (D) other locations that are accessible for
11 a minimum of 12 hours per day at least 5 days
12 a week, and capable of being monitored re-
13 motely.

14 (7) SECRETARY.—The term “Secretary” means
15 the Secretary of Energy.

16 (8) UNDERSERVED OR DISADVANTAGED COM-
17 MUNITY.—The term “underserved or disadvantaged
18 community” means a community or geographic area
19 that is identified by the Secretary as—

20 (A) a low-income community;

21 (B) a Tribal community;

22 (C) having a disproportionately low num-
23 ber of electric vehicle charging stations per cap-
24 ita, compared to similar areas; or

1 (D) disproportionately vulnerable to, or
2 bearing a disproportionate burden of, any com-
3 bination of economic, social, environmental, or
4 climate stressors.

5 **PART 4—DOE LOAN AND GRANT PROGRAMS**

6 **SEC. 30441. FUNDING FOR DEPARTMENT OF ENERGY LOAN**
7 **PROGRAMS OFFICE.**

8 (a) COMMITMENT AUTHORITY.—In addition to com-
9 mitment authority otherwise available and previously pro-
10 vided, the Secretary of Energy may make commitments
11 to guarantee loans for eligible projects under section 1703
12 of the Energy Policy Act of 2005 up to a total principal
13 amount of \$40,000,000,000, to remain available until Sep-
14 tember 30, 2026: *Provided*, That for amounts collected
15 pursuant to section 1702(b)(2) of the Energy Policy Act
16 of 2005, the source of such payment received from bor-
17 rowers may not be a loan or other debt obligation that
18 is guaranteed by the Federal Government: *Provided fur-*
19 *ther*, That none of the loan guarantee authority made
20 available by this section shall be available for any project
21 unless the President has certified in advance in writing
22 that the loan guarantee and the project comply with the
23 provisions under this section: *Provided further*, That none
24 of such loan guarantee authority made available by this
25 section shall be available for commitments to guarantee

1 loans for any projects where funds, personnel, or property
2 (tangible or intangible) of any Federal agency, instrumen-
3 tality, personnel, or affiliated entity are expected to be
4 used (directly or indirectly) through acquisitions, con-
5 tracts, demonstrations, exchanges, grants, incentives,
6 leases, procurements, sales, other transaction authority, or
7 other arrangements, to support the project or to obtain
8 goods or services from the project: *Provided further*, That
9 the previous proviso shall not be interpreted as precluding
10 the use of the loan guarantee authority provided by this
11 section for commitments to guarantee loans for—

12 (1) projects as a result of such projects benefit-
13 ting from otherwise allowable Federal tax benefits;

14 (2) projects as a result of such projects benefit-
15 ting from being located on Federal land pursuant to
16 a lease or right-of-way agreement for which all con-
17 sideration for all uses is—

18 (A) paid exclusively in cash;

19 (B) deposited in the Treasury as offsetting
20 receipts; and

21 (C) equal to the fair market value;

22 (3) projects as a result of such projects benefit-
23 ting from the Federal insurance program under sec-
24 tion 170 of the Atomic Energy Act of 1954 (42
25 U.S.C. 2210); or

1 Treasury not otherwise appropriated, \$3,000,000,000, to
2 remain available until September 30, 2028, for the costs
3 of—

4 (1) providing direct loans under section 136(d)
5 of the Energy Independence and Security Act of
6 2007 (42 U.S.C. 17013(d)); and

7 (2) providing direct loans, in accordance with
8 section 136 of such Act, for reequipping, expanding,
9 or establishing a manufacturing facility in the
10 United States to produce, or for engineering integra-
11 tion performed in the United States of—

12 (A) a medium duty vehicle or a heavy duty
13 vehicle; or

14 (B) any of the following that emit, under
15 any possible operational mode or condition, zero
16 exhaust emissions of any greenhouse gas:

17 (i) A train or locomotive.

18 (ii) A maritime vessel.

19 (iii) An aircraft.

20 (iv) Hyperloop technology.

21 (b) ADMINISTRATIVE COSTS.—The Secretary shall
22 reserve \$25,000,000 of amounts made available under
23 subsection (a) for administrative costs of providing loans
24 as described in subsection (a).

1 (c) ELIMINATION OF LOAN PROGRAM CAP.—Section
2 136(d)(1) of the Energy Independence and Security Act
3 of 2007 (42 U.S.C. 17013(d)(1)) is amended by striking
4 “a total of not more than \$25,000,000,000 in”.

5 **SEC. 30443. DOMESTIC MANUFACTURING CONVERSION**
6 **GRANTS.**

7 (a) APPROPRIATION.—In addition to amounts other-
8 wise available, there is appropriated to the Secretary of
9 Energy for fiscal year 2022, out of any money in the
10 Treasury not otherwise appropriated, \$3,500,000,000, to
11 remain available until expended, for grants relating to do-
12 mestic production of plug-in electric hybrid, plug-in elec-
13 tric drive, and hydrogen fuel cell electric vehicles, in ac-
14 cordance with section 712 of the Energy Policy Act of
15 2005 (42 U.S.C. 16062).

16 (b) ADMINISTRATIVE COSTS.—The Secretary shall
17 reserve 3 percent of amounts made available under sub-
18 section (a) for administrative costs of making grants de-
19 scribed in such subsection (a) pursuant to section 712 of
20 the Energy Policy Act of 2005 (42 U.S.C. 16062).

21 **SEC. 30444. ENERGY COMMUNITY REINVESTMENT FINANC-**
22 **ING.**

23 Title XVII of the Energy Policy Act of 2005 is
24 amended by inserting after section 1705 (42 U.S.C.
25 16516) the following:

1 **“SEC. 1706. ENERGY COMMUNITY REINVESTMENT FINANC-**
2 **ING PROGRAM.**

3 “(a) APPROPRIATION.—In addition to amounts oth-
4 erwise available, there is appropriated to the Secretary for
5 fiscal year 2022, out of any money in the Treasury not
6 otherwise appropriated, \$5,000,000,000, to remain avail-
7 able until September 30, 2026, for the cost of providing
8 financial support under this section, the gross principal
9 amount of which shall not exceed \$250,000,000,000.

10 “(b) ESTABLISHMENT.—Notwithstanding section
11 1702(f) and section 1703, and not later than 180 days
12 after the date of enactment of this section, the Secretary
13 shall establish a program to provide financial support, in
14 such form and on such terms and conditions as the Sec-
15 retary determines appropriate, to eligible entities for the
16 purpose of making or enabling low-carbon reinvestments
17 in energy communities, which such reinvestments may in-
18 clude—

19 “(1) supporting workers who are or have been
20 engaged in providing, or have been affected by the
21 provision of, energy-intensive goods or services by
22 helping such workers find employment opportunities,
23 including by providing training and education;

24 “(2) redeveloping a community that is or was
25 engaged in providing, or has been affected by the
26 provision of, energy-intensive goods or services;

1 “(3) accelerating remediation of environmental
2 damage caused by the provision of energy-intensive
3 goods or services; and

4 “(4) mitigating the effects on customers of any
5 significant reduction in the carbon intensity of goods
6 or services provided by the eligible entity, including
7 by the cost-effective abatement of greenhouse gas
8 emissions from continuing operations and the
9 repowering, retooling, repurposing, redeveloping, or
10 remediating of any long-lived assets, lands, or infra-
11 structure currently or previously used by the eligible
12 entity primarily to support the provision of energy-
13 intensive goods or services.

14 “(c) APPLICATION REQUIREMENT.—To apply for fi-
15 nancial support provided under this section, an eligible en-
16 tity shall submit to the Secretary an application at such
17 time, in such manner, and containing such information as
18 the Secretary may require, which such application shall
19 include—

20 “(1) a detailed plan describing the activities to
21 be carried out in accordance with subsection (b), in-
22 cluding activities for the measurement, monitoring,
23 and verification of emissions of greenhouse gases;
24 and

1 “(2) if the eligible entity is a utility subject to
2 regulation by a State commission or other State reg-
3 ulatory authority, assurances, as determined appro-
4 priate by the Secretary, that such eligible entity
5 shall pass through any financial benefit from the
6 provision of any financial support under this section
7 to its customers or energy communities.

8 “(d) OTHER REQUIREMENTS.—

9 “(1) FEES.—Notwithstanding section
10 1702(h)(1), the Secretary shall charge and collect a
11 fee from each eligible entity that received financial
12 support provided under this section in an amount
13 the Secretary determines sufficient to cover applica-
14 ble administrative expenses (including any costs as-
15 sociated with third party consultants engaged by the
16 Secretary).

17 “(2) SPECIFIC APPROPRIATION OR CONTRIBU-
18 TION.—Any cost for any financial support provided
19 under this section shall be paid in accordance with
20 subsection (b) of section 1702 (for purposes of
21 which any reference in such subsection to a guar-
22 antee shall be considered to be a reference to finan-
23 cial support).

24 “(e) DEFINITIONS.—In this section:

1 “(1) COST.—Notwithstanding section 1701, the
2 term ‘cost’ has the meaning given such term in sec-
3 tion 502 of the Federal Credit Reform Act of 1990
4 (2 U.S.C. 661a).

5 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
6 tity’ means any entity that is directly affiliated with
7 the provision of energy-intensive goods or services.

8 “(3) ENERGY COMMUNITY.—The term ‘energy
9 community’ means a community whose members are
10 or were engaged in providing, or have been affected
11 by the provision of, energy-intensive goods and serv-
12 ices.

13 “(4) FINANCIAL SUPPORT.—The term ‘financial
14 support’ means any credit product or support the
15 Secretary determines appropriate to implement this
16 section, including—

17 “(A) a line of credit; and

18 “(B) a guarantee, including of a letter of
19 credit for the purposes of subsection (b)(3).”.

20 **SEC. 30445. TRIBAL ENERGY LOAN GUARANTEE PROGRAM.**

21 (a) APPROPRIATION.—In addition to amounts other-
22 wise available, there is appropriated to the Secretary of
23 Energy for fiscal year 2022, out of any money in the
24 Treasury not otherwise appropriated, \$200,000,000, to re-
25 main available until September 30, 2028, to carry out sec-

1 tion 2602(c) of the Energy Policy Act of 1992 (25 U.S.C.
2 3502(c)).

3 (b) INCLUSIONS IN TITLE XVII DEFINITION OF
4 GUARANTEE.—Section 1701(4)(B) of the Energy Policy
5 Act of 2005 (42 U.S.C. 16511(4)(B)) is amended by strik-
6 ing the period at the end and inserting “and, for purposes
7 of minimizing financing costs, includes a guarantee by the
8 Secretary of 100 percent of the unpaid principal and inter-
9 est due on any obligation to the Federal Financing
10 Bank.”.

11 (c) DEPARTMENT OF ENERGY TRIBAL ENERGY
12 LOAN GUARANTEE PROGRAM.— Section 2602(c) of the
13 Energy Policy Act of 1992 (25 U.S.C. 3502(c)) is amend-
14 ed—

15 (1) in paragraph (1), by striking “(as defined
16 in section 502 of the Federal Credit Reform Act of
17 1990 (2 U.S.C. 661a)) for an amount equal to not
18 more than 90 percent of” and inserting “(as defined
19 in section 1701 of the Energy Policy Act of 2005
20 (42 U.S.C. 16511)) for”; and

21 (2) in paragraph (4), by striking
22 “\$2,000,000,000” and inserting “\$20,000,000,000”.

1 **PART 5—ELECTRIC TRANSMISSION**

2 **SEC. 30451. TRANSMISSION LINE AND INTERTIE INCEN-**
3 **TIVES.**

4 (a) APPROPRIATION.—In addition to amounts other-
5 wise available, there is appropriated to the Secretary of
6 Energy for fiscal year 2022, out of any money in the
7 Treasury not otherwise appropriated, to remain available
8 until September 30, 2030, \$1,500,000,000 for purposes
9 of providing grants under subsection (b) and for adminis-
10 trative expenses associated with carrying out this section,
11 and \$500,000,000 for the costs of providing direct loans
12 under subsection (b): *Provided*, That the Secretary shall
13 not enter into any loan agreement pursuant to this section
14 that could result in disbursements after September 30,
15 2031, or any grant agreement pursuant to this section
16 that could result in any outlays after September 30, 2031:
17 *Provided further*, That none of such loan authority made
18 available by this section shall be available for loans for
19 any projects where funds, personnel, or property (tangible
20 or intangible) of any Federal agency, instrumentality, per-
21 sonnel, or affiliated entity are expected to be used (directly
22 or indirectly) through acquisitions, contracts, demonstra-
23 tions, exchanges, grants, incentives, leases, procurements,
24 sales, other transaction authority, or other arrangements
25 to support the project or to obtain goods or services from
26 the project: *Provided further*, That the previous proviso

1 shall not be interpreted as precluding the use of the loan
2 authority provided by this section for commitments to
3 loans for: (1) projects benefitting from otherwise allowable
4 Federal tax benefits; (2) projects benefitting from being
5 located on Federal land pursuant to a lease or right-of-
6 way agreement for which all consideration for all uses is:
7 (A) paid exclusively in cash; (B) deposited in the Treasury
8 as offsetting receipts; and (C) equal to the fair market
9 value; (3) projects benefitting from the Federal insurance
10 program under section 170 of the Atomic Energy Act of
11 1954 (42 U.S.C. 2210); or (4) electric generation projects
12 using transmission facilities owned or operated by a Fed-
13 eral Power Marketing Administration or the Tennessee
14 Valley Authority that have been authorized, approved, and
15 financed independent of the project receiving the guar-
16 antee: *Provided further*, That none of the loan authority
17 made available by this section shall be available for any
18 project unless the President has certified in advance in
19 writing that the loan and the project comply with the pro-
20 visions under this section.

21 (b) IN GENERAL.—Except as provided in subsection
22 (c), the Secretary of Energy may provide grants and direct
23 loans to eligible entities to construct new, or make up-
24 grades to existing, eligible transmission lines or eligible
25 interties, including the related facilities thereof, if the Sec-

1 retary of Energy determines that such construction or up-
2 grade would support—

3 (1) a more robust and resilient electric grid;
4 and

5 (2) the integration of electricity from a clean
6 energy facility into the electric grid.

7 (c) OTHER REQUIREMENTS.—

8 (1) INTEREST RATES.—The Secretary of En-
9 ergy shall determine the rate of interest to charge on
10 direct loans provided under subsection (b) by taking
11 into consideration market yields on outstanding mar-
12 ketable obligations of the United States of com-
13 parable maturities as of the date the loan is dis-
14 bursed.

15 (2) RECOVERY OF COSTS FOR GRANTS.—A
16 grant provided under this section may not be used
17 to cover the portion of costs for the construction of
18 new, or for making upgrades to existing, eligible
19 transmission lines or eligible interties, including the
20 related facilities thereof, that are approved for recov-
21 ery through a Transmission Organization, regional
22 planning authority, governing or ratemaking body of
23 an electric cooperative, State commission, or another
24 similar body.

1 (3) NO DUPLICATE ASSISTANCE.—No eligible
2 entity may receive both a grant and a direct loan for
3 the same construction of, or upgrade to, an eligible
4 transmission line or eligible intertie under this sec-
5 tion.

6 (d) DEFINITIONS.—In this section:

7 (1) CLEAN ENERGY FACILITY.—The term
8 “clean energy facility” means any electric generating
9 unit that does not emit carbon dioxide.

10 (2) DIRECT LOAN.—The term “direct loan”
11 means a disbursement of funds by the Government
12 to a non-Federal borrower under a contract that re-
13 quires the repayment of such funds with or without
14 interest. The term includes the purchase of, or par-
15 ticipation in, a loan made by another lender and fi-
16 nancing arrangements that defer payment for more
17 than 90 days, including the sale of a government
18 asset on credit terms.

19 (3) ELIGIBLE ENTITY.—The term “eligible enti-
20 ty” means a non-Federal entity.

21 (4) ELIGIBLE INTERTIE.—The term “eligible
22 intertie” means—

23 (A) any interties across the seam between
24 the Western Interconnection and the Eastern
25 Interconnection;

1 (B) the Pacific Northwest-Pacific South-
2 west Intertie;

3 (C) any interties between the Electric Reli-
4 ability Council of Texas and the Western Inter-
5 connection or the Eastern Interconnection; or

6 (D) such other interties that the Secretary
7 determines contribute to—

8 (i) a more robust and resilient electric
9 grid; and

10 (ii) the integration of electricity from
11 a clean energy facility into the electric
12 grid.

13 (5) ELIGIBLE TRANSMISSION LINE.—The term
14 “eligible transmission line” means an electric power
15 transmission line that—

16 (A) in the case of new construction under
17 subsection (b), has a transmitting capacity of
18 not less than 1,000 megawatts;

19 (B) in the case of an upgrade made under
20 subsection (b), the upgrade to which will in-
21 crease its transmitting capacity by not less than
22 500 megawatts; and

23 (C) is capable of transmitting electricity—

24 (i) across any eligible intertie;

1 (ii) from an offshore wind generating
2 facility; or

3 (iii) along a route, or in a corridor,
4 determined by the Secretary of Energy to
5 be necessary to meet interregional or na-
6 tional electricity transmission needs.

7 (6) STATE COMMISSION; TRANSMISSION ORGA-
8 NIZATION.—The terms “State commission” and
9 “Transmission Organization” have the meanings
10 given such terms in section 3 of the Federal Power
11 Act (16 U.S.C. 796).

12 **SEC. 30452. GRANTS TO FACILITATE THE SITING OF INTER-**
13 **STATE ELECTRICITY TRANSMISSION LINES.**

14 (a) APPROPRIATION.—In addition to amounts other-
15 wise available, there is appropriated to the Secretary of
16 Energy for fiscal year 2022, out of any money in the
17 Treasury not otherwise appropriated, \$800,000,000, to re-
18 main available until September 30, 2029, for making
19 grants in accordance with this section and for administra-
20 tive expenses associated with carrying out this section.

21 (b) USE OF FUNDS.—

22 (1) IN GENERAL.—The Secretary may make a
23 grant under this section to a siting authority for,
24 with respect to a covered transmission project, any
25 of the following activities:

1 (A) Studies and analyses of the impacts of
2 the covered transmission project.

3 (B) Examination of up to 3 alternate
4 siting corridors within which the covered trans-
5 mission project feasibly could be sited.

6 (C) Hosting and facilitation of negotiations
7 in settlement meetings involving the siting au-
8 thority, the covered transmission project appli-
9 cant, and opponents of the covered transmission
10 project, for the purpose of identifying and ad-
11 dressing issues that are preventing approval of
12 the application relating to the siting or permit-
13 ting of the covered transmission project.

14 (D) Participation by the siting authority in
15 regulatory proceedings or negotiations in an-
16 other jurisdiction, or under the auspices of a
17 Transmission Organization (as defined in sec-
18 tion 3 of the Federal Power Act (16 U.S.C.
19 796)) that is also considering the siting or per-
20 mitting of the covered transmission project.

21 (E) Participation by the siting authority in
22 regulatory proceedings at the Federal Energy
23 Regulatory Commission or a State regulatory
24 commission for determining applicable rates

1 and cost allocation for the covered transmission
2 project.

3 (F) Other measures and actions that may
4 improve the chances of, and shorten the time
5 required for, approval by the siting authority of
6 the application relating to the siting or permit-
7 ting of the covered transmission project, as the
8 Secretary determines appropriate.

9 (2) ECONOMIC DEVELOPMENT.—The Secretary
10 may make a grant under this section to a siting au-
11 thority, or other State, local, or Tribal governmental
12 entity, for economic development activities for com-
13 munities that may be affected by the construction
14 and operation of a covered transmission project, pro-
15 vided that the Secretary shall not enter into any
16 grant agreement pursuant to this section that could
17 result in any outlays after September 30, 2031.

18 (c) CONDITIONS.—

19 (1) FINAL DECISION ON APPLICATION.—In
20 order to receive a grant for an activity described in
21 subsection (b)(1), the Secretary shall require a siting
22 authority to agree, in writing, to reach a final deci-
23 sion on the application relating to the siting or per-
24 mitting of the applicable covered transmission
25 project not later than 2 years after the date on

1 which such grant is provided, unless the Secretary
2 authorizes an extension for good cause.

3 (2) FEDERAL SHARE.—The Federal share of
4 the cost of an activity described in subparagraph
5 (D) or (E) of subsection (b)(1) shall not exceed 50
6 percent.

7 (3) ECONOMIC DEVELOPMENT.—The Secretary
8 may only disburse grant funds for economic develop-
9 ment activities under subsection (b)(2)—

10 (A) to a siting authority upon approval by
11 the siting authority of the applicable covered
12 transmission project; and

13 (B) to any other State, local, or Tribal
14 governmental entity upon commencement of
15 construction of the applicable covered trans-
16 mission project in the area under the jurisdic-
17 tion of the entity.

18 (d) RETURNING FUNDS.—If a siting authority that
19 receives a grant for an activity described in subsection
20 (b)(1) fails to use all grant funds within 2 years of receipt,
21 the siting authority shall return to the Secretary any such
22 unused funds.

23 (e) DEFINITIONS.—In this section:

24 (1) COVERED TRANSMISSION PROJECT.—The
25 term “covered transmission project” means a high-

1 voltage interstate or offshore electricity transmission
2 line—

3 (A) that is proposed to be constructed and
4 to operate at a minimum of 275 kilovolts of ei-
5 ther alternating-current or direct-current elec-
6 tric energy by an entity; and

7 (B) for which such entity has applied, or
8 informed a siting authority of such entity's in-
9 tent to apply, for regulatory approval.

10 (2) SITING AUTHORITY.—The term “siting au-
11 thority” means a State, local, or Tribal govern-
12 mental entity with authority to make a final deter-
13 mination regarding the siting, permitting, or regu-
14 latory status of a covered transmission project that
15 is proposed to be located in an area under the juris-
16 diction of the entity.

17 (3) STATE.—The term “State” means a State,
18 the District of Columbia, or any territory or posses-
19 sion of the United States.

20 **SEC. 30453. ORGANIZED WHOLESALE ELECTRICITY MAR-**
21 **KET TECHNICAL ASSISTANCE GRANTS.**

22 (a) APPROPRIATION.—In addition to amounts other-
23 wise available, there is appropriated to the Secretary for
24 fiscal year 2022, out of any money in the Treasury not
25 otherwise appropriated, \$40,000,000, to remain available

1 until fiscal year 2031, for purposes of carrying out a pro-
2 gram to provide—

3 (1) technical assistance and grants to States to
4 evaluate forming, participating in, expanding, or im-
5 proving organized wholesale electricity markets; and

6 (2) grants to States to procure data or tech-
7 nology systems related to forming, participating in,
8 expanding, or improving organized wholesale elec-
9 tricity markets.

10 (b) APPLICATIONS.—To apply for technical assist-
11 ance or a grant provided under this section, a State shall
12 submit to the Secretary an application at such time, in
13 such manner, and containing such information as the Sec-
14 retary may require.

15 (c) DEFINITIONS.—In this section:

16 (1) INDEPENDENT SYSTEM OPERATOR; RE-
17 GIONAL TRANSMISSION ORGANIZATION.—The terms
18 “Independent System Operator” and “Regional
19 Transmission Organization” have the meanings
20 given such terms in section 3 of the Federal Power
21 Act (16 U.S.C. 796).

22 (2) ORGANIZED WHOLESALE ELECTRICITY MAR-
23 KET.—The term “organized wholesale electricity
24 market” means an Independent System Operator or
25 a Regional Transmission Organization.

1 (3) SECRETARY.—The term “Secretary” means
2 the Secretary of Energy.

3 (4) STATE.—The term “State” means a State
4 or the District of Columbia.

5 **SEC. 30454. INTERREGIONAL AND OFFSHORE WIND ELEC-**
6 **TRICITY TRANSMISSION PLANNING, MOD-**
7 **ELING, AND ANALYSIS.**

8 (a) APPROPRIATION.—In addition to amounts other-
9 wise available, there is appropriated to the Secretary of
10 Energy 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, 2031, to carry out this
13 section.

14 (b) USE OF FUNDS.—The Secretary of Energy shall
15 use amounts made available under subsection (a) to—

16 (1) pay expenses associated with convening rel-
17 evant stakeholders, including States, generation and
18 transmission developers, regional transmission orga-
19 nizations, independent system operators, environ-
20 mental organizations, electric utilities, and other
21 stakeholders the Secretary determines appropriate,
22 to address the development of interregional elec-
23 tricity transmission and transmission of electricity
24 that is generated by offshore wind; and

1 (2) conduct planning, modeling, and analysis
2 regarding interregional electricity transmission and
3 transmission of electricity that is generated by off-
4 shore wind, taking into account the local, regional,
5 and national economic, reliability, resilience, secu-
6 rity, public policy, and environmental benefits of
7 interregional electricity transmission and trans-
8 mission of electricity that is generated by offshore
9 wind, including planning, modeling, and analysis, as
10 the Secretary determines appropriate, pertaining
11 to—

12 (A) clean energy integration into the elec-
13 tric grid, including the identification of renew-
14 able energy zones;

15 (B) the effects of changes in weather due
16 to climate change on the reliability and resil-
17 ience of the electric grid;

18 (C) cost allocation methodologies that fa-
19 cilitate the expansion of the bulk power system;

20 (D) the benefits of coordination between
21 generator interconnection processes and trans-
22 mission planning processes;

23 (E) the effect of increased electrification
24 on the electric grid;

25 (F) power flow modeling;

1 (G) the benefits of increased interconnec-
2 tions or interties between or among the West-
3 ern Interconnection, the Eastern Interconnec-
4 tion, the Electric Reliability Council of Texas,
5 and other interconnections, as applicable;

6 (H) the cooptimization of transmission and
7 generation, including variable energy resources,
8 energy storage, and demand-side management;

9 (I) the opportunities for use of nontrans-
10 mission alternatives, energy storage, and grid-
11 enhancing technologies;

12 (J) economic development opportunities for
13 communities arising from development of inter-
14 regional electricity transmission and trans-
15 mission of electricity that is generated by off-
16 shore wind;

17 (K) evaluation of existing rights-of-way
18 and the need for additional transmission cor-
19 ridors; and

20 (L) a planned national transmission grid,
21 which would include a networked transmission
22 system to optimize the existing grid for inter-
23 connection of offshore wind farms.

1 **PART 6—ENVIRONMENTAL REVIEWS**

2 **SEC. 30461. DEPARTMENT OF ENERGY.**

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, \$125,000,000, to remain available until Sep-
7 tember 30, 2031, to provide for the development of more
8 efficient, accurate, and timely reviews for planning, per-
9 mitting, and approval processes through the hiring and
10 training of personnel, the development of programmatic
11 documents, the procurement of technical or scientific serv-
12 ices for reviews, the development of data or information
13 systems, stakeholder and community engagement, the pur-
14 chase of new equipment for analysis, and the development
15 of geographic information systems and other analysis
16 tools, techniques, and guidance to improve agency trans-
17 parency, accountability, and public engagement.

18 **SEC. 30462. FEDERAL ENERGY REGULATORY COMMISSION.**

19 (a) IN GENERAL.—In addition to amounts otherwise
20 available, there is appropriated to the Federal Energy
21 Regulatory Commission for fiscal year 2022, out of any
22 money in the Treasury not otherwise appropriated,
23 \$75,000,000, to remain available until September 30,
24 2031, to provide for the development of more efficient, ac-
25 curate, and timely reviews for planning, permitting, and
26 approval processes through the hiring and training of per-

1 sonnel, the development of programmatic documents, the
2 procurement of technical or scientific services for reviews,
3 the development of data or information systems, stake-
4 holder and community engagement, the purchase of new
5 equipment for analysis, and the development of geographic
6 information systems and other analysis tools, techniques,
7 and guidance to improve agency transparency, account-
8 ability, and public engagement.

9 (b) FEES AND CHARGES.—Section 3401(a) of the
10 Omnibus Budget Reconciliation Act of 1986 (42 U.S.C.
11 7178(a)) shall not apply to the costs incurred by the Fed-
12 eral Energy Regulatory Commission in carrying out this
13 section.

14 **PART 7—INDUSTRIAL**

15 **SEC. 30471. ADVANCED INDUSTRIAL FACILITIES DEPLOY-** 16 **MENT PROGRAM.**

17 (a) APPROPRIATION.—In addition to amounts other-
18 wise available, there is appropriated to the Secretary of
19 Energy for fiscal year 2022, out of any money in the
20 Treasury not otherwise appropriated, \$4,000,000,000, to
21 remain available until September 30, 2026, to carry out
22 this section.

23 (b) PROGRAM.—The Secretary shall use funds appro-
24 priated by subsection (a) to establish a program to provide

1 financial assistance, on a competitive basis, to eligible enti-
2 ties to carry out projects for—

3 (1) the purchase and installation, or implemen-
4 tation, of advanced industrial technology at an eligi-
5 ble facility;

6 (2) retrofits, upgrades to, or operational im-
7 provements at an eligible facility to install or imple-
8 ment advanced industrial technology; or

9 (3) engineering studies and other work needed
10 to prepare an eligible facility for activities described
11 in paragraph (1) or (2).

12 (c) APPLICATION.—To be eligible to receive financial
13 assistance under the program established under subsection
14 (b), an eligible entity shall submit to the Secretary an ap-
15 plication at such time, in such manner, and containing
16 such information as the Secretary may require, including
17 the expected greenhouse gas emissions reductions to be
18 achieved by carrying out the project.

19 (d) PRIORITY.—In providing financial assistance
20 under the program established under subsection (b), the
21 Secretary shall give priority consideration to projects on
22 the basis of, as determined by the Secretary—

23 (1) the expected greenhouse gas emissions re-
24 ductions to be achieved by carrying out the project;

1 (2) the extent to which the project would pro-
2 vide the greatest benefit for the greatest number of
3 people within the area in which the eligible facility
4 is located; and

5 (3) whether the eligible entity participates or
6 would participate in a partnership with purchasers
7 of the output of the eligible facility.

8 (e) COST SHARE.—The Secretary may require an eli-
9 gible entity to provide not more than 50 percent of the
10 cost of a project carried out pursuant to this section.

11 (f) ADMINISTRATIVE COSTS.—The Secretary shall re-
12 serve \$200,000,000 of amounts made available under sub-
13 section (a) for administrative costs of carrying out this
14 section.

15 (g) DEFINITIONS.—

16 (1) ADVANCED INDUSTRIAL TECHNOLOGY.—
17 The term “advanced industrial technology” means
18 technology or processes designed to accelerate green-
19 house gas emissions reduction progress to net-zero
20 at an eligible facility, as determined by the Sec-
21 retary, including—

22 (A) industrial energy efficiency tech-
23 nologies;

24 (B) equipment to electrify industrial proc-
25 esses;

1 (C) equipment to utilize low- or zero-car-
2 bon fuels, feedstocks, and energy sources;

3 (D) low- or zero-carbon process heat sys-
4 tems; and

5 (E) carbon capture, transport, utilization,
6 and storage systems.

7 (2) ELIGIBLE ENTITY.—The term “eligible enti-
8 ty” means the owner or operator of an eligible facil-
9 ity.

10 (3) ELIGIBLE FACILITY.—The term “eligible fa-
11 cility” means a domestic, non-Federal, nonpower in-
12 dustrial or manufacturing facility engaged in energy-
13 intensive industrial processes, including production
14 processes for iron, steel, steel mill products, alu-
15 minum, cement, concrete, glass, pulp, paper, and in-
16 dustrial ceramics.

17 (4) FINANCIAL ASSISTANCE.—The term “finan-
18 cial assistance” means a grant, rebate, or coopera-
19 tive agreement.

20 (5) SECRETARY.—The term “Secretary” means
21 the Secretary of Energy.

22 **PART 8—OTHER ENERGY MATTERS**

23 **SEC. 30481. OVERSIGHT.**

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

1 2022, out of any money in the Treasury not otherwise ap-
2 propriated, \$5,000,000, to remain available until Sep-
3 tember 30, 2031, for oversight by the Department of En-
4 ergy Office of Inspector General of the Department of En-
5 ergy activities for which funding is appropriated in this
6 subtitle.

7 **SEC. 30482. ENERGY INFORMATION ADMINISTRATION.**

8 In addition to amounts otherwise available, there is
9 appropriated to the Administrator of the Energy Informa-
10 tion Administration for fiscal year 2022, out of any money
11 in the Treasury not otherwise appropriated, \$40,000,000,
12 to remain available until September 30, 2031, for data
13 collection, research, and analysis activities.

14 **Subtitle E—Affordable Health Care**
15 **Coverage**

16 **SEC. 30601. ENSURING AFFORDABILITY OF COVERAGE FOR**
17 **CERTAIN LOW-INCOME POPULATIONS.**

18 (a) REDUCING COST SHARING UNDER QUALIFIED
19 HEALTH PLANS.—Section 1402 of the Patient Protection
20 and Affordable Care Act (42 U.S.C. 18071) is amended—

21 (1) in subsection (b)—

22 (A) in paragraph (2), by inserting “(or,
23 with respect to plan years 2023, 2024, and
24 2025, whose household income does not exceed

1 400 percent of the poverty line for a family of
2 the size involved)” before the period; and

3 (B) in the matter following paragraph (2),
4 by adding at the end the following new sen-
5 tence: “In the case of an individual who is de-
6 termined at any point to have a household in-
7 come for 2022 that does not exceed 138 percent
8 of the poverty line for a family of the size in-
9 volved, such individual shall, for each month
10 during such year, be treated as having a house-
11 hold income equal to 100 percent for purposes
12 of applying this section.”; and

13 (2) in subsection (c)—

14 (A) in paragraph (1)(A), in the matter
15 preceding clause (i), by inserting “, with respect
16 to eligible insureds (other than, with respect to
17 plan years 2023, 2024, and 2025, specified en-
18 rollees (as defined in paragraph (6)(C))),” after
19 “first be achieved”;

20 (B) in paragraph (2), in the matter pre-
21 ceding subparagraph (A), by inserting “with re-
22 spect to eligible insureds (other than, with re-
23 spect to plan years 2023, 2024, and 2025, spec-
24 ified enrollees)” after “under the plan”;

25 (C) in paragraph (3)—

1 (i) in subparagraph (A), by striking
2 “this subsection” and inserting “paragraph
3 (1) or (2)”; and

4 (ii) in subparagraph (B), by striking
5 “this section” and inserting “paragraphs
6 (1) and (2)”; and

7 (D) by adding at the end the following new
8 paragraph:

9 “(6) SPECIAL RULE FOR SPECIFIED ENROLL-
10 EES.—

11 “(A) IN GENERAL.—The Secretary shall
12 establish procedures under which the issuer of
13 a qualified health plan to which this section ap-
14 plies shall reduce cost-sharing under the plan
15 with respect to months occurring during plan
16 years 2023, 2024, and 2025 for enrollees who
17 are specified enrollees (as defined in subpara-
18 graph (C)) in a manner sufficient to increase
19 the plan’s share of the total allowed costs of
20 benefits provided under the plan to 99 percent
21 of such costs.

22 “(B) METHODS FOR REDUCING COST
23 SHARING.—

24 “(i) IN GENERAL.—An issuer of a
25 qualified health plan making reductions

1 under this paragraph shall notify the Sec-
2 retary of such reductions and the Sec-
3 retary shall, out of funds made available
4 under clause (ii), make periodic and timely
5 payments to the issuer equal to 12 percent
6 of the total allowed costs of benefits pro-
7 vided under each such plan to specified en-
8 rollees during plan years 2023, 2024, and
9 2025.

10 “(ii) APPROPRIATION.—In addition to
11 amounts otherwise available, there are ap-
12 propriated, out of any money in the Treas-
13 ury not otherwise appropriated, such sums
14 as may be necessary to the Secretary to
15 make payments under clause (i).

16 “(C) SPECIFIED ENROLLEE DEFINED.—
17 For purposes of this section, the term ‘specified
18 enrollee’ means, with respect to a plan year, an
19 eligible insured who is determined at any point
20 to have a household income for such plan year
21 that does not exceed 138 percent of the poverty
22 line for a family of the size involved. Such in-
23 sured shall be deemed to be a specified enrollee
24 for each month in such plan year.”.

1 (b) OPEN ENROLLMENTS APPLICABLE TO CERTAIN
2 LOWER-INCOME POPULATIONS.—Section 1311(c) of the
3 Patient Protection and Affordable Care Act (42 U.S.C.
4 18031(c)) is amended—

5 (1) in paragraph (6)—

6 (A) in subparagraph (C), by striking at the
7 end “and”;

8 (B) in subparagraph (D), by striking the
9 period at the end and inserting “; and”; and

10 (C) by adding at the end the following new
11 subparagraph:

12 “(E) with respect to a qualified health plan
13 with respect to which section 1402 applies, for
14 months occurring during the period beginning
15 on January 1, 2022, and ending on December
16 31, 2025, enrollment periods described in sub-
17 paragraph (A) of paragraph (8) for individuals
18 described in subparagraph (B) of such para-
19 graph.”; and

20 (2) by adding at the end the following new
21 paragraph:

22 “(8) SPECIAL ENROLLMENT PERIOD FOR CER-
23 TAIN LOW-INCOME POPULATIONS.—

24 “(A) IN GENERAL.—The enrollment period
25 described in this paragraph is, in the case of an

1 individual described in subparagraph (B), the
2 continuous period beginning on the first day
3 that such individual is so described.

4 “(B) INDIVIDUAL DESCRIBED.—For pur-
5 poses of subparagraph (A), an individual de-
6 scribed in this subparagraph is an individual—

7 “(i) with a household income that
8 does not exceed 138 percent of the poverty
9 line for a family of the size involved; and

10 “(ii) who is not eligible for minimum
11 essential coverage (as defined in section
12 5000A(f) of the Internal Revenue Code of
13 1986), other than for coverage described in
14 any of subparagraphs (B) through (E) of
15 paragraph (1) of such section.”.

16 (c) ADDITIONAL BENEFITS FOR CERTAIN LOW-IN-
17 COME INDIVIDUALS FOR PLAN YEARS 2024 AND 2025.—
18 Section 1301(a) of the Patient Protection and Affordable
19 Care Act (42 U.S.C. 18021(a)) is amended—

20 (1) in paragraph (1)—

21 (A) in subparagraph (B), by striking
22 “and” at the end;

23 (B) in subparagraph (C)(iv), by striking
24 the period and inserting “; and”; and

1 (C) by adding at the end the following new
2 subparagraph:

3 “(D) provides, with respect to a plan of-
4 fered in the silver level of coverage to which sec-
5 tion 1402 applies during plan year 2024 and
6 2025, for benefits described in paragraph (5) in
7 the case of an individual who has a household
8 income that does not exceed 138 percent of the
9 poverty line for a family of the size involved,
10 and who is eligible to receive cost-sharing re-
11 ductions under section 1402.”; and

12 (2) by adding at the end the following new
13 paragraph:

14 “(5) ADDITIONAL BENEFITS FOR CERTAIN
15 LOW-INCOME INDIVIDUALS FOR PLAN YEAR 2024 AND
16 2025.—

17 “(A) IN GENERAL.—

18 “(i) BENEFITS.—For purposes of
19 paragraph (1)(D), the benefits described in
20 this paragraph to be provided by a quali-
21 fied health plan are benefits consisting
22 of—

23 “(I) non-emergency medical
24 transportation services (as described
25 in section 1902(a)(4) of the Social Se-

1 security Act) for which Federal pay-
2 ments would have been available
3 under title XIX of the Social Security
4 Act had such services been furnished
5 to an individual enrolled under a
6 State plan (or waiver of such plan)
7 under such title; and

8 “(II) services described in sub-
9 section (a)(4)(C) of section 1905 of
10 such Act for which Federal payments
11 would have been so available;

12 which are not otherwise provided under
13 such plan as part of the essential health
14 benefits package described in section
15 1302(a).

16 “(ii) CONDITION ON PROVISION OF
17 BENEFITS.—Benefits described in this
18 paragraph shall be provided—

19 “(I) without any restriction on
20 the choice of a qualified provider from
21 whom an individual may receive such
22 benefits; and

23 “(II) without any imposition of
24 cost sharing.

1 “(B) PAYMENTS FOR ADDITIONAL BENE-
2 FITS.—

3 “(i) IN GENERAL.—An issuer of a
4 qualified health plan making payments for
5 services described in subparagraph (A) fur-
6 nished to individuals described in para-
7 graph (1)(D) during plan year 2024 or
8 2025 shall notify the Secretary of such
9 payments and the Secretary shall, out of
10 funds made available under clause (ii),
11 make periodic and timely payments to the
12 issuer equal to payments for such services
13 so furnished.

14 “(ii) APPROPRIATION.—In addition to
15 amounts otherwise available, there is 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 (d) EDUCATION AND OUTREACH ACTIVITIES.—

21 (1) IN GENERAL.—Section 1321(c) of the Pa-
22 tient Protection and Affordable Care Act (42 U.S.C.
23 18041(c)) is amended by adding at the end the fol-
24 lowing new paragraph:

1 “(3) OUTREACH AND EDUCATIONAL ACTIVI-
2 TIES.—

3 “(A) IN GENERAL.—In the case of an Ex-
4 change established or operated by the Secretary
5 within a State pursuant to this subsection, the
6 Secretary shall carry out outreach and edu-
7 cational activities for purposes of informing in-
8 dividuals described in section
9 1902(a)(10)(A)(i)(VIII) of the Social Security
10 Act who reside in States that have not ex-
11 pended amounts under a State plan (or waiver
12 of such plan) under title XIX of such Act for
13 all such individuals about qualified health plans
14 offered through the Exchange, including by in-
15 forming such individuals of the availability of
16 coverage under such plans and financial assist-
17 ance for coverage under such plans. Such out-
18 reach and educational activities shall be pro-
19 vided in a manner that is culturally and linguis-
20 tically appropriate to the needs of the popu-
21 lations being served by the Exchange (including
22 hard-to-reach populations, such as racial and
23 sexual minorities, limited English proficient
24 populations, individuals residing in areas where
25 the unemployment rates exceeds the national

1 average unemployment rate, individuals in rural
2 areas, veterans, and young adults).

3 “(B) LIMITATION ON USE OF FUNDS.—No
4 funds appropriated under this paragraph shall
5 be used for expenditures for promoting non-
6 ACA compliant health insurance coverage.

7 “(C) NON-ACA COMPLIANT HEALTH INSUR-
8 ANCE COVERAGE.—For purposes of subpara-
9 graph (B):

10 “(i) The term ‘non-ACA compliant
11 health insurance coverage’ means health
12 insurance coverage, or a group health plan,
13 that is not a qualified health plan.

14 “(ii) Such term includes the following:

15 “(I) An association health plan.

16 “(II) Short-term limited duration
17 insurance.

18 “(D) FUNDING.—In addition to amounts
19 otherwise available, there is appropriated, out of
20 any money in the Treasury not otherwise ap-
21 propriated, to remain available until expended,
22 \$105,000,000 for fiscal year 2022 to carry out
23 this paragraph, of which—

1 “(i) \$15,000,000 shall be used to
2 carry out this paragraph in fiscal year
3 2022; and

4 “(ii) \$30,000,000 shall be used to
5 carry out this paragraph for each of fiscal
6 years 2023 through 2025.”.

7 (2) NAVIGATOR PROGRAM.—Section 1311(i)(6)
8 of the Patient Protection and Affordable Care Act
9 (42 U.S.C. 18031(i)(6)) is amended—

10 (A) by striking “FUNDING.—Grants
11 under” and inserting “FUNDING.—

12 “(A) STATE EXCHANGES.—Grants under”;
13 and

14 (B) by adding at the end the following new
15 subparagraph:

16 “(B) FEDERAL EXCHANGES.—For pur-
17 poses of carrying out this subsection, with re-
18 spect to an Exchange established and operated
19 by the Secretary within a State pursuant to sec-
20 tion 1321(c), the Secretary shall obligate not
21 less than \$10,000,000 out of amounts collected
22 through the user fees on participating health in-
23 surance issuers pursuant to section 156.50 of
24 title 45, Code of Federal Regulations (or any
25 successor regulations) for fiscal year 2022, and

1 not less than \$20,000,000 for each of fiscal
2 years 2023, 2024, and 2025. Such amount so
3 obligated for a fiscal year shall remain available
4 until expended.”.

5 (e) FUNDING.—In addition to amounts otherwise
6 available, there is appropriated to the Secretary of Health
7 and Human Services for fiscal year 2022, out of any
8 money in the Treasury not otherwise appropriated,
9 \$65,000,000, to remain available until expended, for pur-
10 poses of carrying out the provisions of, and the amend-
11 ments made by, this section, section 30602, and section
12 30603.

13 **SEC. 30602. ESTABLISHING A HEALTH INSURANCE AFFORD-**
14 **ABILITY FUND.**

15 (a) IN GENERAL.—Subtitle D of title I of the Patient
16 Protection and Affordable Care Act is amended by insert-
17 ing after section 1343 (42 U.S.C. 18063) the following
18 new part:

19 **“PART 6—IMPROVE HEALTH INSURANCE**
20 **AFFORDABILITY FUND**

21 **“SEC. 1351. ESTABLISHMENT OF PROGRAM.**

22 “There is hereby established the ‘Improve Health In-
23 surance Affordability Fund’ to be administered by the Sec-
24 retary of Health and Human Services, acting through the
25 Administrator of the Centers for Medicare & Medicaid

1 Services (in this section referred to as the ‘Adminis-
2 trator’), to provide funding, in accordance with this part,
3 to the 50 States and the District of Columbia (each re-
4 ferred to in this section as a ‘State’) beginning on January
5 1, 2023, for the purposes described in section 1352.

6 **“SEC. 1352. USE OF FUNDS.**

7 “(a) IN GENERAL.—A State shall use the funds allo-
8 cated to the State under this part for one of the following
9 purposes:

10 “(1) To provide reinsurance payments to health
11 insurance issuers with respect to individuals enrolled
12 under individual health insurance coverage (other
13 than through a plan described in subsection (b)) of-
14 fered by such issuers.

15 “(2) To provide assistance (other than through
16 payments described in paragraph (1)) to reduce out-
17 of-pocket costs, such as copayments, coinsurance,
18 premiums, and deductibles, of individuals enrolled
19 under qualified health plans offered on the indi-
20 vidual market through an Exchange and of individ-
21 uals enrolled under standard health plans offered
22 through a basic health program established under
23 section 1331.

24 “(b) EXCLUSION OF CERTAIN GRANDFATHERED
25 PLANS, TRANSITIONAL PLANS, STUDENT HEALTH

1 PLANS, AND EXCEPTED BENEFITS.—For purposes of
2 subsection (a), a plan described in this subsection is the
3 following:

4 “(1) A grandfathered health plan (as defined in
5 section 1251).

6 “(2) A plan (commonly referred to as a ‘transi-
7 tional plan’) continued under the letter issued by the
8 Centers for Medicare & Medicaid Services on No-
9 vember 14, 2013, to the State Insurance Commis-
10 sioners outlining a transitional policy for coverage in
11 the individual and small group markets to which sec-
12 tion 1251 does not apply, and under the extension
13 of the transitional policy for such coverage set forth
14 in the Insurance Standards Bulletin Series guidance
15 issued by the Centers for Medicare & Medicaid Serv-
16 ices on March 5, 2014, February 29, 2016, Feb-
17 ruary 13, 2017, April 9, 2018, March 25, 2019,
18 January 31, 2020, and January 19, 2021, or under
19 any subsequent extensions thereof.

20 “(3) Student health insurance coverage (as de-
21 fined in section 147.145 of title 45, Code of Federal
22 Regulations, or any successor regulation).

23 “(4) Excepted benefits (as defined in section
24 2791(c) of the Public Health Service Act).

1 **“SEC. 1353. STATE ELIGIBILITY AND APPROVAL; DEFAULT**
2 **SAFEGUARD.**

3 “(a) ENCOURAGING STATE OPTIONS FOR ALLOCA-
4 TIONS.—

5 “(1) IN GENERAL.—Subject to subsection (b),
6 to be eligible for an allocation of funds under this
7 part for a year (beginning with 2023), a State shall
8 submit to the Administrator an application at such
9 time (but, in the case of allocations for 2023, not
10 later than 120 days after the date of the enactment
11 of this part and, in the case of allocations for a sub-
12 sequent year, not later than January 1 of the pre-
13 vious year) and in such form and manner as speci-
14 fied by the Administrator containing—

15 “(A) a description of how the funds will be
16 used; and

17 “(B) such other information as the Admin-
18 istrator may require.

19 “(2) AUTOMATIC APPROVAL.—An application so
20 submitted is approved (as outlined in the terms of
21 the plan) unless the Administrator notifies the State
22 submitting the application, not later than 90 days
23 after the date of the submission of such application,
24 that the application has been denied for not being in
25 compliance with any requirement of this part and of
26 the reason for such denial.

1 “(3) SUBSEQUENT YEAR APPLICATION AP-
2 PROVAL.—If an application of a State is approved
3 for a purpose described in section 1352 for a year,
4 such application shall be treated as approved for
5 such purpose for each of subsequent year through
6 2025.

7 “(4) OVERSIGHT AUTHORITY AND AUTHORITY
8 TO REVOKE APPROVAL.—

9 “(A) OVERSIGHT.—The Secretary may
10 conduct periodic reviews of the use of funds
11 provided to a State under this section, with re-
12 spect to a purpose described in section 1352, to
13 ensure the State uses such funds for such pur-
14 pose and otherwise complies with the require-
15 ments of this section.

16 “(B) REVOCATION OF APPROVAL.—The
17 approval of an application of a State, with re-
18 spect to a purpose described in section 1352,
19 may be revoked if the State fails to use funds
20 provided to the State under this section for
21 such purpose or otherwise fails to comply with
22 the requirements of this section.

23 “(b) DEFAULT FEDERAL SAFEGUARD FOR 2023,
24 2024, AND 2025 FOR CERTAIN STATES.—

1 “(1) IN GENERAL.—For 2023, 2024, and 2025,
2 in the case of a State described in paragraph (5),
3 with respect to such year, the State shall not be eli-
4 gible to submit an application under subsection (a),
5 and the Administrator, in consultation with the ap-
6 plicable State authority, shall from the amount cal-
7 culated under paragraph (3) for such year, carry out
8 the purpose described in paragraph (2) in such State
9 for such year.

10 “(2) SPECIFIED USE.—The amount described
11 in paragraph (3), with respect to a State described
12 in paragraph (5) for 2023, 2024, or 2025, shall be
13 used to carry out the purpose described in section
14 1352(a)(1) in such State for such year, as applica-
15 ble, by providing reinsurance payments to health in-
16 surance issuers with respect to attachment range
17 claims (as defined in section 1354(b)(2), using the
18 dollar amounts specified in subparagraph (B) of
19 such section for such year) in an amount equal to,
20 subject to paragraph (4), the percentage (specified
21 for such year by the Secretary under such subpara-
22 graph) of the amount of such claims.

23 “(3) AMOUNT DESCRIBED.—The amount de-
24 scribed in this paragraph, with respect to 2023,
25 2024, or 2025, is the amount equal to the total sum

1 of amounts that the Secretary would otherwise esti-
2 mate under section 1354(b)(2)(A)(i) for such year
3 for each State described in paragraph (5) for such
4 year, as applicable, if each such State were not so
5 described for such year.

6 “(4) ADJUSTMENT.—For purposes of this sub-
7 section, the Secretary may apply a percentage under
8 paragraph (3) with respect to a year that is less
9 than the percentage otherwise specified in section
10 1354(b)(2)(B) for such year, if the cost of paying
11 the total eligible attachment range claims for States
12 described in paragraph (5) for such year at such
13 percentage otherwise specified would exceed the
14 amount calculated under paragraph (3) for such
15 year.

16 “(5) STATE DESCRIBED.—A State described in
17 this paragraph, with respect to years 2023, 2024,
18 and 2025, is a State that, as of January 1 of 2022,
19 2023, or 2024, respectively, was not expending
20 amounts under the State plan (or waiver of such
21 plan) for all individuals described in section
22 1902(a)(10)(A)(i)(VIII) during such year.

23 **“SEC. 1354. ALLOCATIONS.**

24 “(a) APPROPRIATION.—In addition to amounts oth-
25 erwise available, there is appropriated, out of any money

1 in the Treasury not otherwise appropriated,
2 \$10,000,000,000 for 2023 and each subsequent year
3 through 2025 to provide allocations for States under sub-
4 section (b) and payments under section 1353(b).

5 “(b) ALLOCATIONS.—

6 “(1) PAYMENT.—

7 “(A) IN GENERAL.—From amounts appro-
8 priated under subsection (a) for a year, the
9 Secretary shall, with respect to a State not de-
10 scribed in section 1353(b) for such year and
11 not later than the date specified under subpara-
12 graph (B) for such year, allocate for such State
13 the amount determined for such State and year
14 under paragraph (2).

15 “(B) SPECIFIED DATE.—For purposes of
16 subparagraph (A), the date specified in this
17 subparagraph is—

18 “(i) for 2023, the date that is 90 days
19 after the date of the enactment of this
20 part; and

21 “(ii) for 2024 or 2025, January 1 of
22 the previous year.

23 “(C) NOTIFICATIONS OF ALLOCATION
24 AMOUNTS.—For 2024 and 2025, the Secretary
25 shall notify each State of the amount deter-

1 mined for such State under paragraph (2) for
2 such year by not later than January 1 of the
3 previous year.

4 “(2) ALLOCATION AMOUNT DETERMINA-
5 TIONS.—

6 “(A) IN GENERAL.—For purposes of para-
7 graph (1), the amount determined under this
8 paragraph for a year for a State described in
9 paragraph (1)(A) for such year is the amount
10 equal to—

11 “(i) the amount that the Secretary es-
12 timates would be expended under this part
13 for such year on attachment range claims
14 of individuals residing in such State if such
15 State used such funds only for the purpose
16 described in paragraph (1) of section
17 1352(a) at the dollar amounts and per-
18 centage specified under subparagraph (B)
19 for such year; minus

20 “(ii) the amount, if any, by which the
21 Secretary determines—

22 “(I) the estimated amount of
23 premium tax credits under section
24 36B of the Internal Revenue Code of
25 1986 that would be attributable to in-

1 dividuals residing in such State for
2 such year without application of this
3 part; exceeds

4 “(II) the estimated amount of
5 premium tax credits under section
6 36B of the Internal Revenue Code of
7 1986 that would be attributable to in-
8 dividuals residing in such State for
9 such year if section 1353(b) applied
10 for such year and applied with respect
11 to such State for such year.

12 For purposes of the previous sentence and sec-
13 tion 1353(b)(3), the term ‘attachment range
14 claims’ means, with respect to an individual, the
15 claims for such individual that exceed a dollar
16 amount specified by the Secretary for a year,
17 but do not exceed a ceiling dollar amount speci-
18 fied by the Secretary for such year, under sub-
19 paragraph (B).

20 “(B) SPECIFICATIONS.—For purposes of
21 subparagraph (A) and section 1353(b)(3), the
22 Secretary shall determine the dollar amounts
23 and the percentage to be specified under this
24 subparagraph for a year in a manner to ensure
25 that the total amount of expenditures under

1 this part for such year is estimated to equal the
2 total amount appropriated for such year under
3 subsection (a) if such expenditures were used
4 solely for the purpose described in paragraph
5 (1) of section 1352(a) for attachment range
6 claims at the dollar amounts and percentage so
7 specified for such year.

8 “(3) AVAILABILITY.—Funds allocated to a
9 State under this subsection for a year shall remain
10 available through the end of the subsequent year.”.

11 (b) BASIC HEALTH PROGRAM FUNDING ADJUST-
12 MENTS.—Section 1331 of the Patient Protection and Af-
13 fordable Care Act (42 U.S.C. 18051) is amended—

14 (1) in subsection (a), by adding at the end the
15 following new paragraph:

16 “(3) PROVISION OF INFORMATION ON QUALI-
17 FIED HEALTH PLAN PREMIUMS.—

18 “(A) IN GENERAL.—For plan years begin-
19 ning on or after January 1, 2023, the program
20 described in paragraph (1) shall provide that a
21 State may not establish a basic health program
22 unless such State furnishes to the Secretary,
23 with respect to each qualified health plan of-
24 fered in such State during a year that receives
25 any reinsurance payment from funds made

1 available under part 6 for such year, the ad-
2 justed premium amount (as defined in subpara-
3 graph (B)) for each such plan and year.

4 “(B) ADJUSTED PREMIUM AMOUNT DE-
5 FINED.—For purposes of subparagraph (A), the
6 term ‘adjusted premium amount’ means, with
7 respect to a qualified health plan and a year,
8 the monthly premium for such plan and year
9 that would have applied had such plan not re-
10 ceived any payments described in subparagraph
11 (A) for such year.”; and

12 (2) in subsection (d)(3)(A)(ii), by adding at the
13 end the following new sentence: “In making such de-
14 termination, the Secretary shall calculate the value
15 of such premium tax credits that would have been
16 provided to such individuals enrolled through a basic
17 health program established by a State during a year
18 using the adjusted premium amounts (as defined in
19 subsection (a)(3)(B)) for qualified health plans of-
20 fered in such State during such year.”.

21 (c) IMPLEMENTATION AUTHORITY.—The Secretary
22 of Health and Human Services may implement the provi-
23 sions of, and the amendments made by, this section by
24 subregulatory guidance or otherwise.

1 **SEC. 30603. FUNDING FOR THE PROVISION OF HEALTH IN-**
2 **SURANCE CONSUMER INFORMATION.**

3 Section 2793(e) of the Public Health Service Act (42
4 U.S.C. 300gg-93(e)) is amended by adding at the end the
5 following new paragraph:

6 “(3) FUNDING FOR 2022 THROUGH 2025.—In
7 addition to amounts otherwise available, there is ap-
8 propriated, out of any money in the Treasury not
9 otherwise appropriated, \$100,000,000 for 2022, to
10 remain available until expended, of which
11 \$25,000,000 shall be used for each of 2022 through
12 2025 to carry out this section.”.

13 **SEC. 30604. REQUIREMENTS WITH RESPECT TO COST-SHAR-**
14 **ING FOR INSULIN PRODUCTS.**

15 (a) IN GENERAL.—Part D of title XXVII of the Pub-
16 lic Health Service Act (42 U.S.C. 300gg-111 et seq.) is
17 amended by adding at the end the following:

18 **“SEC. 2799A-11. REQUIREMENTS WITH RESPECT TO COST-**
19 **SHARING FOR CERTAIN INSULIN PRODUCTS.**

20 “(a) IN GENERAL.—For plan years beginning on or
21 after January 1, 2023, a group health plan or health in-
22 surance issuer offering group or individual health insur-
23 ance coverage shall provide coverage of selected insulin
24 products, and with respect to such products, shall not—

25 “(1) apply any deductible; or

1 “(2) impose any cost-sharing in excess of the
2 lesser of, per 30-day supply—

3 “(A) \$35; or

4 “(B) the amount equal to 25 percent of
5 the negotiated price of the selected insulin prod-
6 uct net of all price concessions received by or on
7 behalf of the plan or coverage, including price
8 concessions received by or on behalf of third-
9 party entities providing services to the plan or
10 coverage, such as pharmacy benefit manage-
11 ment services.

12 “(b) DEFINITIONS.—In this section:

13 “(1) SELECTED INSULIN PRODUCTS.—The term
14 ‘selected insulin products’ means at least one of each
15 dosage form (such as vial, pump, or inhaler dosage
16 forms) of each different type (such as rapid-acting,
17 short-acting, intermediate-acting, long-acting, ultra
18 long-acting, and premixed) of insulin (as defined
19 below), when available, as selected by the group
20 health plan or health insurance issuer.

21 “(2) INSULIN DEFINED.—The term ‘insulin’
22 means insulin that is licensed under subsection (a)
23 or (k) of section 351 and continues to be marketed
24 under such section, including any insulin product
25 that has been deemed to be licensed under section

1 351(a) pursuant to section 7002(e)(4) of the Bio-
2 logics Price Competition and Innovation Act of 2009
3 and continues to be marketed pursuant to such li-
4 censure.

5 “(c) OUT-OF-NETWORK PROVIDERS.—Nothing in
6 this section requires a plan or issuer that has a network
7 of providers to provide benefits for selected insulin prod-
8 ucts described in this section that are delivered by an out-
9 of-network provider, or precludes a plan or issuer that has
10 a network of providers from imposing higher cost-sharing
11 than the levels specified in subsection (a) for selected insu-
12 lin products described in this section that are delivered
13 by an out-of-network provider.

14 “(d) RULE OF CONSTRUCTION.—Subsection (a) shall
15 not be construed to require coverage of, or prevent a group
16 health plan or health insurance coverage from imposing
17 cost-sharing other than the levels specified in subsection
18 (a) on, insulin products that are not selected insulin prod-
19 ucts, to the extent that such coverage is not otherwise re-
20 quired and such cost-sharing is otherwise permitted under
21 Federal and applicable State law.

22 “(e) APPLICATION OF COST-SHARING TOWARDS
23 DEDUCTIBLES AND OUT-OF-POCKET MAXIMUMS.—Any
24 cost-sharing payments made pursuant to subsection (a)(2)

1 shall be counted toward any deductible or out-of-pocket
2 maximum that applies under the plan or coverage.”.

3 (b) NO EFFECT ON OTHER COST-SHARING.—Section
4 1302(d)(2) of the Patient Protection and Affordable Care
5 Act (42 U.S.C. 18022(d)(2)) is amended by adding at the
6 end the following new subparagraph:

7 “(D) SPECIAL RULE RELATING TO INSU-
8 LIN COVERAGE.—The exemption of coverage of
9 selected insulin products (as defined in section
10 2799A–11(b) of the Public Health Service Act)
11 from the application of any deductible pursuant
12 to section 2799A–11(a)(1) of such Act, section
13 726(a)(1) of the Employee Retirement Income
14 Security Act of 1974, or section 9826(a)(1) of
15 the Internal Revenue Code of 1986 shall not be
16 considered when determining the actuarial value
17 of a qualified health plan under this sub-
18 section.”.

19 (c) COVERAGE OF CERTAIN INSULIN PRODUCTS
20 UNDER CATASTROPHIC PLANS.—Section 1302(e) of the
21 Patient Protection and Affordable Care Act (42 U.S.C.
22 18022(e)) is amended by adding at the end the following:

23 “(4) COVERAGE OF CERTAIN INSULIN PROD-
24 UCTS.—

1 “(A) IN GENERAL.—Notwithstanding para-
2 graph (1)(B)(i), a health plan described in
3 paragraph (1) shall provide coverage of selected
4 insulin products, in accordance with section
5 2799A–11 of the Public Health Service Act, for
6 a plan year before an enrolled individual has in-
7 curred cost-sharing expenses in an amount
8 equal to the annual limitation in effect under
9 subsection (c)(1) for the plan year.

10 “(B) TERMINOLOGY.—For purposes of
11 subparagraph (A)—

12 “(i) the term ‘selected insulin prod-
13 ucts’ has the meaning given such term in
14 section 2799A–11(b) of the Public Health
15 Service Act; and

16 “(ii) the requirements of section
17 2799A–11 of such Act shall be applied by
18 deeming each reference in such section to
19 ‘individual health insurance coverage’ to be
20 a reference to a plan described in para-
21 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 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 tigation 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 serting “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.”.

1 **PART 4—OTHER MEDICAID**
2 **SEC. 30741. INVESTMENTS TO ENSURE CONTINUED ACCESS**
3 **TO HEALTH CARE FOR CHILDREN AND**
4 **OTHER INDIVIDUALS.**

5 (a) PROVIDING FOR 1 YEAR OF CONTINUOUS ELIGI-
6 BILITY FOR CHILDREN.—

7 (1) UNDER THE MEDICAID PROGRAM.—

8 (A) IN GENERAL.—Section 1902(e) of the
9 Social Security Act (42 U.S.C. 1396a(e)) is
10 amended—

11 (i) in paragraph (12), by inserting
12 “before the date that is one year after the
13 date of the enactment of paragraph (17)”
14 after “subsection (a)(10)(A)”; and

15 (ii) by adding at the end following
16 new paragraph:

17 “(17) 1 YEAR OF CONTINUOUS ELIGIBILITY FOR
18 CHILDREN.—The State plan (or waiver of such
19 State plan) shall provide that an individual who is
20 under the age of 19 and who is determined to be eli-
21 gible for benefits under a State plan (or waiver of
22 such plan) approved under subsection (a)(10)(A)
23 shall remain eligible for such benefits until the ear-
24 lier of—

25 “(A) the end of the 12-month period begin-
26 ning 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 ceeding 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 waiv-
4 er 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”; and
- 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 (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(l) of the So-
19 cial Security Act (42 U.S.C. 1395x(l)) 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(ll)) 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.

1 **Subtitle I—Public Health**
2 **PART 1—HEALTH CARE INFRASTRUCTURE AND**
3 **WORKFORCE**
4 **SECTION 31001. FUNDING TO SUPPORT CORE PUBLIC**
5 **HEALTH INFRASTRUCTURE FOR STATE, TER-**
6 **RITORIAL, LOCAL, AND TRIBAL HEALTH DE-**
7 **PARTMENTS AT THE CENTERS FOR DISEASE**
8 **CONTROL AND PREVENTION.**

9 (a) IN GENERAL.—In addition to amounts otherwise
10 available, there is appropriated to the Secretary of Health
11 and Human Services (in this subtitle referred to as the
12 “Secretary”), acting through the Director of the Centers
13 for Disease Control and Prevention (in this section re-
14 ferred to as the “Director”), for fiscal year 2022, out of
15 any money in the Treasury not otherwise appropriated,
16 and to remain available until expended—

17 (1) for the purposes of carrying out subsection

18 (c)(1)(A)—

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

20 (B) \$300,000,000 in fiscal year 2023; and

21 (C) \$1,000,000,000 in each of fiscal years
22 2024 through 2026;

23 (2) for the purposes of carrying out subsection

24 (c)(1)(B)—

25 (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 sideres 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 program 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, community health center, or
19 other facility that provides health care, in order to
20 provide educational opportunities for the purpose of
21 establishing or expanding clinical education;

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, expan-
6 sion, 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 global and domestic
5 vaccine production capacity and capabilities, includ-
6 ing by developing or acquiring new technology and
7 expanding manufacturing capacity through construc-
8 tion, expansion, or 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 (as
23 described in Healthy People 2030), including social
24 determinants of maternal health, for pregnant and

1 postpartum individuals and eliminating racial and
2 ethnic disparities in maternal 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 a health professional shortage area des-
17 ignated under section 332 of the Public Health Serv-
18 ice Act (42 U.S.C. 254e), amounts made available to
19 awardees by subsection (a) shall be used for the fol-
20 lowing activities:

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 a health professional shortage area
19 designated under such section for the clinical
20 placements of students at the schools receiving
21 such grants.

22 (C) Developing curriculum for students
23 seeking to enter careers focused on maternal
24 and perinatal health that includes training pro-
25 grams on bias, racism, discrimination, providing

1 culturally competent care, or trauma-informed
2 care.

3 (D) Carrying out other activities under
4 title VIII of the Public Health Service Act for
5 the purpose under subsection (a).

6 **SEC. 31034. FUNDING FOR PERINATAL QUALITY**
7 **COLLABORATIVES.**

8 In addition to amounts otherwise available, there is
9 appropriated to the Secretary for fiscal year 2022, out of
10 any money in the Treasury not otherwise appropriated,
11 \$50,000,000, to remain available until expended, for car-
12 rying out a program to establish or support perinatal qual-
13 ity collaboratives to improve perinatal care and perinatal
14 health outcomes for pregnant and postpartum individuals
15 and their infants.

16 **SEC. 31035. FUNDING TO GROW AND DIVERSIFY THE DOULA**
17 **WORKFORCE.**

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, \$50,000,000, to remain available until ex-
22 pended, for carrying out a program to award grants or
23 contracts to health professions schools, academic health
24 centers, State or local governments, territories, Indian
25 Tribes and Tribal organizations, Urban Indian organiza-

1 tions, Native Hawaiian organizations, or other appropriate
2 public or private nonprofit entities (or consortia of any
3 such entities, including entities promoting multidisci-
4 plinary approaches), to establish or expand programs to
5 grow and diversify the doula workforce, including through
6 improving the capacity and supply of health care pro-
7 viders.

8 (b) USE OF FUNDS.—Amounts made available by
9 subsection (a) shall be used for the following activities:

10 (1) Establishing programs that provide edu-
11 cation and training to individuals seeking appro-
12 priate training or certification as doulas.

13 (2) Expanding the capacity of existing pro-
14 grams described in paragraph (1), for the purpose of
15 increasing the number of students enrolled in such
16 programs, including by awarding scholarships for
17 students who agree to work in underserved commu-
18 nities after receiving such education and training.

19 (3) Developing and implementing strategies to
20 recruit and retain students from underserved com-
21 munities, particularly from demographic groups ex-
22 perience high rates of maternal mortality and se-
23 vere maternal morbidity, including racial and ethnic
24 minority groups, into programs described in para-
25 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, for car-
14 rying out section 301 of the Public Health Service Act
15 (42 U.S.C. 241), with respect to child health and human
16 development and activities of the Eunice Kennedy Shriver
17 National Institute of Child Health and Human Develop-
18 ment described in section 448 of the Public Health Service
19 Act (42 U.S.C. 285g), to conduct or support research for
20 interventions to mitigate the effects of COVID–19 on
21 pregnant, lactating, and postpartum individuals, with a
22 particular focus on individuals from racial and ethnic mi-
23 nority 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 health professional shortage areas designated under
19 section 332 of the Public Health Service Act (42 U.S.C.
20 254e) with high rates of adverse maternal health outcomes
21 or significant racial and ethnic disparities in maternal
22 health outcomes, to evaluate, develop, and expand the use
23 of technology-enabled collaborative learning and capacity
24 building models (as defined in section 330N of the Public
25 Health Service Act (42 U.S.C. 254e–20)).

26 (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 health professional shortage areas designated under
20 section 332 of the Public Health Service Act (42 U.S.C.
21 254e) with high rates of adverse maternal health outcomes
22 or significant racial and ethnic disparities in maternal
23 health outcomes to reduce racial and ethnic disparities in
24 maternal health outcomes by increasing access to digital
25 tools related to maternal health care.

1 (b) USE OF FUNDS.—Amounts made available to an
2 awardee pursuant to subsection (a) shall be used for the
3 purpose specified in such subsection, including for increas-
4 ing access to telehealth technologies (as defined in section
5 330I of the Public Health Service Act (42 U.S.C. 254c–
6 14)) and digital tools that could improve maternal health
7 outcomes, such as wearable technologies, patient portals,
8 telehealth services, and web-based and mobile phone appli-
9 cations, digital health services, secure text messaging, on-
10 line provider communities, mobile clinical decision support
11 services, and clinical tools to increase diagnostic accuracy.

12 (c) TECHNICAL ASSISTANCE.—Using amounts made
13 available under subsection (a), the Secretary shall provide
14 technical assistance, including through a grant or con-
15 tract, to eligible entities receiving funding pursuant to
16 subsection (a) on the development, use, evaluation, and
17 post-grant sustainability of digital tools designed to pro-
18 mote equity and reduce disparities in maternal health out-
19 comes.

20 **SEC. 31048. FUNDING FOR ANTIDISCRIMINATION AND BIAS**
21 **TRAINING.**

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, \$50,000,000, to remain available until ex-
2 pended, for the purpose described in subsection (b).

3 (b) USE OF FUNDS.—The Secretary shall, with a
4 focus on maternal health providers, use amounts appro-
5 priated under subsection (a) to carry out a program to
6 award competitive grants or contracts to national non-
7 profit organizations focused on improving health equity,
8 accredited schools of medicine or nursing, and other health
9 professional training programs to develop, disseminate, re-
10 view, research, and evaluate training for health profes-
11 sionals and all staff who interact with patients to reduce
12 discrimination and bias in the provision of health care,
13 with a focus on maternal health care.

14 **PART 4—OTHER PUBLIC HEALTH INVESTMENTS**

15 **SEC. 31051. FUNDING FOR MENTAL HEALTH AND SUB-**
16 **STANCE USE DISORDER PROFESSIONALS.**

17 In addition to amounts otherwise available, there is
18 appropriated to the Secretary for fiscal year 2022, out of
19 any money in the Treasury not otherwise appropriated,
20 \$50,000,000, to remain available until expended, for pur-
21 poses of carrying out section 597 of the Public Health
22 Service Act (42 U.S.C. 2901l).

1 **SEC. 31052. FUNDING TO SUPPORT PEER RECOVERY SPE-**
2 **CIALISTS.**

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 \$25,000,000, to remain available until expended, to carry
7 out section 509 of the Public Health Service Act (42
8 U.S.C. 290bb-2) with respect to strengthening recovery
9 community organizations and their statewide network of
10 recovery stakeholders.

11 **SEC. 31053. FUNDING FOR PROJECT AWARE.**

12 In addition to amounts otherwise available, there is
13 appropriated to the Secretary for fiscal year 2022, out of
14 any money in the Treasury not otherwise appropriated,
15 \$15,000,000, to remain available until expended, for car-
16 rying out section 520A of the Public Health Service Act
17 (42 U.S.C. 290bb-32) with respect to advancing wellness
18 and resiliency in education.

19 **SEC. 31054. FUNDING FOR THE NATIONAL SUICIDE PRE-**
20 **VENTION LIFELINE.**

21 In addition to amounts otherwise available, there is
22 appropriated to the Secretary for fiscal year 2022, out of
23 any money in the Treasury not otherwise appropriated,
24 \$75,000,000, to remain available until expended, for ad-
25 vancing infrastructure for the National Suicide Prevention
26 Lifeline program under section 520E-3 of the Public

1 Health Service Act (42 U.S.C. 290bb–36c) in order to ex-
2 pand existing capabilities for response in a manner that
3 avoids duplicating existing capabilities for text-based crisis
4 support.

5 **SEC. 31055. FUNDING FOR COMMUNITY VIOLENCE AND**
6 **TRAUMA INTERVENTIONS.**

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 \$2,500,000,000, to remain available until ex-
11 pended, for the purposes described in subsection (b):

12 (b) USE OF FUNDING.—The Secretary, acting
13 through the Director of the Centers for Disease Control
14 and Prevention, and in consultation with the Assistant
15 Secretary for Mental Health and Substance Use, the Ad-
16 ministrator of the Health Resources and Services Admin-
17 istration, the Deputy Assistant Secretary for Minority
18 Health, and the Assistant Secretary for the Administra-
19 tion for Children and Families, shall use amounts appro-
20 priated by subsection (a) to support public health-based
21 interventions to reduce community violence and trauma,
22 taking into consideration the needs of communities with
23 high rates of, and prevalence of risk factors associated
24 with, violence-related injuries and deaths, by—

1 (1) awarding competitive grants or contracts to
2 local governmental entities, States, territories, In-
3 dian Tribes and Tribal organizations, Urban Indian
4 organizations, hospitals and community health cen-
5 ters, nonprofit community-based organizations, cul-
6 turally specific organizations, victim services pro-
7 viders, or other entities as determined by the Sec-
8 retary (or consortia of such entities) to support evi-
9 dence-informed, culturally competent, and develop-
10 mentally appropriate strategies to reduce community
11 violence, including outreach and conflict mediation,
12 hospital-based violence intervention, violence inter-
13 ruption, and services for victims and individuals and
14 communities at risk for experiencing violence, such
15 as trauma-informed mental health care and coun-
16 seling, social-emotional learning and school-based
17 mental health services, workforce development serv-
18 ices, and other services that prevent or mitigate the
19 impact of trauma, build appropriate skills, or pro-
20 mote resilience; and

21 (2) supporting training, technical assistance, re-
22 search, evaluation, public health surveillance sys-
23 tems, data collection, and coordination among rel-
24 evant stakeholders, to facilitate support for strate-

1 gies to reduce community violence and ensure safe
2 and healthy communities.

3 (c) SUPPLEMENT NOT SUPPLANT.—Amounts appro-
4 priated under this section shall be used to supplement and
5 not supplant any Federal, State, or local funding other-
6 wise made available for the purposes described in this sec-
7 tion.

8 (d) EXPENDITURE REQUIREMENT.—All expenditures
9 made pursuant to subsection (a) shall be made on or be-
10 fore September 30, 2031.

11 **SEC. 31056. FUNDING FOR THE NATIONAL CHILD TRAU-**
12 **MATIC STRESS NETWORK.**

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 \$5,000,000, to remain available until expended, for car-
17 rying out section 582 of the Public Health Service Act
18 (42 U.S.C. 290hh–1) with respect to addressing the prob-
19 lem of high-risk or medically underserved persons who ex-
20 perience violence-related stress.

21 **SEC. 31057. FUNDING FOR HIV HEALTH CARE SERVICES**
22 **PROGRAMS.**

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 \$75,000,000, to remain available until expended, for nec-
2 essary expenses for modifications to existing contracts,
3 and supplements to existing grants and cooperative agree-
4 ments under parts A, B, C, and D of title XXVI of the
5 Public Health Service Act and section 2692(a) of such Act
6 (42 U.S.C. 300ff-111(a)).

7 **SEC. 31058. FUNDING FOR CLINICAL SERVICES DEM-**
8 **ONSTRATION PROJECT.**

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 \$60,000,000, to remain available until expended, to, act-
13 ing through the Administrator of the Health Resources
14 and Services Administration, carry out a program to
15 award grants or contracts to public and private nonprofit
16 clinics for the provision of clinical services, pursuant to
17 a demonstration project under section 318(b)(2) of the
18 Public Health Service Act (42 U.S.C. 247c(b)(2)).

19 **SEC. 31059. FUNDING TO SUPPORT THE LIFESPAN RESPITE**
20 **CARE PROGRAM.**

21 In addition to amounts otherwise available, there is
22 appropriated to the Secretary for fiscal year 2022, out of
23 any money in the Treasury not otherwise appropriated,
24 \$5,000,000, to remain available until expended, for car-
25 rying out title XXIX of the Public Health Service Act.

1 **SEC. 31060. FUNDING TO INCREASE RESEARCH CAPACITY**
2 **AT CERTAIN INSTITUTIONS.**

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, \$75,000,000, to remain available until ex-
7 pended, for the purposes 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 made available under subsection (a) to—

11 (1) maintain and expand programs to increase
12 research capacity at minority-serving institutions (as
13 described in section 371 of the Higher Education
14 Act of 1965 (20 U.S.C. 1067q)), including by sup-
15 porting the Path to Excellence and Innovation pro-
16 gram of the National Institutes of Health;

17 (2) support centers of excellence under sections
18 464z–4 and 736 of the Public Health Service Act
19 (42 U.S.C. 285t–1, 293);

20 (3) support efforts to diversify the national sci-
21 entific workforce and expand recruitment and reten-
22 tion of individuals who are—

23 (A) underrepresented in the biomedical,
24 clinical, behavioral, and social sciences; and

25 (B) from disadvantaged backgrounds; and

1 (4) support and expand the activities of the Sci-
2 entific Workforce Diversity Office of the National
3 Institutes of Health.

4 **SEC. 31061. FUNDING FOR RESEARCH RELATED TO DEVEL-**
5 **OPMENTAL DELAYS.**

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, \$10,000,000, to remain available until ex-
10 pended, for the purpose described in subsection (b).

11 (b) USE OF FUNDS.—The Secretary, acting through
12 the Director of the National Institutes of Health, shall use
13 amounts appropriated by subsection (a) to conduct or sup-
14 port research related to developmental delays, including
15 speech and language delays in infants and toddlers, char-
16 acterizing speech and language development and outcomes
17 in infants and toddlers through early adolescence. Such
18 research shall include studies, including longitudinal stud-
19 ies, conducted or supported by the National Institute on
20 Deafness and Other Communication Disorders, the Eu-
21 nice Kennedy Shriver National Institute of Child Health
22 and Human Development, and other relevant institutes
23 and centers of the National Institutes of Health.

24 (c) SUPPLEMENT, NOT SUPPLANT.—Amounts made
25 available to carry out this section shall be used to supple-

1 ment and not supplant other Federal, State, and local
2 public funds expended to conduct or support research re-
3 lated to developmental delays, including speech and lan-
4 guage delays, in infants, toddlers, and children.

5 **SEC. 31062. SUPPLEMENTAL FUNDING FOR THE WORLD**
6 **TRADE CENTER HEALTH PROGRAM.**

7 (a) IN GENERAL.—Title XXXIII of the Public
8 Health Service Act is amended by adding at the end the
9 following:

10 **“SEC. 3352. SUPPLEMENTAL FUND.**

11 “(a) IN GENERAL.—There is established a fund to
12 be known as the World Trade Center Health Program
13 Supplemental Fund (referred to in this section as the
14 ‘Supplemental Fund’), consisting of amounts deposited
15 into the Supplemental Fund under subsection (b).

16 “(b) AMOUNT.—Out of any money in the Treasury
17 not otherwise appropriated, there is appropriated for fiscal
18 year 2022, \$2,860,000,000, for deposit into the Supple-
19 mental Fund, which amounts shall remain available
20 through fiscal year 2031.

21 “(c) USE OF FUNDS.—Amounts deposited into the
22 Supplemental Fund under subsection (b) shall be avail-
23 able, without further appropriation and without regard to
24 any spending limitation under section 3351(c), to the
25 WTC Program Administrator as needed at the discretion

1 of such Administrator for carrying out any provision in
2 this title, including sections 3303 and 3341(c).

3 “(d) RETURN OF FUNDS.—Any amounts that remain
4 in the Supplemental Fund on September 30, 2031, shall
5 be deposited into the Treasury as miscellaneous receipts.”.

6 (b) CONFORMING AMENDMENTS.—Title XXXIII of
7 the Public Health Service Act is amended—

8 (1) in section 3311(a)(4)(B)(i)(II) (42 U.S.C.
9 300mm–21(a)(4)(B)(i)(II)), by striking “section
10 3351” and inserting “sections 3351 and 3352”;

11 (2) in section 3321(a)(3)(B)(i)(II) (42 U.S.C.
12 300mm–31(a)(3)(B)(i)(II)), by striking “section
13 3351” and inserting “sections 3351 and 3352”;

14 (3) in section 3331 (42 U.S.C. 300mm–41)—

15 (A) in subsection (a), by inserting “and
16 the World Trade Center Health Program Sup-
17 plemental Fund” before the period at the end;
18 and

19 (B) in subsection (d)—

20 (i) in paragraph (1)(B), by inserting
21 “(excluding any expenditures from
22 amounts in the World Trade Center
23 Health Program Supplemental Fund under
24 section 3352)” before the period at the
25 end; and

1 (ii) in paragraph (2), in the flush text
2 following subparagraph (C), by inserting
3 “(excluding any expenditures from
4 amounts in the World Trade Center
5 Health Program Supplemental Fund under
6 section 3352)” before the period at the
7 end; and

8 (4) in section 3351(b) (42 U.S.C. 300mm–
9 61(b))—

10 (A) in paragraph (2), by inserting “or as
11 available from the World Trade Center Health
12 Program Supplemental Fund under section
13 3352” before the period at the end; and

14 (B) in paragraph (3), by inserting “or as
15 available from the World Trade Center Health
16 Program Supplemental Fund under section
17 3352” before the period at the end.

18 **PART 5—NATIVE HAWAIIAN PROVISIONS**

19 **SEC. 31071. NATIVE HAWAIIAN HEALTH CARE SYSTEMS.**

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 Sep-
24 tember 30, 2031, for the Secretary, not later than 180
25 days after the date of enactment of this Act, to award

1 grants to, or enter into contracts with, Papa Ola Lokahi
2 to support services described in section 6(c) of the Native
3 Hawaiian Health Care Improvement Act (42 U.S.C.
4 11705(c)) in accordance with this section.

5 (b) USE OF FUNDS.—Amounts made available to an
6 awardee pursuant to subsection (a) shall be used for—

7 (1) the purchase, construction, alteration, ren-
8 ovation, or equipping of health facilities;

9 (2) maintenance and improvement projects;

10 (3) information technology, telehealth infra-
11 structure, electric health records systems, and med-
12 ical equipment; and

13 (4) awarding grants to, or entering into con-
14 tracts with, Native Hawaiian health care systems
15 (directly, or through subgrants or subcontracts) to
16 support services described in section 6(c) of the Na-
17 tive Hawaiian Health Care Improvement Act (42
18 U.S.C. 11705(c)), on the condition that such grants
19 or contracts may only be used for the purposes and
20 uses described in paragraphs (1) through (3).

21 (c) WAIVER OF CERTAIN RESTRICTIONS.—Sub-
22 sections (e) and (f)(4) of section 6 of the Native Hawaiian
23 Health Care Improvement Act (42 U.S.C. 11705(e),
24 11705(f)(4)) shall not apply to grants (or subgrants)
25 made using amounts made available under subsection (a).

1 (d) DEFINITIONS.—In this section:

2 (1) NATIVE HAWAIIAN HEALTH CARE SYS-
3 TEM.—The term “Native Hawaiian health care sys-
4 tem” has the meaning given the term in section 12
5 of the Native Hawaiian Health Care Improvement
6 Act (42 U.S.C. 11711).

7 (2) PAPA OLA LOKAHI.—The term “Papa Ola
8 Lokahi” has the meaning given the term in section
9 12 of the Native Hawaiian Health Care Improve-
10 ment Act (42 U.S.C. 11711).

11 **SEC. 31072. NATIVE HAWAIIAN HEALTH IMPROVEMENT**
12 **GRANTS.**

13 (a) IN GENERAL.—In addition to amounts otherwise
14 available, there is appropriated to the Secretary for fiscal
15 year 2022, out of any money in the Treasury not otherwise
16 appropriated, \$224,000,000, to remain available until
17 September 30, 2031, to award grants to eligible Native
18 Hawaiian entities to improve the health status of Native
19 Hawaiians, including by providing to Native Hawaiians
20 comprehensive health promotion services, disease preven-
21 tion services, and primary health services, as described in
22 section 6(e) of the Native Hawaiian Health Care Improve-
23 ment Act (42 U.S.C. 11705(c)).

1 (b) DEFINITION OF ELIGIBLE NATIVE HAWAIIAN
2 ENTITY.—In this section, the term “eligible Native Ha-
3 waiian entity” means—

4 (1) Papa Ola Lokahi (as defined in section 12
5 of the Native Hawaiian Health Care Improvement
6 Act (42 U.S.C. 11711));

7 (2) a Native Hawaiian health care system (as
8 defined in section 12 of that Act (42 U.S.C.
9 11711));

10 (3) a Native Hawaiian organization (as defined
11 in section 12 of that Act (42 U.S.C. 11711));

12 (4) a consortium of 2 or more entities described
13 in paragraphs (1) through (3); and

14 (5) a consortium that contains at least 1 entity
15 described in any of paragraphs (1) through (3).

16 **SEC. 31073. NATIVE HAWAIIAN HEALTH CARE SYSTEMS LI-**
17 **ABILITY COVERAGE.**

18 (a) IN GENERAL.—Subject to subsections (b) and (c),
19 the Secretary shall apply section 102(d) of the Indian Self-
20 Determination and Education Assistance Act (25 U.S.C.
21 5321(d)) to—

22 (1) a Native Hawaiian health care system that
23 receives a grant from or enters into a contract with
24 the Secretary under section 6 of the Native Hawai-
25 ian Health Care Improvement Act (42 U.S.C.

1 11705) to the same extent as section 102(d) of the
2 Indian Self-Determination and Education Assistance
3 Act (25 U.S.C. 5321(d)) applies to an Indian Tribe,
4 a Tribal organization, and an Indian contractor that
5 carries out a contract, grant agreement, or coopera-
6 tive agreement, as applicable, under section 102 or
7 103 of that Act (25 U.S.C. 5321, 5322); and

8 (2) the employees of a Native Hawaiian health
9 care system that receives a grant from or enters into
10 a contract with the Secretary under section 6 of the
11 Native Hawaiian Health Care Improvement Act (42
12 U.S.C. 11705) to the same extent as section 102(d)
13 of the Indian Self-Determination and Education As-
14 sistance Act (25 U.S.C. 5321(d)) applies to the em-
15 ployees of an Indian Tribe, a Tribal organization, or
16 an Indian contractor that carries out a contract,
17 grant agreement, or cooperative agreement, as appli-
18 cable, under section 102 or 103 of that Act (25
19 U.S.C. 5321, 5322).

20 (b) EFFECTIVE DATE.—For purposes of subsection
21 (a), each reference to December 22, 1987, and the ref-
22 erence to the date of enactment of the Indian Self-Deter-
23 mination and Education Assistance Act Amendments of
24 1990 contained in section 102(d) of the Indian Self-Deter-
25 mination and Education Assistance Act (25 U.S.C.

1 5321(d)) shall be deemed to be a reference to the date
2 of enactment of this section.

3 (c) SUNSET.—This section shall cease to have force
4 or effect on October 1, 2031.

5 **Subtitle J—Next Generation 9–1–1**

6 **SEC. 31101. DEPLOYMENT OF NEXT GENERATION 9–1–1.**

7 (a) APPROPRIATION.—

8 (1) IN GENERAL.—In addition to amounts oth-
9 erwise available, there is appropriated to the Assist-
10 ant Secretary for fiscal year 2022, out of any money
11 in the Treasury not otherwise appropriated,
12 \$470,000,000, to remain available until September
13 30, 2030, to make grants to eligible entities for im-
14 plementing and maintaining Next Generation 9–1–1
15 in accordance with subsection (b).

16 (2) ADMINISTRATIVE EXPENSES.—In addition
17 to amounts otherwise available, there is appropriated
18 to the Assistant Secretary for fiscal year 2022, out
19 of any money in the Treasury not otherwise appro-
20 priated, \$20,000,000, to remain available until Sep-
21 tember 30, 2030, to administer this section.

22 (b) USE OF FUNDS.—An eligible entity may use
23 grant funds received under this section for—

1 (1) reasonable costs associated with planning,
2 implementation, and development activities, includ-
3 ing such activities related to the grant application;

4 (2) deployment, operation, and maintenance of
5 interoperable and reliable Next Generation 9–1–1,
6 including ensuring the cybersecurity of Next Genera-
7 tion 9–1–1; and

8 (3) training of personnel related to Next Gen-
9 eration 9–1–1.

10 (c) CLAWBACK.—The Assistant Secretary shall re-
11 cover some or all of the grant funds made available to
12 an eligible entity under this section if—

13 (1) the eligible entity uses the funds for any
14 other purpose than those set forth in subsection (b);

15 (2) the eligible entity fails to establish a fund-
16 ing mechanism for Next Generation 9–1–1 sufficient
17 to cover operations, maintenance, and upgrade costs
18 within 3 years of the establishment of the grant pro-
19 gram;

20 (3) the eligible entity engages in the diversion
21 of any 9–1–1 fee or charge imposed by the eligible
22 entity; or

23 (4) the eligible entity uses funds to purchase,
24 rent, lease, or otherwise obtain covered communica-
25 tions equipment or services (as defined in section 9

1 of the Secure and Trusted Communications Net-
2 works Act of 2019 (47 U.S.C. 1608)).

3 **SEC. 31102. ESTABLISHMENT OF NEXT GENERATION 9-1-1**
4 **CYBERSECURITY CENTER.**

5 In addition to amounts otherwise available, there is
6 appropriated to the National Telecommunications and In-
7 formation Administration for fiscal year 2022, out of any
8 money in the Treasury not otherwise appropriated,
9 \$9,000,000, to remain available until September 30, 2030,
10 for the establishment of a Next Generation 9-1-1 Cyber-
11 security Center to coordinate with State, local, and re-
12 gional governments on the sharing of cybersecurity infor-
13 mation about, the analysis of cybersecurity threats to, and
14 strategies to detect and prevent cybersecurity intrusions
15 relating to, Next Generation 9-1-1.

16 **SEC. 31103. PUBLIC SAFETY NEXT GENERATION 9-1-1 ADVI-**
17 **SORY BOARD.**

18 In addition to amounts otherwise available, there is
19 appropriated to the National Telecommunications and In-
20 formation Administration for fiscal year 2022, out of any
21 money in the Treasury not otherwise appropriated,
22 \$1,000,000, to remain available until September 30, 2030,
23 to establish a 16-member Public Safety Next Generation
24 9-1-1 Advisory Board, consisting of public safety officials
25 and 9-1-1 professionals from diverse backgrounds and

1 with the necessary technical expertise, to provide rec-
2 ommendations to the Assistant Secretary with respect to
3 carrying out the duties and responsibilities of the Assist-
4 ant Secretary related to Next Generation 9–1–1, including
5 with respect to the grant program established under sec-
6 tion 31101.

7 **SEC. 31104. DEFINITIONS.**

8 In this subtitle:

9 (1) 9–1–1 FEE OR CHARGE.—The term “9–1–
10 1 fee or charge” has the meaning given the term in
11 section 6(f)(3)(D) of the Wireless Communications
12 and Public Safety Act of 1999 (47 U.S.C. 615a–
13 1(f)(3)(D)).

14 (2) ASSISTANT SECRETARY.—The term “Assist-
15 ant Secretary” means the Assistant Secretary of
16 Commerce for Communications and Information.

17 (3) COMMONLY ACCEPTED STANDARDS.—The
18 term “commonly accepted standards” means the
19 technical standards followed by the communications
20 industry for network, device, and Internet Protocol
21 connectivity that—

22 (A) ensure interoperability by enabling
23 emergency communications centers to receive,
24 process, and analyze all types of 9–1–1 requests
25 for emergency assistance (including multimedia

1 and data) and share such requests with other
2 emergency communications centers and emer-
3 gency response providers without the need for
4 proprietary interfaces and regardless of juris-
5 diction, equipment, device, software, service
6 provider, or any other factor; and

7 (B) are developed and approved by a
8 standards development organization that is ac-
9 credited by a United States or international
10 standards body through a process—

11 (i) that is consensus-based and open
12 for participation, provides conflict resolu-
13 tion, and invites comment; and

14 (ii) through which standards are made
15 publicly available once approved.

16 (4) ELIGIBLE ENTITY.—The term “eligible enti-
17 ty” means a State or a Tribal organization that
18 has—

19 (A) named a single point of contact to co-
20 ordinate the implementation of Next Generation
21 9–1–1; and

22 (B) developed and submitted a plan for the
23 coordination and implementation of Next Gen-
24 eration 9–1–1 consistent with any requirements
25 of the Assistant Secretary.

1 (5) NEXT GENERATION 9-1-1.—The term
2 “Next Generation 9-1-1” means an interoperable,
3 secure, Internet Protocol-based system that—

4 (A) employs commonly accepted standards;

5 (B) enables emergency communications
6 centers to receive, process, and analyze all types
7 of 9-1-1 requests for emergency assistance;

8 (C) acquires and integrates additional in-
9 formation useful to handling 9-1-1 requests for
10 emergency assistance;

11 (D) supports sharing information related
12 to 9-1-1 requests for emergency assistance
13 among emergency communications centers and
14 emergency response providers without the need
15 for proprietary interfaces and regardless of ju-
16 risdiction, equipment, device, software, service
17 provider, or any other factor; and

18 (E) ensures reliability by enabling ongoing
19 operation, including through the use of geo-di-
20 verse device and network agnostic elements that
21 provide more than 1 physical route between end
22 points with no common points where a single
23 failure at that point would cause the operation
24 of Next Generation 9-1-1 to fail.

1 (6) STATE.—The term “State” means any
2 State of the United States, the District of Columbia,
3 Puerto Rico, American Samoa, Guam, the United
4 States Virgin Islands, the Northern Mariana Is-
5 lands, and any other territory or possession of the
6 United States.

7 **Subtitle K—Other Matters Related**
8 **to Connectivity**

9 **SEC. 31201. OUTREACH.**

10 In addition to amounts otherwise available, there is
11 appropriated to the Federal Communications Commission
12 for fiscal year 2022, out of any money in the Treasury
13 not otherwise appropriated, \$100,000,000, to remain
14 available until September 30, 2031, to conduct outreach
15 and provide education to the public regarding the
16 broadband and communications affordability programs of
17 the Federal Communications Commission to raise aware-
18 ness about the programs and help consumers access the
19 programs.

20 **SEC. 31202. FUTURE OF TELECOMMUNICATIONS COUNCIL.**

21 In addition to amounts otherwise available, there is
22 appropriated to the Secretary of Commerce for fiscal year
23 2022, out of any money in the Treasury not otherwise ap-
24 propriated, \$7,000,000, to remain available until Sep-
25 tember 30, 2031, to establish a council of 14 members

1 in coordination with the Committee on Commerce,
2 Science, and Transportation of the Senate, the Committee
3 on Energy and Commerce of the House of Representa-
4 tives, the Deputy Secretary of Commerce, the Assistant
5 Secretary of Commerce for Communications and Informa-
6 tion, the Under Secretary of Commerce for Standards and
7 Technology, the Chair of the Federal Communications
8 Commission, the Director of the National Science Founda-
9 tion, the Majority Leader of the Senate, and the Speaker
10 of the House of Representatives, to be known as the “Fu-
11 ture of Telecommunications Council”, to advise Congress
12 on the development and adoption of 6G and other ad-
13 vanced wireless communications technologies, including
14 ensuring equity in access to those technologies for commu-
15 nities of color and rural communities.

16 **SEC. 31203. AFFORDABILITY.**

17 (a) DEFINITIONS.—In this section:

18 (1) BROADBAND; BROADBAND SERVICE.—The
19 term “broadband” or “broadband service” has the
20 meaning given the term “broadband internet access
21 service” in section 8.1 of title 47, Code of Federal
22 Regulations, or any successor regulation.

23 (2) COVERED BROADBAND SERVICE.—The term
24 “covered broadband service” means broadband serv-

1 ice being delivered through a broadband network
2 that can easily scale speeds over time to—

3 (A) meet the evolving connectivity needs of
4 households and businesses; and

5 (B) support the deployment of 5G, suc-
6 cessor wireless technologies, and other advanced
7 services.

8 (3) COVERED PUBLIC-PRIVATE PARTNER-
9 SHIP.—The term “covered public-private partner-
10 ship” means a partnership between—

11 (A) a State, 1 or more political subdivi-
12 sions of a State, a utility (including a utility co-
13 operative), a public utility district, a nonprofit
14 organization, a regional planning council, or an
15 economic development authority; and

16 (B) a provider of covered broadband serv-
17 ice.

18 (4) STATE.—The term “State” means any
19 State of the United States, the District of Columbia,
20 Puerto Rico, American Samoa, Guam, the United
21 States Virgin Islands, the Northern Mariana Is-
22 lands, and any other territory or possession of the
23 United States.

24 (b) FUNDING.—

1 (1) PILOT PROJECTS.—In addition to amounts
2 otherwise available, there is appropriated to the Na-
3 tional Telecommunications and Information Admin-
4 istration for fiscal year 2022, out of any money in
5 the Treasury not otherwise appropriated,
6 \$280,000,000, to remain available until September
7 30, 2031, for grants to covered public-private part-
8 nerships for pilot projects to increase access to af-
9 fordable covered broadband service in urban commu-
10 nities, including communities of color and for low-
11 and middle-income consumers, through long-term so-
12 lutions for such affordability.

13 (2) ADMINISTRATION.—In addition to amounts
14 otherwise available, there is appropriated to the Na-
15 tional Telecommunications and Information Admin-
16 istration for fiscal year 2022, out of any money in
17 the Treasury not otherwise appropriated,
18 \$15,000,000, to remain available until September
19 30, 2031, to administer this section.

20 (3) ADVISORY COMMITTEE.—In addition to
21 amounts otherwise available, there is appropriated to
22 the National Telecommunications and Information
23 Administration for fiscal year 2022, out of any
24 money in the Treasury not otherwise appropriated,
25 \$5,000,000, to remain available until September 30,

1 2031, to establish an advisory committee of 12
2 members consisting of experts on broadband afford-
3 ability from diverse backgrounds, to be known as the
4 “Affordable Urban and Suburban Broadband Advi-
5 sory Committee”, to advise the National Tele-
6 communications and Information Administration,
7 the Federal Communications Commission, and Con-
8 gress on ways to make broadband more affordable
9 for urban and suburban broadband subscribers, in-
10 cluding for communities of color and low- and mid-
11 dle-income consumers, through long-term solutions
12 for such affordability.

13 **SEC. 31204. ACCESS TO DEVICES.**

14 (a) DEFINITIONS.—In this section:

15 (1) ASSISTANT SECRETARY.—The term “Assist-
16 ant Secretary” means the Assistant Secretary of
17 Commerce for Communications and Information.

18 (2) CONNECTED DEVICE.—The term “con-
19 nected device” means any of the following devices
20 that meets minimum standards established by the
21 Assistant Secretary:

22 (A) A WiFi-enabled desktop computer.

23 (B) A WiFi-enabled laptop computer.

24 (C) A WiFi-enabled tablet computer.

1 (D) Any similar WiFi-enabled device (ex-
2 cept for a telephone or smartphone).

3 (3) CONNECTED DEVICE DISTRIBUTION PRO-
4 GRAM.—The term “connected device distribution
5 program” means a program approved by the Assist-
6 ant Secretary that makes available connected devices
7 for free or at a low cost to an eligible household.

8 (4) ELIGIBLE HOUSEHOLD.—The term “eligible
9 household” means a household in which—

10 (A) at least one member of the household
11 meets the qualifications for the Lifeline pro-
12 gram of the Federal Communications Commis-
13 sion, except that a household shall be deemed to
14 meet the income component of those qualifica-
15 tions if the household’s income is at or below
16 200 percent of the Federal Poverty Guidelines
17 for a household of that size;

18 (B) at least one member of the household
19 has applied for and been approved to receive
20 benefits under the free and reduced price lunch
21 program or the school breakfast program;

22 (C) at least one member of the household
23 has received a Federal Pell Grant in the current
24 award year, if such award is verifiable through
25 the National Verifier or National Lifeline Ac-

1 countability Database or a connected device dis-
2 tribution program verifies eligibility; or

3 (D) at least one member of the household
4 receives assistance through the special supple-
5 mental nutritional program for women, infants,
6 and children.

7 (b) CONNECTED DEVICE GRANT PROGRAM.—

8 (1) APPROPRIATIONS.—

9 (A) IN GENERAL.—In addition to amounts
10 otherwise available, there is appropriated to the
11 Assistant Secretary for fiscal year 2022, out of
12 any money in the Treasury not otherwise ap-
13 propriated, \$475,000,000, to remain available
14 until September 30, 2031, for the awarding of
15 grants to connected device distribution pro-
16 grams in accordance with this section.

17 (B) ADMINISTRATION.—In addition to
18 amounts otherwise available, there is appro-
19 priated to the Assistant Secretary for fiscal
20 year 2022, out of any money in the Treasury
21 not otherwise appropriated, \$20,000,000, to re-
22 main available until September 30, 2031, to ad-
23 minister this section, including providing tech-
24 nical assistance to a connected device distribu-
25 tion program.

1 (C) OUTREACH.—In addition to amounts
2 otherwise available, there is appropriated to the
3 Assistant Secretary for fiscal year 2022, out of
4 any money in the Treasury not otherwise ap-
5 propriated, \$5,000,000, to remain available
6 until September 30, 2031, to conduct outreach
7 related to the availability of grants under this
8 section.

9 (2) USE OF FUNDS.—

10 (A) IN GENERAL.—A connected device dis-
11 tribution program shall use grant funds re-
12 ceived under this section for—

13 (i) the reasonable purchase or refur-
14 bishment cost of connected devices for dis-
15 tribution to eligible households consistent
16 with this section; and

17 (ii) the reasonable administrative
18 costs associated with the distribution of
19 connected devices described in clause (i).

20 (B) LIMITATION.—A connected device dis-
21 tribution program may use grant funds received
22 under this section to provide not more than—

23 (i) 1 connected device to an eligible
24 household that includes not more than 2
25 members over the age of 6; or

1 (ii) 2 connected devices to an eligible
2 household that includes not fewer than 3
3 members over the age of 6.

4 (3) CLAWBACK.—If a connected device distribu-
5 tion program is found to have used grant funds
6 awarded under this section in a manner not per-
7 mitted under this section or is found to have other-
8 wise violated a requirement under this section, the
9 Assistant Secretary shall recover from the program
10 some or all of the grant funds awarded to the pro-
11 gram.

12 **Subtitle L—Distance Learning**

13 **SEC. 31301. ADDITIONAL SUPPORT FOR DISTANCE LEARN-** 14 **ING.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to the Emergency
17 Connectivity Fund established under subsection (c)(1) of
18 section 7402 of the American Rescue Plan Act of 2021
19 (Public Law 117–2) for fiscal year 2022, out of any money
20 in the Treasury not otherwise appropriated,
21 \$300,000,000, to remain available until September 30,
22 2030, to provide support under the covered regulations
23 promulgated under subsection (a) of that section, except
24 that that amount shall be used to provide support under
25 the covered regulations for costs incurred after the date

1 of enactment of this Act but before June 30, 2030, regard-
2 less of whether those costs are incurred during a COVID-
3 19 emergency period (as defined in subsection (d) of that
4 section).

5 (b) LIMITATION.—None of the funds appropriated
6 under subsection (a) may be used to purchase, rent, lease,
7 or otherwise obtain any covered communications equip-
8 ment or service (as defined in section 9 of the Secure and
9 Trusted Communications Networks Act of 2019 (47
10 U.S.C. 1608)).

11 **Subtitle M—Manufacturing Supply** 12 **Chain and Tourism**

13 **SEC. 31401. MANUFACTURING SUPPLY CHAIN RESILIENCE.**

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, \$5,000,000,000,
17 to remain available until September 30, 2026, to the Of-
18 fice of the Secretary of Commerce, to support the resil-
19 ience of manufacturing supply chains affecting interstate
20 commerce and related administrative costs, by—

21 (1) mapping and monitoring manufacturing
22 supply chains;

23 (2) facilitating and supporting the establish-
24 ment of voluntary standards, guidelines, and best

1 practices relevant to the resilience of manufacturing
2 supply chains;

3 (3) identifying, accelerating, promoting, dem-
4 onstrating, and deploying technological advances for
5 manufacturing supply chains; and

6 (4) providing grants, loans, and loan guarantees
7 to maintain and improve manufacturing supply
8 chain resiliency.

9 **SEC. 31402. DESTINATION MARKETING ORGANIZATION**
10 **GRANT PROGRAM TO PROMOTE SAFE DOMES-**
11 **TIC TRAVEL.**

12 (a) GRANTS FOR DOMESTIC MARKETING ORGANIZA-
13 TIONS.—In addition to amounts otherwise available, there
14 is appropriated for fiscal year 2022, out of any money in
15 the Treasury not otherwise appropriated, \$47,500,000, to
16 remain available until September 30, 2024, to the Sec-
17 retary of Commerce to award grants to destination mar-
18 keting organizations, including public or public-private en-
19 tities that perform the functions of a destination mar-
20 keting organization as determined by the Secretary, to
21 conduct marketing activities to promote domestic travel
22 within the United States, including with respect to current
23 travel requirements and safe travel practices, with pref-
24 erence to destination marketing organizations promoting
25 a town, city, State, or region where the civilian labor force

1 in the accommodation, leisure, and hospitality sector has
2 suffered, and continues to suffer, significant job losses as
3 a result of the COVID–19 pandemic, as determined by
4 the Secretary.

5 (b) ADMINISTRATIVE COSTS.—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, \$1,500,000, to remain available until
9 September 30, 2027, to the Secretary of Commerce for
10 administrative costs associated with providing grants
11 under subsection (a).

12 (c) DATA ON DOMESTIC TRAVEL AND TOURISM.—
13 In 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, \$1,000,000, to re-
16 main available until September 30, 2027, to the Secretary
17 of Commerce to collect data on domestic travel and tour-
18 ism in the United States, including the impact of the
19 COVID–19 pandemic on domestic travel and tourism.

20 **Subtitle N—FTC Privacy**

21 **Enforcement**

22 **SEC. 31501. FEDERAL TRADE COMMISSION FUNDING FOR A**
23 **PRIVACY BUREAU AND RELATED EXPENSES.**

24 In addition to amounts otherwise available, there is
25 appropriated for fiscal year 2022, out of any money in

1 the Treasury not otherwise appropriated, \$500,000,000,
2 to remain available until September 30, 2029, to the Fed-
3 eral Trade Commission to create and operate a bureau,
4 including by hiring and retaining technologists, user expe-
5 rience designers, and other experts as the Commission
6 considers appropriate, to accomplish its work related to
7 unfair or deceptive acts or practices relating to privacy,
8 data security, identity theft, data abuses, and related mat-
9 ters.

10 **SEC. 31502. FEDERAL TRADE COMMISSION.**

11 Section 5(m)(1)(A) of the Federal Trade Commission
12 Act (15 U.S.C. 45(m)(1)(A)) is amended—

13 (1) by inserting “this Act’s prohibition of unfair
14 or deceptive acts or practices or” after “violates” the
15 first place it appears; and

16 (2) by inserting “a violation of this Act or”
17 after “unfair or deceptive and”.

18 **Subtitle O—Department of**
19 **Commerce Inspector General**

20 **SEC. 31601. FUNDING FOR THE OFFICE OF INSPECTOR GEN-**
21 **ERAL OF THE DEPARTMENT OF COMMERCE.**

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, \$5,000,000, to
25 remain available until September 30, 2030, to the Office

1 of Inspector General of the Department of Commerce for
2 oversight of activities supported with funds appropriated
3 to the Department of Commerce in this Act.

4 **TITLE IV—COMMITTEE ON**
5 **FINANCIAL SERVICES**
6 **Subtitle A—Creating and Pre-**
7 **serving Affordable, Equitable**
8 **and Accessible Housing for the**
9 **21st Century**

10 **SEC. 40001. PUBLIC HOUSING INVESTMENTS.**

11 (a) APPROPRIATION.—In addition to amounts other-
12 wise made available, there is appropriated to the Secretary
13 of Housing and Urban Development (in this section re-
14 ferred to as the “Secretary”) for fiscal year 2022, out of
15 any money in the Treasury not otherwise appropriated—

16 (1) \$10,000,000,000, to remain available until
17 September 30, 2031, for the Capital Fund under
18 section 9(d) of the United States Housing Act of
19 1937 (42 U.S.C. 1437g(d)) pursuant to the same
20 formula as in fiscal year 2021, to be made available
21 within 60 days of the date of the enactment of this
22 Act;

23 (2) \$53,000,000,000, to remain available until
24 September 30, 2026, for eligible activities under sec-
25 tion 9(d)(1) of the United States Housing Act of

1 1937 (42 U.S.C. 1437g(d)(1)) for priority invest-
2 ments as determined by the Secretary to repair, re-
3 place, or construct properties assisted under such
4 section 9;

5 (3) \$1,200,000,000, to remain available until
6 September 30, 2026, for competitive grants under
7 section 24 of the United States Housing Act of 1937
8 (42 U.S.C. 1437v) (in this section referred to as
9 “section 24”), under the terms and conditions in
10 subsection (b), for transformation, rehabilitation,
11 and replacement housing needs of public and as-
12 sisted housing, and to transform neighborhoods of
13 poverty into functioning, sustainable mixed-income
14 neighborhoods;

15 (4) \$750,000,000, to remain available until
16 September 30, 2031, for the costs to the Secretary
17 of administering and overseeing the implementation
18 of this section and the Public Housing Capital Fund
19 and the section 24 grant program generally, includ-
20 ing information technology, financial reporting, re-
21 search and evaluation, other cross-program costs in
22 support of programs administered by the Secretary
23 in this title, and other costs; and

24 (5) \$50,000,000, to remain available until Sep-
25 tember 30, 2031, to make new awards or increase

1 prior awards to existing technical assistance pro-
2 viders to provide an increase in capacity building
3 and technical assistance available to entities eligible
4 for funding for activities or projects consistent with
5 this section.

6 (b) TERMS AND CONDITIONS FOR SECTION 24
7 GRANTS.—Grants awarded under subsection (a)(3) shall
8 be subject to terms and conditions determined by the Sec-
9 retary, which shall include the following:

10 (1) USE.—Grant funds may be used for resi-
11 dent and community services, community develop-
12 ment and revitalization, and affordable housing
13 needs in the community.

14 (2) APPLICANTS.—Eligible recipients of grants
15 shall include lead applicants and joint applicants, as
16 follows:

17 (A) LEAD APPLICANTS.—A lead applicant
18 shall be a local government, a public housing
19 agency, or an owner of an assisted housing
20 property.

21 (B) JOINT APPLICANTS.—A nonprofit or-
22 ganization or a for-profit developer may apply
23 jointly as a joint applicant with such public en-
24 tities specified in subparagraph (A). A local
25 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 201 through 253 and
15 255 through 290 of the Cranston-Gonzalez National
16 Affordable Housing Act (42 U.S.C. 12721-12753,
17 42 U.S.C. 12755-12840) (in this section referred to
18 as “NAHA”), subject to the terms and conditions
19 paragraph (1)(A) of subsection (b);

20 (2) \$14,925,000,000, to remain available until
21 September 30, 2026, for activities and assistance for
22 the HOME Investment Partnerships Program, as
23 authorized under sections 201 through 253 and 255
24 through 290 of the Cranston-Gonzalez National Af-
25 fordable Housing Act (42 U.S.C. 12721-12753, 42

1 U.S.C. 12755-12840), subject to the terms and con-
2 ditions in paragraphs (1)(B) and (2) of subsection
3 (b);

4 (3) \$50,000,000, to remain available until Sep-
5 tember 30, 2031, to make new awards or increase
6 prior awards to existing technical assistance pro-
7 viders to provide an increase in capacity building
8 and technical assistance available to any grantees
9 implementing activities or projects consistent with
10 this section; and

11 (4) \$100,000,000, to remain available until
12 September 30, 2031, for the costs to the Secretary
13 of administering and overseeing the implementation
14 of this section and the HOME and Housing Trust
15 Fund programs generally, including information
16 technology, financial reporting, research and evalua-
17 tions, and other cross-program costs in support of
18 programs administered by the Secretary in this title,
19 and other costs.

20 (b) TERMS AND CONDITIONS.—

21 (1) FORMULAS.—

22 (A) The Secretary shall allocate amounts
23 made available under subsection (a)(1) pursu-
24 ant to section 217 of NAHA (42 U.S.C. 12747)
25 to grantees that received allocations pursuant

1 to that same formula in fiscal year 2021 and
2 shall make such allocations within 60 days of
3 the enactment of this Act.

4 (B) The Secretary shall allocate amounts
5 made available under subsection (a)(2) pursu-
6 ant to the formula specified in section
7 1338(c)(3) of the Federal Housing Enterprises
8 Financial Safety and Soundness Act of 1992
9 (12 U.S.C. 4568(c)(3)) to grantees that re-
10 ceived Housing Trust Fund allocations pursu-
11 ant to that same formula in fiscal year 2021
12 and shall make such allocations within 60 days
13 of the date of the enactment of this Act.

14 (2) ELIGIBLE ACTIVITIES.—Other than as pro-
15 vided in paragraph (5) of this subsection, funds
16 made available under subsection (a)(2) may only be
17 used for eligible activities described in subpara-
18 graphs (A) through (B)(i) of section 1338(c)(7) of
19 the Federal Housing Enterprises Financial Safety
20 and Soundness Act of 1992 (12 U.S.C. 4568(c)(7)),
21 except that not more than 10 percent of funds made
22 available may be used for activities under such sub-
23 paragraph (B)(i).

24 (3) FUNDING RESTRICTIONS.—The commit-
25 ment requirements in section 218(g) (42 U.S.C.

1 12748(g)) of NAHA, the matching requirements in
2 section 220 (42 U.S.C. 12750) of NAHA, and the
3 set-aside for housing developed, sponsored, or owned
4 by community housing development organizations re-
5 quired in section 231 of NAHA (42 U.S.C. 12771)
6 shall not apply for amounts made available under
7 this section.

8 (4) REALLOCATION.—For funds provided under
9 paragraphs (1) and (2) of subsection (a), the Sec-
10 retary may recapture certain amounts remaining
11 available to a grantee under this section or amounts
12 declined by a grantee, and reallocate such amounts
13 to other grantees under that paragraph to ensure
14 fund expenditure, geographic diversity, and avail-
15 ability of funding to communities within the State
16 from which the funds have been recaptured.

17 (5) ADMINISTRATION.— Notwithstanding sub-
18 sections (c) and (d)(1) of section 212 of NAHA (42
19 U.S.C. 12742), grantees may use not more than 15
20 percent of their allocations under this section for ad-
21 ministrative and planning costs.

22 (c) WAIVERS.—The Secretary may waive or specify
23 alternative requirements for any provision of the Cran-
24 ston-Gonzalez National Affordable Housing Act specified
25 in subsection (a)(1) or (a)(2) or regulation for the admin-

1 istration of the amounts made available under this section
2 other than requirements related to tenant rights and pro-
3 tections, fair housing, nondiscrimination, labor standards,
4 and the environment, upon a finding that the waiver or
5 alternative requirement is necessary to facilitate the use
6 of amounts made available under this section.

7 (d) 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. 40003. HOUSING INVESTMENT FUND.**

14 (a) APPROPRIATION.—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, to remain available until September 30, 2026—

18 (1) \$740,000,000 to the Department of the
19 Treasury to establish the Housing Investment Fund
20 established by this section within the Community
21 Development Financial Institutions Fund (in this
22 section referred to as the “CDFI Fund”) to make
23 grants to increase investment in the development,
24 preservation, rehabilitation, financing, or purchase
25 of affordable housing primarily for low-, very-low,

1 and extremely low-income families who are renters,
2 and for homeowners with incomes up to 120 percent
3 of the area median income, and for economic devel-
4 opment and community facilities related to such
5 housing and to further fair housing; and

6 (2) \$10,000,000 for the costs to the CDFI
7 Fund of administering and overseeing the implemen-
8 tation of this section, including information tech-
9 nology, financial reporting, research and evaluations,
10 and other costs.

11 (b) ELIGIBLE GRANTEES.—A grant under this sec-
12 tion may be made, pursuant to such requirements as the
13 CDFI Fund shall establish, only to—

14 (1) a CDFI Fund certified community develop-
15 ment financial institution, as such term is defined in
16 section 103 of the Riegle Community Development
17 and Regulatory Improvement Act of 1994 (12
18 U.S.C. 4702);

19 (2) a nonprofit organization having as one of its
20 principal purposes the creation, development, or
21 preservation of affordable housing, including a sub-
22 sidiary of a public housing authority; or

23 (3) a consortium comprised of certified commu-
24 nity development financial institutions, eligible non-

1 profit housing organizations, or a combination of
2 both.

3 (c) ELIGIBLE USES.—Eligible uses for grant
4 amounts awarded from the Housing Investment Fund
5 pursuant to this section shall—

6 (1) be reasonably expected to result in eligible
7 affordable housing activities that support or sustain
8 affordable housing funded by a grant under this sec-
9 tion and capital from other public and private
10 sources; and

11 (2) include activities—

12 (A) to provide loan loss reserves;

13 (B) to capitalize an acquisition fund to ac-
14 quire residential, industrial, or commercial
15 property and land for the purpose of the preser-
16 vation, development, or rehabilitation of afford-
17 able housing, including to support the creation,
18 preservation, or rehabilitation of resident-owned
19 manufactured housing communities;

20 (C) to capitalize an affordable housing
21 fund, for development, preservation, rehabilita-
22 tion, or financing of affordable housing and eco-
23 nomic development activities, including commu-
24 nity facilities, if part of a mixed-use project, or
25 activities described in this paragraph related to

1 transit-oriented development, which may also be
2 designated as a focus of such a fund;

3 (D) to capitalize an affordable housing
4 mortgage fund, to facilitate the origination of
5 mortgages to buyers that may experience sig-
6 nificant barriers to accessing affordable mort-
7 gage credit, including mortgages having low
8 original principal obligations;

9 (E) for risk-sharing loans;

10 (F) to provide loan guarantees; and

11 (G) to fund rental housing operations.

12 (d) IMPLEMENTATION.—The CDFI Fund shall have
13 the authority to issue such regulations, notice, or other
14 guidance, forms, instructions, and publications to carry
15 out the programs, projects, or activities authorized under
16 this section to ensure that such programs, projects, or ac-
17 tivities are completed in a timely and effective manner.

18 **SEC. 40004. SECTION 811 SUPPORTIVE HOUSING FOR PEO-**
19 **PLE WITH DISABILITIES.**

20 (a) APPROPRIATION.—In addition to amounts other-
21 wise available, there is appropriated to the Secretary of
22 Housing and Urban Development (in this section referred
23 to as the “Secretary”) for fiscal year 2022, out of any
24 money in the Treasury not otherwise appropriated—

1 (1) \$450,000,000 for capital advances, includ-
2 ing amendments to capital advance contracts, for
3 supportive housing for persons with disabilities, as
4 authorized by section 811(b)(2) of the Cranston-
5 Gonzalez National Affordable Housing Act (42
6 U.S.C. 8013(b)(2)) (in this section referred to as the
7 “Act”), and subject to subsections (a) through
8 (h)(4), (h)(6) through (i)(1)(C), and (i)(2) through
9 (m) of such section 811 (42 U.S.C. 8013(a)-42
10 U.S.C. 8013(h)(4), 42 U.S.C. 8013(h)(6)-42 U.S.C.
11 8013(i)(1)(C), 42 U.S.C. 8013(i)(2)-42 U.S.C.
12 8013(m)), and for project rental assistance for sup-
13 portive housing for persons with disabilities under
14 section 811(d)(2) of the Act and for project assist-
15 ance contracts pursuant to section 202(h) of the
16 Housing Act of 1959 (Public Law 86–372; 73 Stat.
17 667), for project rental assistance to State housing
18 finance agencies and other appropriate entities as
19 authorized under section 811(b)(3) of the Act, for
20 State housing finance agencies;

21 (2) \$7,500,000 for providing technical assist-
22 ance to support State-level efforts to integrate hous-
23 ing assistance and voluntary supportive services for
24 residents of housing receiving such assistance, which
25 funding may also be used to provide technical assist-

1 ance to applicants and potential applicants to under-
2 stand program requirements and develop effective
3 applications, and the Secretary may use amounts
4 made available under this paragraph to increase
5 prior awards to existing technical assistance pro-
6 viders to provide an immediate increase in capacity
7 building and technical assistance; and

8 (3) \$42,500,000 for the costs to the Secretary
9 of administering and overseeing the implementation
10 of this section and the Supportive Housing for Per-
11 sons with Disabilities program generally, including
12 information technology, financial reporting, research
13 and evaluations, other cross-program costs in sup-
14 port of programs administered by the Secretary in
15 this title, and other costs.

16 Amounts appropriated by this section shall remain avail-
17 able until September 30, 2031.

18 (b) LIMITATIONS ON COSTS.—When awarding grants
19 under paragraph (1) of subsection (a), the Secretary shall
20 establish and assess reasonable development cost limita-
21 tions by market area for various types and sizes of sup-
22 portive housing for persons with disabilities. The Sec-
23 retary shall not count owner or sponsor contributions of
24 other funding or assistance against the overall cost of a
25 project.

1 (c) OCCUPANCY STANDARDS.—The owner or sponsor
2 of housing assisted with funds provided under this section
3 may, with the approval of the Secretary, limit occupancy
4 with the housing to persons with disabilities who can ben-
5 efit from the supportive services offered in connection with
6 the housing.

7 (d) WAIVERS.—The Secretary may waive or specify
8 alternative requirements for subsection (c) or (bb) of sec-
9 tion 8 of the United States Housing Act of 1937 (42
10 U.S.C. 1437f (c), 1437f(bb)) upon a finding that the waiv-
11 er or alternative requirement is necessary to facilitate the
12 use of amounts made available under this section.

13 (e) IMPLEMENTATION.—The Secretary shall have au-
14 thority to issue such regulations, notices, or other guid-
15 ance, forms, instructions, and publications to carry out the
16 programs, projects, or activities authorized under this sec-
17 tion to ensure that such programs, projects, or activities
18 are completed in a timely and effective manner.

19 **SEC. 40005. SECTION 202 SUPPORTIVE HOUSING FOR THE**
20 **ELDERLY PROGRAM.**

21 (a) APPROPRIATION.—In addition to amounts other-
22 wise available, there is appropriated to the Secretary of
23 Housing and Urban Development (in this section referred
24 to as the “Secretary”) for fiscal year 2022, out of any
25 money in the Treasury not otherwise appropriated—

1 (1) \$450,000,000 for the Supportive Housing
2 for the Elderly Program authorized under section
3 202 of the Housing Act of 1959, and subject to sub-
4 sections (a) through (g), (h)(2) through (h)(5), and
5 (i) through (m) of such section 202 (12 U.S.C.
6 1701q(a)-12 U.S.C. 1701q(g), 12 U.S.C.
7 1701q(h)(2)-12 U.S.C. 1701q(h)(5), 12 U.S.C.
8 1701q(i)-12 U.S.C. 1701q(m)) (in this section re-
9 ferred to as the “Act”), which shall be used—

10 (A) for capital advance awards in accord-
11 ance with section 202(c)(1) of the Act to recipi-
12 ents that are eligible under the Act;

13 (B) for new section 8 project-based rental
14 assistance contracts under section 8(b) of the
15 United States Housing Act of 1937 Act (42
16 U.S.C. 1437f(b)), subject to subsection (c) of
17 this section, with the Secretary setting the
18 terms of such project-based rental assistance
19 contracts, including the duration and provisions
20 regarding rent setting and rent adjustment, to
21 support the capital advance projects funded
22 under this section; and

23 (C) for service coordinators;

24 (2) \$7,500,000, to provide technical assistance
25 to support State-level efforts to improve the design

1 and delivery of voluntary supportive services for resi-
2 dents of any housing assisted under the Act and
3 other housing supporting low-income older adults, in
4 order to support residents to age-in-place and avoid
5 institutional care, as well as to assist applicants and
6 potential applicants with project-specific design, and
7 the Secretary may use amounts made available
8 under this paragraph to increase prior awards to ex-
9 isting technical assistance providers to provide an
10 immediate increase in capacity building and tech-
11 nical assistance; and

12 (3) \$42,500,000 for the costs to the Secretary
13 of administering and overseeing the implementation
14 of this section and the Supportive Housing for the
15 Elderly program generally, including information
16 technology, financial reporting, research and evalua-
17 tion, other cross-program costs in support of pro-
18 grams administered by the Secretary in this title,
19 and other costs.

20 Amounts appropriated by this section shall remain avail-
21 able until September 30, 2031.

22 (b) LIMITATION ON COSTS.—When awarding grants
23 under paragraph (1) of subsection (a), the Secretary shall
24 establish and assess reasonable development cost limita-
25 tions by market area for various types and sizes of sup-

1 portive housing for the elderly. The Secretary shall not
2 count owner or sponsor contributions of other funding or
3 assistance against the overall cost of a project.

4 (c) WAIVERS.—The Secretary may waive or specify
5 alternative requirements for any provision of subsection
6 (c) or (bb) of section 8 of the United States Housing Act
7 of 1937 (42 U.S.C. 1437f (c), 1437f(bb)) upon a finding
8 that the waiver or alternative requirement is necessary to
9 facilitate the use of amounts made available under this
10 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. 40006. IMPROVING ENERGY EFFICIENCY OR WATER**
18 **EFFICIENCY OR CLIMATE RESILIENCE OF AF-**
19 **FORDABLE HOUSING.**

20 (a) APPROPRIATION.—In addition to amounts other-
21 wise available, there is appropriated to the Secretary of
22 Housing and Urban Development (in this section referred
23 to as the “Secretary”) for fiscal year 2022, out of any
24 money in the Treasury not otherwise appropriated—

1 (1) \$1,770,000,000, to remain available until
2 September 30, 2028, for the cost of providing direct
3 loans, including the costs of modifying such loans,
4 and for grants, as provided for and subject to terms
5 and conditions in subsection (b), including to sub-
6 sidize gross obligations for the principal amount of
7 direct loans, not to exceed \$4,000,000,000, to fund
8 projects that improve the energy or water efficiency,
9 indoor air quality and sustainability improvements,
10 implement low-emission technologies, materials, or
11 processes, including zero-emission electricity genera-
12 tion, energy storage, or building electrification, elec-
13 tric car charging station installations, or address cli-
14 mate resilience of multifamily properties;

15 (2) \$25,000,000, to remain available until Sep-
16 tember 30, 2030, for the costs to the Secretary of
17 administering and overseeing the implementation of
18 this section, including information technology, finan-
19 cial reporting, research and evaluation, other cross-
20 program costs in support of programs administered
21 by the Secretary in this title, and other costs;

22 (3) \$120,000,000, to remain available until
23 September 30, 2029, for expenses of contracts ad-
24 ministered by the Secretary, including to carry out
25 property climate risk, energy, or water assessments,

1 due diligence, and underwriting functions for such
2 grant and direct loan program; and

3 (4) \$85,000,000, to remain available until Sep-
4 tember 30, 2028, for energy and water
5 benchmarking of properties eligible to receive grants
6 or loans under this section, regardless of whether
7 they actually received such grants, along with associ-
8 ated data analysis and evaluation at the property
9 and portfolio level, including the development of in-
10 formation technology systems necessary for the col-
11 lection, evaluation, and analysis of such data.

12 (b) LOAN AND GRANT TERMS AND CONDITIONS.—
13 Amounts made available under this section shall be for
14 direct loans, grants, and direct loans that can be converted
15 to grants to eligible recipients that agree to an extended
16 period of affordability for the property.

17 (c) DEFINITIONS.—As used in this section—

18 (1) the term “eligible recipient” means any
19 owner or sponsor of an eligible property; and

20 (2) the term “eligible property” means a prop-
21 erty receiving project-based assistance pursuant to—

22 (A) section 202 of the Housing Act of
23 1959 (12 U.S.C. 1701q);

1 (B) section 811 of the Cranston-Gonzalez
2 National Affordable Housing Act (42 U.S.C.
3 8013); or

4 (C) section 8(b) of the United States
5 Housing Act of 1937 (42 U.S.C. 1437f(b))

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 au-
13 thority 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. 40007. REVITALIZATION OF DISTRESSED MULTI-**
19 **FAMILY PROPERTIES.**

20 (a) APPROPRIATION.—In addition to amounts other-
21 wise available, there is appropriated to the Secretary of
22 Housing and Urban Development (in this section referred
23 to as the “Secretary”) for fiscal year 2022, out of any
24 money in the Treasury not otherwise appropriated—

1 (1) \$1,550,000,000 for providing direct loans,
2 which may be forgivable, to owners of distressed
3 properties for the purpose of making necessary phys-
4 ical improvements, including to subsidize gross obli-
5 gations for the principal amount of direct loans not
6 to exceed \$6,000,000,000, subject to the terms and
7 conditions in subsection (b); and

8 (2) \$50,000,000 for the costs to the Secretary
9 of administering and overseeing the implementation
10 of this section and the Office of Housing programs
11 generally, including information technology, financial
12 reporting, research and evaluations, other cross-pro-
13 gram costs in support of programs administered by
14 the Secretary in this title, and other costs.

15 Amounts appropriated by this section shall remain avail-
16 able until September 30, 2029.

17 (b) LOAN TERMS AND CONDITIONS.—

18 (1) ELIGIBILITY.—Owners or sponsors of multi-
19 family housing projects who meet each of the fol-
20 lowing requirements shall be eligible for loan assist-
21 ance under this section:

22 (A) The multifamily housing project, in-
23 cluding any project from which assistance has
24 been approved to be transferred has deficiencies

1 that cause the project to be at risk of physical
2 obsolescence or economic non-viability.

3 (B) The actual rents received by the owner
4 or sponsor of the distressed property would not
5 adequately sustain the debt needed to make
6 necessary physical improvements.

7 (C) The owner or sponsor meets any such
8 additional eligibility criteria as the Secretary
9 determines to be appropriate, considering fac-
10 tors that contributed to the project's defi-
11 ciencies.

12 (2) USE OF LOAN FUNDS.—Each recipient of
13 loan assistance under this section may only use such
14 loan assistance to make necessary physical improve-
15 ments.

16 (3) LOAN AVAILABILITY.—The Secretary shall
17 only provide loan assistance to an owner or sponsor
18 of a multifamily housing project when such assist-
19 ance, considered with other financial resources avail-
20 able to the owner or sponsor, is needed to make the
21 necessary physical improvements.

22 (4) INTEREST RATES AND LENGTH.—Loans
23 provided under this section shall bear interest at 1
24 percent, and at origination shall have a repayment
25 period coterminous with the affordability period es-

1 tablished under paragraph (6), with the frequency
2 and amount of repayments to be determined by re-
3 quirements established by the Secretary.

4 (5) LOAN MODIFICATIONS OR FORGIVENESS.—
5 With respect to loans provided under this section,
6 the Secretary may take any of the following actions
7 if the Secretary determines that doing so will pre-
8 serve affordability of the project:

9 (A) Waive any due on sale or due on refi-
10 nancing restriction.

11 (B) Consent to the terms of new debt to
12 which the loans may be subordinate, even if
13 such new debt would impact the repayment of
14 the loans.

15 (C) Extend the term of the loan.

16 (D) Forgive the loan in whole or in part.

17 (6) EXTENDED AFFORDABILITY PERIOD.—Each
18 recipient of loan assistance under this section shall
19 agree to an extended affordability period for the
20 project that is subject to the loan by extending any
21 existing affordable housing use agreements for an
22 additional 30 years or, if the project is not currently
23 subject to a use agreement establishing affordability
24 requirements, by establishing a use agreement for
25 30 years.

1 (7) MATCHING CONTRIBUTION.—Each recipient
2 of loan assistance under this section shall secure at
3 least 20 percent of the total cost needed to make the
4 necessary physical improvements from non-Federal
5 sources, except in cases where the Secretary deter-
6 mines that a lack of financial resources qualifies a
7 loan recipient for—

8 (A) a reduced contribution below 20 per-
9 cent; or

10 (B) an exemption to the matching con-
11 tribution requirement.

12 (8) ADDITIONAL LOAN CONDITIONS.—The Sec-
13 retary may establish additional conditions for loan
14 eligibility provided under this section as the Sec-
15 retary determines to be appropriate.

16 (9) PROPERTIES INSURED BY THE SEC-
17 RETARY.—In the case of any property with respect
18 to which assistance is provided under this section
19 that has a mortgage insured by the Secretary, the
20 Secretary may use funds available under this section
21 as necessary to pay for the costs of modifying such
22 loan.

23 (c) DEFINITIONS.—As used in this section—

24 (1) the term “multifamily housing project”
25 means a project consisting of five or more dwelling

1 units assisted or approved to receive a transfer of
2 assistance, insured, or with a loan held by the Sec-
3 retary or a State or State agency in part or in whole
4 pursuant to—

5 (A) section 8 of the United States Housing
6 Act of 1937 (42 U.S.C. 1437f), not including
7 subsection (o)(13) of such section;

8 (B) section 202 of the Housing Act of
9 1959 (12 U.S.C. 1701q), as amended by section
10 801 of the Cranston-Gonzalez National Afford-
11 able Housing Act;

12 (C) section 202 of the Housing Act of
13 1959 (former 12 U.S.C. 1701q), as such section
14 existed before the enactment of the Cranston-
15 Gonzalez National Affordable Housing Act;

16 (D) section 811 of the Cranston-Gonzalez
17 National Affordable Housing Act (42 U.S.C.
18 8013); or

19 (E) section 236 of the National Housing
20 Act (12 U.S.C. 1715z-1); and

21 (2) the term “necessary physical improve-
22 ments” means new construction or capital improve-
23 ments to an existing multifamily housing project
24 that the Secretary determines are necessary to ad-
25 dress the deficiencies or that rise to such a level that

1 delaying physical improvements to the project would
2 be detrimental to the longevity of the project as suit-
3 able housing for occupancy.

4 (d) **WAIVER.**—The Secretary may waive or specify al-
5 ternative requirements for any provision of subsection (c)
6 or (bb) of section 8 of the United States Housing Act of
7 1937 (42 U.S.C. 1437f(c), 1437f(bb)) upon a finding that
8 the waiver or alternative requirement is necessary to facili-
9 tate the use of amounts made available under this section.

10 (e) **IMPLEMENTATION.**—The Secretary shall have the
11 authority to issue such regulations, notices, or other guid-
12 ance, forms, instructions, and publications to carry out the
13 programs, projects, or activities authorized under this sec-
14 tion to ensure that such programs, projects, or activities
15 are completed in a timely and effective manner.

16 **SEC. 40008. INVESTMENTS IN RURAL RENTAL HOUSING.**

17 (a) **APPROPRIATION.**—In addition to amounts other-
18 wise available, there is appropriated to the Rural Housing
19 Service of the Department of Agriculture for fiscal year
20 2022, out of any money in the Treasury not otherwise ap-
21 propriated—

22 (1) \$1,800,000,000, to remain available until
23 September 30, 2029, for the Administrator of the
24 Rural Housing Service for making loans and grants
25 for new construction, improvements to energy and

1 water efficiency or climate resilience, the removal of
2 health and safety hazards, and the preservation and
3 revitalization of housing for other purposes described
4 under section 514 of the Housing Act of 1949 (42
5 U.S.C. 1484), subsections (a)(1) through (a)(2),
6 (b)(1) through (b)(3), (b)(5) through (aa)(2)(A),
7 and (aa)(4) of section 515 of such Act (42 U.S.C.
8 1485(a)(1)-42 U.S.C. 1485(a)(2), 42 U.S.C.
9 1485(b)(1)-(b)(3), 42 U.S.C. 1485(b)(5)-42 U.S.C.
10 1485(aa)(2)(A), 42 U.S.C. 1485(aa)(4)), and 516 of
11 such act (42 U.S.C. 1486), subject to the terms and
12 conditions in subsection (b);

13 (2) \$100,000,000, to remain available until
14 September 30, 2029, to provide continued assistance
15 pursuant to section 3203 of the American Rescue
16 Plan Act of 2021; and

17 (3) \$100,000,000, to remain available until
18 September 30, 2030, for the costs to the Rural
19 Housing Service of the Department of Agriculture of
20 administering and overseeing the implementation of
21 this section, including information technology, finan-
22 cial reporting, research and evaluations, other cross-
23 program costs in support of programs administered
24 by the Secretary in this title, and other costs.

1 (b) PRESERVATION AND REVITALIZATION TERMS
2 AND CONDITIONS.—

3 (1) LOANS AND GRANTS AND OTHER ASSIST-
4 ANCE.—The Administrator of the Rural Housing
5 Service of the Department of Agriculture shall pro-
6 vide direct loans and grants, including the cost of
7 modifying loans, to restructure existing Department
8 of Agriculture multi-family housing loans expressly
9 for the purposes of ensuring the project has suffi-
10 cient resources to preserve the project for the pur-
11 pose of providing safe and affordable housing for
12 low-income residents and farm laborers, including—

13 (A) reducing or eliminating interest;

14 (B) deferring loan payments;

15 (C) subordinating, reducing, or re-amor-
16 tizing loan debt; and

17 (D) providing other financial assistance,
18 including advances, payments, and incentives
19 (including the ability of owners to obtain rea-
20 sonable returns on investment) required by the
21 Secretary, including such assistance to non-
22 profit entities and public housing authorities.

23 (2) RESTRICTIVE USE AGREEMENT.—The Ad-
24 ministrator of the Rural Housing Service of the De-
25 partment of Agriculture shall as part of the preser-

1 vation and revitalization agreement obtain a restric-
2 tive use agreement consistent with the terms of the
3 restructuring.

4 (c) IMPLEMENTATION.—The Administrator of the
5 Rural Housing Service of the Department of Agriculture
6 shall have authority to issue such regulations, notices, or
7 other guidance, forms, instructions, and publications to
8 carry out the programs, projects, or activities authorized
9 under this section to ensure that such programs, projects,
10 or activities are completed in a timely and effective man-
11 ner.

12 **SEC. 40009. HOUSING VOUCHERS.**

13 (a) APPROPRIATION.—In addition to amounts other-
14 wise available, there is appropriated to the Secretary of
15 Housing and Urban Development (in this section referred
16 to as the “Secretary”) for fiscal year 2022, out of any
17 money in the Treasury not otherwise appropriated—

18 (1) \$15,000,000,000, to remain available until
19 September 30, 2029, for—

20 (A) incremental tenant-based rental assist-
21 ance for extremely low-income families under
22 section 8(o) of the United States Housing Act
23 of 1937 (42 U.S.C. 1437f(o));

24 (B) renewals of such tenant-based rental
25 assistance; and

1 (C) fees for the costs of administering ten-
2 ant-based rental assistance and other expenses
3 related to the utilization of voucher assistance
4 under subparagraph (A), which may include the
5 cost of facilitating the use of voucher assistance
6 provided under paragraph (5);

7 (2) \$7,100,000,000, to remain available until
8 September 30, 2029, for—

9 (A) incremental tenant-based rental assist-
10 ance under section 8(o) of the United States
11 Housing Act of 1937 (42 U.S.C. 1437f(o)) for
12 households experiencing or at risk of homeless-
13 ness, survivors of domestic violence, dating vio-
14 lence, sexual assault, and stalking, and sur-
15 vivors of trafficking;

16 (B) renewals of such tenant-based rental
17 assistance; and

18 (C) fees for the costs of administering ten-
19 ant-based rental assistance and other expenses
20 related to the utilization of voucher assistance
21 under subparagraph (A), which may include the
22 cost of facilitating the use of voucher assistance
23 provided under paragraph (5);

24 (3) \$1,000,000,000, to remain available until
25 September 30, 2031, for—

1 (A) tenant protection vouchers for reloca-
2 tion and replacement of public housing units
3 demolished or disposed as part of a public hous-
4 ing preservation or project-based replacement
5 transaction using funds made available under
6 this title;

7 (B) renewals of such tenant-based rental
8 assistance; and

9 (C) fees for the costs of administering ten-
10 ant-based rental assistance and other expenses
11 related to the utilization of voucher assistance
12 under subparagraph (A), which may include the
13 cost of facilitating the use of voucher assistance
14 provided under paragraph (5);

15 (4) \$300,000,000, to remain available until
16 September 30, 2031, for competitive grants, subject
17 to terms and conditions determined by the Sec-
18 retary, to public housing agencies for mobility-re-
19 lated services for voucher families, including families
20 with children, and service coordination;

21 (5) \$230,000,000, to remain available until
22 September 30, 2031, for eligible expenses to facili-
23 tate the use of voucher assistance under this section
24 and for other voucher assistance under section 8(o)
25 of the United States Housing Act of 1937, as deter-

1 mined by the Secretary, in addition to amounts oth-
2 erwise available for such expenses, including prop-
3 erty owner outreach and retention activities such as
4 incentive payments, security deposit payments and
5 loss reserves, landlord liaisons, and other uses of
6 funds designed primarily—

7 (A) to recruit owners of dwelling units,
8 particularly dwelling units in census tracts with
9 a poverty rate of less than 20 percent, to enter
10 into housing assistance payment contracts; and

11 (B) to encourage owners that enter into
12 housing assistance payment contracts as de-
13 scribed in subparagraph (A) to continue to
14 lease their dwelling units to tenants assisted
15 under section 8(o) of the United States Hous-
16 ing Act of 1937;

17 (6) \$300,000,000, to remain available until
18 September 30, 2031, for the costs to the Secretary
19 of administering and overseeing the implementation
20 of this section and the Housing Choice Voucher pro-
21 gram generally, including information technology, fi-
22 nancial reporting, research and evaluations, other
23 cross-program costs in support of programs adminis-
24 tered by the Secretary in this title, and other costs;
25 and

1 (7) \$70,000,000, to remain available until Sep-
2 tember 30, 2031, for making new awards or increas-
3 ing prior awards to existing technical assistance pro-
4 viders to provide an increase in capacity building
5 and technical assistance available to public housing
6 agencies.

7 (b) TERMS AND CONDITIONS.—

8 (1) ALLOCATION.—The Secretary shall allocate
9 initial incremental assistance provided for rental as-
10 sistance under subsection (a)(1) and (2) in each fis-
11 cal year commencing in 2022 and ending in 2026 in
12 accordance with a formula or formulas that include
13 measures of severe housing need among extremely
14 low-income renters and public housing agency capac-
15 ity, and ensures geographic diversity among public
16 housing agencies administering the Housing Choice
17 Voucher program.

18 (2) ELECTION TO ADMINISTER.—The Secretary
19 shall establish a procedure for public housing agen-
20 cies to accept or decline the incremental vouchers
21 made available under this section.

22 (3) FAILURE TO USE VOUCHERS PROMPTLY.—
23 If a public housing agency fails to lease the author-
24 ized vouchers it has received under this subsection
25 on behalf of eligible families within a reasonable pe-

1 riod of time, the Secretary may offset the agency's
2 voucher renewal allocations and may revoke and re-
3 distribute any unleased vouchers and associated
4 funds, which may include administrative fees and
5 amounts allocated under subsections (a)(3) and
6 (a)(4), to other public housing agencies.

7 (4) LIMITATION OF USE OF FUNDS.— Public
8 housing agencies may use funds received under this
9 section only for the activities listed in subsection (a)
10 for which the funds were provided to such agency.

11 (5) CAP ON PROJECT-BASED VOUCHERS FOR
12 VULNERABLE POPULATIONS.—Upon request by a
13 public housing agency, the Secretary may designate
14 a number of the public housing agency's vouchers al-
15 located under this section as excepted units that do
16 not count against the percentage limitation on the
17 number of authorized units a public housing agency
18 may project-base under section 8(o)(13)(B) of the
19 United States Housing Act of 1937, in accordance
20 with the conditions established by the Secretary.
21 This paragraph may not be construed to waive,
22 limit, or specify alternative requirements, or permit
23 such waivers, limitations, or alternative require-
24 ments, related to fair housing and nondiscrimina-
25 tion, including the requirement to provide housing

1 and services to individuals with disabilities in inte-
2 grated settings.

3 (6) HOMELESS WAIVER AUTHORITY.— In ad-
4 ministering the voucher assistance targeted for
5 households experiencing or at risk of homelessness,
6 survivors of domestic violence, dating violence sexual
7 assault, and stalking, and survivors of trafficking
8 under subsection (a)(2), the Secretary may, upon a
9 finding that a waiver or alternative requirement is
10 necessary to facilitate the use of such assistance,
11 waive or specify alternative requirements for—

12 (A) section 8(o)(6)(A) of the United States
13 Housing Act of 1937 (42 U.S.C.
14 1437f(o)(6)(A)) and regulatory provisions re-
15 lated to the administration of waiting lists and
16 local preferences;

17 (B) section 214(d)(2) of the Housing and
18 Community Development Act of 1980 (42
19 U.S.C. 1436a(d)(2)), section 576(a), (b), and
20 (c) of the Quality Housing and Work Responsi-
21 bility Act of 1998 (42 U.S.C. 13661(a), (b), and
22 (c)), and regulatory provisions related to the
23 verification of eligibility, eligibility require-
24 ments, and the admissions process;

1 (C) section 8(o)((7)(A) of the United
2 States Housing Act of 1937 (42 U.S.C.
3 1437f(o)(7)(A)) and regulatory provisions re-
4 lated to the initial lease term;

5 (D) section 8(r)(B)(i) of the United States
6 Housing Act of 1937 (42 U.S.C.
7 1437f(r)(B)(i)) and regulatory provisions re-
8 lated to portability moves by non-resident appli-
9 cants; and

10 (E) regulatory provisions related to the es-
11 tablishment of payment standards.

12 (c) IMPLEMENTATION.—The Secretary shall have au-
13 thority 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. 40010. PROJECT-BASED RENTAL ASSISTANCE.**

19 (a) APPROPRIATION.—In addition to amounts other-
20 wise available, there is appropriated to the Secretary of
21 Housing and Urban Development (in this section referred
22 to as the “Secretary”) for fiscal year 2022, out of any
23 money in the Treasury not otherwise appropriated—

24 (1) \$880,000,000 for the project-based rental
25 assistance program, as authorized under section 8(b)

1 of the United States Housing Act of 1937 (42
2 U.S.C. 1437f(b)), (in this section referred to as the
3 “Act”), subject to the terms and conditions of sub-
4 section (b) of this section;

5 (2) \$20,000,000 for providing technical assist-
6 ance to recipients of or applicants for project-based
7 rental assistance or to States allocating the project-
8 based rental assistance; and

9 (3) \$100,000,000 for the costs to the Secretary
10 of administering and overseeing the implementation
11 of this section and the section 8 project-based rental
12 assistance program generally, including information
13 technology, financial reporting, research and evalua-
14 tions, other cross-program costs in support of pro-
15 grams administered by the Secretary in this title,
16 and other costs.

17 Amounts appropriated by this section shall remain avail-
18 able until September 30, 2031.

19 (b) TERMS AND CONDITIONS.—

20 (1) AUTHORITY.—Notwithstanding section 8(a)
21 the Act (42 U.S.C. 1437f(a)), the Secretary may use
22 amounts made available under this section to pro-
23 vide assistance payments with respect to newly con-
24 structed housing, existing housing, or substantially
25 rehabilitated non-housing structures for use as new

1 multifamily housing in accordance with this section
2 and the provisions of section 8 of the Act. In addi-
3 tion, the Secretary may use amounts made available
4 under this section for performance-based contract
5 administrators for section 8 project-based assistance,
6 for carrying out this section and section 8 of the
7 Act.

8 (2) PROJECT-BASED RENTAL ASSISTANCE.—
9 The Secretary may make assistance payments using
10 amounts made available under this section pursuant
11 to contracts with owners or prospective owners who
12 agree to construct housing, to substantially rehabili-
13 tate existing housing, to substantially rehabilitate
14 non-housing structures for use as new multifamily
15 housing, or to attach the assistance to newly con-
16 structed housing in which some or all of the units
17 shall be available for occupancy by very low-income
18 families in accordance with the provisions of section
19 8 of the Act. In awarding contracts pursuant to this
20 section, the Secretary shall give priority to owners or
21 prospective owners of multifamily housing projects
22 located or to be located in areas of high opportunity,
23 as defined by the Secretary, in areas experiencing
24 economic growth or rising housing prices to prevent
25 displacement or secure affordable housing for low-in-

1 come households, or that serve people at risk of
2 homelessness or that integrate additional units that
3 are accessible for persons with mobility impairments
4 and persons with hearing or visual impairments be-
5 yond those required by applicable Federal accessi-
6 bility standards.

7 (3) ALLOCATION.—The Secretary shall make
8 awards with amounts made available under this sec-
9 tion using the following mechanisms, alone or in
10 combination:

11 (A) A competitive process, which the Sec-
12 retary may carry out in multiple rounds of com-
13 petition, each of which may have its own selec-
14 tion, performance, and reporting criteria as es-
15 tablished by the Secretary.

16 (B) Selecting proposals submitted through
17 FHA loan applications that meet specified cri-
18 teria.

19 (C) Delegating to States the awarding of
20 contracts, including related determinations such
21 as the maximum monthly rent, subject to the
22 requirements of section 8 of the Act, as deter-
23 mined by the Secretary.

24 (4) CONTRACT TERM, RENT SETTING, AND
25 RENT ADJUSTMENTS.—The Secretary may set the

1 terms of the contract, including the duration and
2 provisions regarding rent setting and rent adjust-
3 ments.

4 (c) WAIVERS.—The Secretary may waive or specify
5 alternative requirements for any provision of subsection
6 (c) or (bb) of section 8 of the United States Housing Act
7 of 1937 (42 U.S.C. 1437f(c), 1437f(bb)) upon a finding
8 that the waiver or alternative requirement is necessary to
9 facilitate the use of amounts made available under this
10 section.

11 (d) IMPLEMENTATION.—The Secretary shall have the
12 authority 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. 40011. INVESTMENTS IN NATIVE AMERICAN COMMU-**
18 **NITIES.**

19 (a) APPROPRIATION.—In addition to amounts other-
20 wise available, there is appropriated to the Secretary of
21 Housing and Urban Development (in this section referred
22 to as the “Secretary”) for fiscal year 2022, out of any
23 money in the Treasury not otherwise appropriated—

24 (1) \$277,500,000 for formula grants for eligible
25 affordable housing activities described in section 202

1 of the Native American Housing Assistance and
2 Self-Determination Act of 1996 (in this section re-
3 ferred to as “NAHASDA”) (25 U.S.C. 4132), which
4 shall be distributed according to the most recent fis-
5 cal year funding formula for the Indian Housing
6 Block Grant;

7 (2) \$200,000,000 for—

8 (A) affordable housing activities authorized
9 under section 810(a) of NAHASDA (25 U.S.C.
10 4229);

11 (B) community-wide infrastructure and in-
12 frastructure improvement projects carried out
13 on Hawaiian Home Lands pursuant to section
14 810(b)(5) of NAHASDA (25 U.S.C.
15 4229(b)(5)); and

16 (C) rental assistance to Native Hawaiians
17 (as defined in section 801 of NAHASDA (25
18 U.S.C. 4221)) on and off Hawaiian Home
19 Lands;

20 (3) \$277,500,000 for competitive grants for eli-
21 gible affordable housing activities described in sec-
22 tion 202 of NAHASDA (25 U.S.C. 4132);

23 (4) \$200,000,000 for—

1 (A) competitive single-purpose Indian com-
2 munity development block grants for Indian
3 tribes; and

4 (B) imminent threat Indian community de-
5 velopment block grants, including for long-term
6 environmental threats and relocation, for Indian
7 tribes, or a tribal organization, governmental
8 entity, or nonprofit organization designated by
9 the Indian tribe to apply for a grant on its be-
10 half;

11 (5) \$25,000,000 for the costs to the Secretary
12 of administering and overseeing the implementation
13 of this section and Indian and Native Hawaiian pro-
14 grams administered by the Secretary, including in-
15 formation 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; and

19 (6) \$20,000,000 to make new awards or in-
20 crease prior awards to technical assistance providers
21 to provide an immediate increase in capacity build-
22 ing and technical assistance to grantees.

23 Amounts appropriated by this section shall remain avail-
24 able until September 30, 2031.

1 (b) REALLOCATION.—Amounts made available under
2 subsection (a)(1) that are not accepted within a time spec-
3 ified by the Secretary, are voluntarily returned, or are oth-
4 erwise recaptured for any reason shall be used to fund
5 grants under paragraph (3) or (4) of subsection (a).

6 (c) UNDISBURSED FUNDS.—Amounts provided under
7 this Act that remain undisbursed may not be used as a
8 basis to reduce any grant allocation under section 302 of
9 NAHASDA (25 U.S.C. 4152) to an Indian tribe in any
10 fiscal year.

11 (d) PROHIBITION ON INVESTMENTS.—Amounts
12 made available under this section may not be invested in
13 investment securities and other obligations.

14 (e) WAIVERS.—With respect to amounts made avail-
15 able under this section, the Secretary may, upon a finding
16 that a waiver or alternative requirement is necessary to
17 facilitate the use of such amounts, waive or specify alter-
18 native requirements for any Indian housing block grants,
19 Native Hawaiian housing block grants, or Indian commu-
20 nity development block grants issued pursuant to this sec-
21 tion, other than requirements related to fair housing, non-
22 discrimination, labor standards, and the environment.

23 (f) IMPLEMENTATION.—The Secretary shall have au-
24 thority to issue such regulations, notices, or other guid-
25 ance, forms, instructions, and publications to carry out the

1 programs, projects, or activities authorized under this sec-
2 tion to ensure that such programs, projects, or activities
3 are completed in a timely and effective manner.

4 **SEC. 40012. INCREASED AFFORDABLE HOUSING PROGRAM**
5 **INVESTMENT.**

6 Notwithstanding subsection (j)(5)(C) of section 10 of
7 the Federal Home Loan Bank Act (12 U.S.C. 1430), in
8 2022 and every year thereafter until 2027, each Federal
9 Home Loan Bank shall annually contribute 15 percent of
10 the preceding year's net income of the Federal Home
11 Bank, or such prorated sums as may be required to assure
12 that the aggregate contribution of the Federal Home Loan
13 Banks shall not be less than \$100,000,000 for each such
14 year, to support grants or subsidized advances through the
15 Affordable Housing Programs established and carried out
16 under subparagraphs (j)(1), (2), (3)(A), (3)(C), and (4)
17 through (13) of section 10 of such Act.

18 **Subtitle B—21st Century Sustain-**
19 **able and Equitable Commu-**
20 **nities**

21 **SEC. 40101. COMMUNITY DEVELOPMENT BLOCK GRANT**
22 **FUNDING FOR AFFORDABLE HOUSING AND**
23 **INFRASTRUCTURE.**

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) \$1,735,000,000 for grants in accordance
5 with sections 101, 102, 103, 104(a) through 104(i),
6 104(l), 104(m), 105(a) through 105(g), 106(a)(2),
7 106(a)(4), 106(b) through 106(f), 109, 110, 111,
8 113, 115, 116, 120, and 122 of the Housing and
9 Community Development Act of 1974 (42 U.S.C.
10 5301, 5302, 5303, 5304(a)-(i), 5304(l), 5304(m),
11 5305(a)-(g), 5306(a)(2), 5306(a)(4), 5306(b)-(f),
12 5309, 5310, 5311, 5313, 5314, 5315, 5316, 5319,
13 and 5321) to grantees under subsections (a)(2) and
14 (4) and (d) of section 106 of such Act (42
15 U.S.C.5306(a)(2), (a)(4), and (d)), subject to sub-
16 section (b) of this section, except that for purposes
17 of amounts made available by this paragraph, para-
18 graph (2) of such section 106(a) shall be applied by
19 substituting “\$70,000,000” for “\$7,000,000”;

20 (2) \$700,000,000 for grants in accordance with
21 sections 101, 102, 103, 104(a) through 104(i),
22 104(l), 104(m), 105(a) through 105(g), 106(a)(2),
23 106(a)(4), 106(b) through 106(f), 109, 110, 111,
24 113, 115, 116, 120, and 122 of title I of the Hous-
25 ing and Community Development Act of 1974 (42

1 U.S.C. 5301, 5302, 5303, 5304(a)-(i), 5304(l),
2 5304(m), 5305(a)-(g), 5306(a)(2), 5306(a)(4),
3 5306(b)-(f), 5309, 5310, 5311, 5313, 5314, 5315,
4 5316, 5319, and 5321) to community development
5 block grant grantees, as determined by the Sec-
6 retary, under subsections (a)(4) and (b) through (f)
7 of section 106 of such Act (5306(a)(4) and 5306(b)-
8 (f)), only for colonias, to address the community and
9 housing infrastructure needs of existing colonia resi-
10 dents based on a formula that takes into account
11 persons in poverty in the colonia areas, except that
12 grantees may use funds in colonias outside of the
13 150-mile border area upon approval of the Sec-
14 retary;

15 (3) \$500,000,000 for grants in accordance with
16 sections 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 title I of the Hous-
20 ing and Community Development Act of 1974 (42
21 U.S.C. 5301, 5302, 5303, 5304(a)-(i), 5304(l),
22 5304(m), 5305(a)-(g), 5306(a)(2), 5306(a)(4),
23 5306(b)-(f), 5309, 5310, 5311, 5313, 5314, 5315,
24 5316, 5319, and 5321), to eligible recipients under
25 subsection (c) of this section for manufactured hous-

1 ing infrastructure improvements in eligible manufac-
2 tured home communities;

3 (4) \$87,500,000 for the costs to the Secretary
4 of administering and overseeing the implementation
5 of this section, the Community Development Block
6 Grant program, and the manufactured home con-
7 struction and safety standards program generally,
8 including information technology, financial report-
9 ing, research and evaluations, other cross-program
10 costs in support of programs administered by the
11 Secretary in this title, and other costs; and

12 (5) \$27,500,000 for providing technical assist-
13 ance to recipients of or applicants for grants under
14 this section.

15 Amounts appropriated by this section shall remain avail-
16 able until September 30, 2031.

17 (b) HOUSING CONSTRUCTION.—Expenditures on new
18 construction of housing shall be an eligible expense for a
19 recipient of funds made available under this section that
20 is not a recipient of funds under section 40002 of this
21 title.

22 (c) MANUFACTURED HOUSING COMMUNITY IM-
23 PROVEMENT GRANT PROGRAM.—

24 (1) ESTABLISHMENT.—The Secretary of Hous-
25 ing and Urban Development shall carry out a com-

1 petitive grant program to award funds appropriated
2 under subsection (a)(3) to eligible recipients to carry
3 out eligible projects for improvements in eligible
4 manufactured home communities.

5 (2) ELIGIBLE PROJECTS.—Amounts from
6 grants under this subsection shall be used to assist
7 in carrying out a project for construction, recon-
8 struction, repair, or clearance of housing, facilities
9 and improvements in or serving a manufactured
10 housing community that is necessary to protect the
11 health and safety of the residents of the manufac-
12 tured housing community and the long-term sustain-
13 ability of the community.

14 (d) WAIVERS.—The Secretary may waive or specify
15 alternative requirements for any provision of title I of the
16 Housing and Community Development Act of 1974 speci-
17 fied in subsection (a)(1), (a)(2), or (a)(3), or regulation
18 that the Secretary administers in connection with use of
19 amounts made available under this section other than re-
20 quirements related to fair housing, nondiscrimination,
21 labor standards, and the environment, upon a finding that
22 the waiver or alternative requirement is not inconsistent
23 with the overall purposes of such Act and that the waiver
24 or alternative requirement is necessary to facilitate the use
25 of amounts made available under this section.

1 (e) DEFINITIONS.—For purposes of this section, the
2 following definitions shall apply:

3 (1) COLONIA AREA.—The term “colonia area”
4 means any census tract that—

5 (A) is an area of the United States within
6 150 miles of the contiguous border between the
7 United States and Mexico, except as otherwise
8 determined by the Secretary; and

9 (B) lacks potable water supply, adequate
10 sewage systems, or decent, safe, sanitary hous-
11 ing, or other objective criteria as approved by
12 the Secretary.

13 (2) ELIGIBLE MANUFACTURED HOME COMMU-
14 NITY.—The term “eligible manufactured home com-
15 munity” means a community that—

16 (A) is affordable to low- and moderate-in-
17 come persons (as such term is defined in sec-
18 tion 102(a) of the Housing and Community De-
19 velopment Act of 1974 (42 U.S.C. 5302(a));
20 and

21 (B)(i) is owned by the residents of the
22 manufactured housing community through a
23 resident-controlled entity, as defined by the Sec-
24 retary, in which at least two-thirds of residents

1 are member-owners of the land-owning entity;
2 or

3 (ii) will be maintained as such a commu-
4 nity, and remain affordable for low- and mod-
5 erate-income families, to the maximum extent
6 practicable and for the longest period feasible.

7 (3) ELIGIBLE RECIPIENT.—The term “eligible
8 recipient” means a partnership of—

9 (A) a grantee under paragraph (2) or (4)
10 of section 106(a) or section 106(d) of the Hous-
11 ing and Community Development Act of 1974
12 (42 U.S.C. 5306(a)(2), (a)(4), and (d)); and

13 (B) an eligible manufactured home com-
14 munity, a nonprofit entity, or a consortia of
15 nonprofit entities working with an eligible man-
16 ufactured home community.

17 (4) MANUFACTURED HOME COMMUNITY.—The
18 term “manufactured home community” means any
19 community, court, or park equipped to accommodate
20 manufactured homes for which pad sites, with or
21 without existing manufactured homes or other al-
22 lowed homes, or other suitable sites, are used pri-
23 marily for residential purposes, with any additional
24 requirements as determined by the Secretary, includ-
25 ing any manufactured housing community as such

1 term is used for purposes of the program of the
2 Federal National Mortgage Association for multi-
3 family loans for manufactured housing communities
4 and the program of the Federal Home Loan Mort-
5 gage Corporation for loans for manufactured hous-
6 ing communities.

7 (f) 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. 40102. LEAD-BASED PAINT HAZARD CONTROL AND**
14 **HOUSING-RELATED HEALTH AND SAFETY**
15 **HAZARD MITIGATION IN HOUSING OF FAMI-**
16 **LIES WITH LOWER INCOMES.**

17 (a) APPROPRIATION.—In addition to amounts other-
18 wise made available, there is appropriated to the Secretary
19 of Housing and Urban Development (in this section re-
20 ferred to as the “Secretary”) for fiscal year 2022, out of
21 any money in the Treasury not otherwise appropriated—

22 (1) \$3,425,000,000 for grants to States, units
23 of general local government, Indian tribes or their
24 tribally designated housing entities, and nonprofit
25 organizations for the activities under subsection (c)

1 in target housing units that do not receive Federal
2 housing assistance other than assistance provided
3 under subsection 8(o) of the United States Housing
4 Act of 1937 (42 U.S.C. 1437f(o)), excluding para-
5 graph (o)(13) of such section, and common areas
6 servicing such units, where low-income families re-
7 side or are expected to reside;

8 (2) \$250,000,000 for grants to States or units
9 of general local government or nonprofit entities for
10 the activities in subsection (c) in target housing
11 units, and common areas servicing such units, that
12 are being assisted under the Weatherization Assist-
13 ance Program authorized under part A of title IV of
14 the Energy Conservation and Production Act (42
15 U.S.C. 6861-6872) but are not assisted under any
16 other Federal housing program other than sub-
17 section 8(o) of the United States Housing Act of
18 1937 (42 U.S.C. 1437f(o)), excluding paragraph
19 8(o)(13) of such section;

20 (3) \$1,000,000,000 for grants to owners of a
21 property receiving project-based rental assistance
22 under section 8 of the United States Housing Act of
23 1937 (42 U.S.C. 1437f), including under subsection
24 (o)(13) of such section, that meets the definition of
25 target housing and that has not received a grant for

1 similar purposes under this Act, for the activities in
2 subsection (c), except for abatement of lead-based
3 paint by enclosure or encapsulation, or interim con-
4 trols of lead-based paint hazards in target housing
5 units receiving such assistance and common areas
6 servicing such units;

7 (4) \$75,000,000 for costs related to training
8 and technical assistance to support identification
9 and mitigation of lead and housing-related health
10 and safety hazards, research, and evaluation; and

11 (5) \$250,000,000 for the costs to the Secretary
12 of administering and overseeing the implementation
13 of this section, and the Secretary's lead hazard re-
14 duction and related programs generally including in-
15 formation 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) TERMS AND CONDITIONS.—

22 (1) INCOME ELIGIBILITY DETERMINATIONS.—

23 The Secretary may make income determinations of
24 eligibility for enrollment of housing units for assist-
25 ance under this section that are consistent with eligi-

1 bility requirements for grants awarded under other
2 Federal means-tested programs, provided such deter-
3 mination does not require additional action by other
4 Federal agencies.

5 (2) HOUSING FAMILIES WITH YOUNG CHIL-
6 DREN.—An owner of rental property that receives
7 assistance under subsection (a)(3) shall give priority
8 in renting units for which the lead-based paint has
9 been abated pursuant to subsection (a)(3), for not
10 less than 3 years following the completion of lead
11 abatement activities, to families with a child under
12 the age of 6 years.

13 (3) ADMINISTRATIVE EXPENSES.—A recipient
14 of a grant under this section may use up to 10 per-
15 cent of the grant for administrative expenses associ-
16 ated with the activities funded by this section.

17 (c) ELIGIBLE ACTIVITIES.—Grants awarded under
18 this section shall be used for purposes of building capacity
19 and conducting activities relating to testing, evaluating,
20 and mitigating lead-based paint, lead-based paint hazards,
21 and housing-related health and safety hazards; outreach,
22 education, and engagement with community stakeholders,
23 including stakeholders in disadvantaged communities; pro-
24 gram evaluation and research; grant administration, and
25 other activities that directly or indirectly support the work

1 under this section, as applicable, that without which such
2 activities could not be conducted.

3 (d) DEFINITIONS.—For purposes of this section, the
4 following definitions, and definitions in paragraphs (1),
5 (2), (3), (5), (6), (7), (10) through (17), and (20) through
6 (27) of section 1004 of the Residential Lead-Based Paint
7 Hazard Reduction Act of 1992 (42 U.S.C. 4851b(1)-(3),
8 42 U.S.C. 4851b(5)-(7), 42 U.S.C. 4851b(10)-(17). 42
9 U.S.C. 4851b(20)-(27), shall apply:

10 (1) NONPROFIT; NONPROFIT ORGANIZATION.—

11 The terms “nonprofit” and “nonprofit organization”
12 mean a corporation, community chest, fund, or foun-
13 dation not organized for profit, but organized and
14 operated exclusively for religious, charitable, sci-
15 entific, testing for public safety, literary, or edu-
16 cational purposes; or an organization not organized
17 for profit but operated exclusively for the promotion
18 of social welfare.

19 (2) PUBLIC HOUSING; PUBLIC HOUSING AGEN-

20 CY; LOW-INCOME FAMILY.—The terms “public hous-
21 ing”, “public housing agency”, and “low-income
22 family” have the same meaning given such terms in
23 section 3(b) of the United States Housing Act of
24 1937 (42 U.S.C. 1437a(b)).

1 (3) STATE; UNIT OF GENERAL LOCAL GOVERN-
2 MENT.—The terms “State” and “unit of general
3 local government” have the same meaning given
4 such terms in section 102 of the Housing and Com-
5 munity Development Act of 1974 (42 U.S.C. 5302).

6 (e) GRANT COMPLIANCE.—For any grant of assist-
7 ance under this section, a State or unit of general local
8 government may assume responsibilities for elements of
9 grant compliance, regardless of whether it is the grant re-
10 ipient, if the State or unit of general local government
11 is permitted to assume responsibility for the applicable ele-
12 ment of grant compliance for grants for which it is the
13 recipient under section 1011 of the Residential Lead-
14 Based Paint Hazard Reduction Act of 1992 (42 U.S.C.
15 4852).

16 (f) IMPLEMENTATION.—The Secretary shall have the
17 authority 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. 40103. UNLOCKING POSSIBILITIES PROGRAM.**

23 (a) APPROPRIATION.—In addition to amounts other-
24 wise available, there is appropriated to the Secretary of
25 Housing and Urban Development for fiscal year 2022, out

1 of any money in the Treasury not otherwise appro-
2 priated—

3 (1) \$1,646,000,000 for awarding grants under
4 section 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 the Housing and
8 Community Development Act of 1974 (42 U.S.C.
9 5301, 5302, 5303, 5304(a)-(i), 5304(l), 5304(m),
10 5305(a)-(g), 5306(a)(2), 5306(a)(4), 5306(b)-(f),
11 5309, 5310, 5311, 5313, 5314, 5315, 5316, 5319,
12 and 5321) awarded on a competitive basis to eligible
13 recipients to carry out grants under subsection (c)
14 of this section;

15 (2) \$8,000,000 for research and evaluation re-
16 lated to housing planning and other associated costs;

17 (3) \$30,000,000 to provide technical assistance
18 to grantees or applicants for grants made available
19 by this section; and

20 (4) \$66,000,000 for the costs to the Secretary
21 of administering and overseeing the implementation
22 of this section and community and economic develop-
23 ment programs overseen by the Secretary generally,
24 including information technology, financial report-
25 ing, research and evaluations, and other cross-pro-

1 gram costs in support of programs administered by
2 the Secretary in this title, and other costs.

3 Amounts appropriated by this section shall remain avail-
4 able until September 30, 2031.

5 (b) PROGRAM ESTABLISHMENT.—The Secretary of
6 Housing and Urban Development shall establish a com-
7 petitive grant program for—

8 (1) planning grants to develop and evaluate
9 housing plans and substantially improve housing
10 strategies;

11 (2) streamlining regulatory requirements and
12 shorten processes, reform zoning codes, increasing
13 capacity to conduct housing inspections, or other ini-
14 tiatives that reduce barriers to housing supply elas-
15 ticity and affordability;

16 (3) developing and evaluating local or regional
17 plans for community development to substantially
18 improve community development strategies related
19 to sustainability, fair housing, and location effi-
20 ciency;

21 (4) implementation and livable community in-
22 vestment grants; and

23 (5) research and evaluation.

24 (c) GRANTS.—

1 (1) PLANNING GRANTS.—The Secretary shall,
2 under selection criteria determined by the Secretary,
3 award grants under this paragraph on a competitive
4 basis to eligible entities to assist planning activities,
5 including administration of such activities, engage-
6 ment with community stakeholders and housing
7 practitioners, to—

8 (A) develop housing plans;

9 (B) substantially improve State or local
10 housing strategies;

11 (C) develop new regulatory requirements
12 and processes, reform zoning codes, increasing
13 capacity to conduct housing inspections, or un-
14 dertake other initiatives to reduce barriers to
15 housing supply elasticity and affordability;

16 (D) develop local or regional plans for
17 community development; and

18 (E) substantially improve community de-
19 velopment strategies, including strategies to in-
20 crease availability and access to affordable
21 housing, to further access to public transpor-
22 tation or to advance other sustainable or loca-
23 tion-efficient community development goals.

24 (2) IMPLEMENTATION AND LIVABLE COMMU-
25 NITY INVESTMENT GRANTS.—The Secretary shall

1 award implementation grants under this paragraph
2 on a competitive basis to eligible entities for the pur-
3 pose of implementing and administering—

4 (A) completed housing strategies and hous-
5 ing plans and any planning to affirmatively fur-
6 ther fair housing within the meaning of sub-
7 sections (d) and (e) of section 808 of the Fair
8 Housing Act (42 U.S.C. 608) and applicable
9 regulations and for community investments that
10 support the goals identified in such housing
11 strategies or housing plans;

12 (B) new regulatory requirements and proc-
13 esses, reformed zoning codes, increased capacity
14 to conduct housing inspections, or other initia-
15 tives to reduce barriers to housing supply elas-
16 ticity and affordability that are consistent with
17 a plan under subparagraph (A);

18 (C) completed local or regional plans for
19 community development and any planning to in-
20 crease availability and access to affordable
21 housing, access to public transportation and
22 other sustainable or location-efficient commu-
23 nity development goals.

24 (d) COORDINATION WITH FTA ADMINISTRATOR.—

25 To the extent practicable, the Secretary shall coordinate

1 with the Federal Transit Administrator in carrying out
2 this section.

3 (e) DEFINITIONS.—For purposes of this section, the
4 following definitions apply:

5 (1) ELIGIBLE ENTITY.—The term “eligible enti-
6 ty” means—

7 (A) a State, insular area, metropolitan
8 city, or urban county, as such terms are defined
9 in section 102 of the Housing and Community
10 Development Act of 1974 (42 U.S.C. 5302); or

11 (B) for purposes of grants under sub-
12 section (b)(1), a regional planning agency or
13 consortia.

14 (2) HOUSING PLAN; HOUSING STRATEGY.—

15 (A) HOUSING PLAN.—The term “housing
16 plan” means a plan of an eligible entity to, with
17 respect to the area within the jurisdiction of the
18 eligible entity—

19 (i) match the creation of housing sup-
20 ply to existing demand and projected de-
21 mand growth in the area, with attention to
22 preventing displacement of residents, re-
23 ducing the concentration of poverty, and
24 meaningfully reducing and not perpet-
25 uating housing segregation on the basis of

1 race, color, religion, natural origin, sex,
2 disability, or familial status;

3 (ii) increase the affordability of hous-
4 ing in the area, increase the accessibility of
5 housing in the area for people with disabil-
6 ities, including location-efficient housing,
7 and preserve or improve the quality of
8 housing in the area;

9 (iii) reduce barriers to housing devel-
10 opment in the area, with consideration for
11 location efficiency, affordability, and acces-
12 sibility; and

13 (iv) coordinate with the metropolitan
14 transportation plan of the area under the
15 jurisdiction of the eligible entity, or other
16 regional plan.

17 (B) HOUSING STRATEGY.—The term
18 “housing strategy” means the housing strategy
19 required under section 105 of the Cranston-
20 Gonzalez National Affordable Housing Act (42
21 U.S.C. 12705).

22 (f) COSTS TO GRANTEES.—Up to 15 percent of a re-
23 cipient’s grant may be used for administrative costs.

24 (g) RULES OF CONSTRUCTION.—

1 (1) IN GENERAL.— Except as otherwise pro-
2 vided by this section, amounts appropriated or oth-
3 erwise made available under this section shall be
4 subject to the community development block grant
5 program requirements under title I of the Housing
6 and Community Development Act of 1974 (42
7 U.S.C. 5301-5321).

8 (2) EXCEPTIONS.—

9 (A) HOUSING CONSTRUCTION.—Expendi-
10 tures on new construction of housing shall be
11 an eligible expense under this section.

12 (B) BUILDINGS FOR GENERAL CONDUCT
13 OF GOVERNMENT.—Expenditures on building
14 for the general conduct of government, other
15 than the Federal Government, shall be eligible
16 under this section when necessary and appro-
17 priate as a part of a natural hazard mitigation
18 project.

19 (h) WAIVERS.—The Secretary may waive or specify
20 alternative requirements for any provision of subsection
21 (a)(1) or regulation for the administration of the amounts
22 made available under this section other than requirements
23 related to fair housing, nondiscrimination, labor stand-
24 ards, and the environment, upon a finding that the waiver
25 or alternative requirement is not inconsistent with the

1 overall purposes of such Act and that the waiver or alter-
2 native requirement is necessary to facilitate the use of
3 amounts made available under this section.

4 (i) IMPLEMENTATION.—The Secretary shall have the
5 authority 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. 40104. STRENGTHENING RESILIENCE UNDER NA-**
11 **TIONAL FLOOD INSURANCE PROGRAM.**

12 (a) NFIP PROGRAM ACTIVITIES.—

13 (1) CANCELLATION.—All indebtedness of the
14 Administrator of the Federal Emergency Manage-
15 ment Agency under any notes or other obligations
16 issued pursuant to section 1309(a) of the National
17 Flood Insurance Act of 1968 (42 U.S.C. 4016(a))
18 and section 15(e) of the Federal Insurance Act of
19 1956 (42 U.S.C. 2414(e)), and outstanding as of the
20 date of the enactment of this Act, is hereby can-
21 celled, the Administrator and the National Flood In-
22 surance Fund are relieved of all liability under any
23 such notes or other obligations, including for any in-
24 terest due, including capitalized interest, and any

1 other fees and charges payable in connection with
2 such notes and obligations.

3 (2) USE OF SAVINGS FOR FLOOD MAPPING.—In
4 addition to amounts otherwise available, for each of
5 fiscal years 2022 and 2023, an amount equal to the
6 interest the National Flood Insurance Program
7 would have accrued from servicing the canceled debt
8 under paragraph (1) in that fiscal year, which shall
9 be derived from offsetting amounts collected under
10 section 1310(d) of the National Flood Insurance Act
11 of 1968 (42 U.S.C. 4017(d)) and shall remain avail-
12 able until expended for activities identified in section
13 100216 (b)(1)(A) of the Biggert-Waters Flood In-
14 surance Reform Act of 2012 (42 U.S.C.
15 4101b(b)(1)(A)) and related salaries and adminis-
16 trative expenses.

17 (b) MEANS-TESTED ASSISTANCE FOR NATIONAL
18 FLOOD INSURANCE PROGRAM POLICYHOLDERS.—

19 (1) APPROPRIATION.—In addition to amounts
20 otherwise available, there is appropriated to the Ad-
21 ministrator of the Federal Emergency Management
22 Agency for fiscal year 2022, out of any money in the
23 Treasury not otherwise appropriated, \$600,000,000,
24 to remain available until September 30, 2026, to
25 provide assistance to eligible policyholders in the

1 form of graduated discounts for insurance costs with
2 respect to covered properties.

3 (2) TERMS AND CONDITIONS.—

4 (A) DISCOUNTS.—The Administrator shall
5 use funds provided under this subsection to es-
6 tablish graduated discounts available to eligible
7 policyholders under this subsection, with respect
8 to covered properties, which may be based on
9 the following factors:

10 (i) The percentage by which the
11 household income of the eligible policy-
12 holder is equal to, or less than, 120 per-
13 cent of the area median income for the
14 area in which the property to which the
15 policy applies is located.

16 (ii) The number of eligible policy-
17 holders participating in the program au-
18 thorized under this subsection.

19 (iii) The availability of funding.

20 (B) DISTRIBUTION OF PREMIUM.—With
21 respect to the amount of the discounts provided
22 under this subsection in a fiscal year, and any
23 administrative expenses incurred in carrying
24 out this subsection for that fiscal year, the Ad-
25 ministrator shall, from amounts made available

1 to carry out this subsection for that fiscal year,
2 deposit in the National Flood Insurance Fund
3 established under section 1310 of the National
4 Flood Insurance Act of 1968 (42 U.S.C. 4017)
5 an amount equal to those discounts and admin-
6 istrative expenses, except to the extent that sec-
7 tion 1310A of the National Flood Insurance
8 Act of 1968 (42 U.S.C. 4017a) applies to any
9 portion of those discounts or administrative ex-
10 penses, in which case the Administrator shall
11 deposit an amount equal to those amounts to
12 which such section 1310A applies in the Na-
13 tional Flood Insurance Reserve Fund estab-
14 lished under such section 1310A.

15 (C) REQUIREMENT ON TIMING.—Not later
16 than 21 months after the date of the enactment
17 of this section, the Administrator shall issue in-
18 terim guidance to implement this subsection
19 which shall expire on the later of—

20 (i) the date that is 60 months after
21 the date of the enactment of this section;

22 or

23 (ii) the date on which a final rule
24 issued to implement this subsection takes
25 effect.

1 (3) DEFINITIONS.—In this subsection:

2 (A) ADMINISTRATOR.—The term “Admin-
3 istrator” means the Administrator of the Fed-
4 eral Emergency Management Agency.

5 (B) COVERED PROPERTY.—The term “cov-
6 ered property” means—

7 (i) a primary residential dwelling de-
8 signed for the occupancy of from 1 to 4
9 families; or

10 (ii) personal property relating to a
11 dwelling described in clause (i) or personal
12 property in the primary residential dwell-
13 ing of a renter.

14 (C) ELIGIBLE POLICYHOLDER.—The term
15 “eligible policyholder” means a policyholder
16 with a household income that is not more than
17 120 percent of the area median income for the
18 area in which the property to which the policy
19 applies is located.

20 (D) INSURANCE COSTS.—The term “insur-
21 ance costs” means insurance premiums, fees,
22 and surcharges charged under the National
23 Flood Insurance Program, with respect to a
24 covered property for a year.

1 **SEC. 40105. COMMUNITY RESTORATION AND REVITALIZA-**
2 **TION FUND.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated to the Community
5 Restoration and Revitalization Fund established under
6 subsection (b) for fiscal year 2022, out of any money in
7 the Treasury not otherwise appropriated, to remain avail-
8 able until September 30, 2031—

9 (1) \$2,000,000,000 for awards of planning and
10 implementation grants under section 101, 102, 103,
11 104(a) through 104(i), 104(l), 104(m), 105(a)
12 through 105(g), 106(a)(2), 106(a)(4), 106(b)
13 through 106(f), 109, 110, 111, 113, 115, 116, 120,
14 and 122 of the Housing and Community Develop-
15 ment Act of 1974 (42 U.S.C. 5301, 5302, 5303,
16 5304(a)-(i), 5304(l), 5304(m), 5305(a)-(g),
17 5306(a)(2), 5306(a)(4), 5306(b)-(f), 5309, 5310,
18 5311, 5313, 5314, 5315, 5316, 5319, and 5321),
19 awarded on a competitive basis to eligible recipients,
20 as defined under subsection (c)(2) of this section, to
21 carry out community-led projects to create equitable
22 civic infrastructure and create or preserve afford-
23 able, accessible housing, including creating, expand-
24 ing, and maintaining community land trusts and
25 shared equity homeownership programs;

1 (2) \$500,000,000 for planning and implementa-
2 tion grants under section 101, 102, 103, 104(a)
3 through 104(i), 104(l), 104(m), 105(a) through
4 105(g), 106(a)(2), 106(a)(4), 106(b) through
5 106(f), 109, 110, 111, 113, 115, 116, 120, and 122
6 of the Housing and Community Development Act of
7 1974 (42 U.S.C. 5301, 5302, 5303, 5304(a)-(i),
8 5304(l), 5304(m), 5305(a)-(g), 5306(a)(2)
9 5306(a)(4), 5306(b)-(f), 5309, 5310, 5311, 5313,
10 5314, 5315, 5316, 5319, and 5321), awarded on a
11 competitive basis to eligible recipients to create, ex-
12 pand, and maintain community land trusts and
13 shared equity homeownership, including through the
14 acquisition, rehabilitation, and new construction of
15 affordable, accessible housing;

16 (3) \$400,000,000 for the Secretary to provide
17 technical assistance, capacity building, and program
18 support to applicants, potential applicants, and re-
19 cipients of amounts appropriated for grants under
20 this section; and

21 (4) \$100,000,000 for the costs to the Secretary
22 of administering and overseeing the implementation
23 of this section and community and economic develop-
24 ment programs overseen by the Secretary generally,
25 including information technology, financial report-

1 ing, research and evaluations, and other cross-pro-
2 gram costs in support of programs administered by
3 the Secretary in this title, and other costs.

4 (b) ESTABLISHMENT OF FUND.—The Secretary of
5 Housing and Urban Development (in this section referred
6 to as the “Secretary”) shall establish a Community Res-
7 toration and Revitalization Fund (in this section referred
8 to as the “Fund”) to award planning and implementation
9 grants on a competitive basis to eligible recipients as de-
10 fined in this section for activities authorized under sub-
11 sections (a) through (g) of section 105 of the Housing and
12 Community Development Act of 1974 (42 U.S.C. 5305)
13 and under this section for community-led affordable hous-
14 ing and civic infrastructure projects.

15 (c) ELIGIBLE GEOGRAPHICAL AREAS, RECIPIENTS,
16 AND APPLICANTS.—

17 (1) GEOGRAPHICAL AREAS.—The Secretary
18 shall award grants from the Fund to eligible recipi-
19 ents within geographical areas at the neighborhood,
20 county, or census tract level, including census tracts
21 adjacent to the project area that are areas in need
22 of investment, as demonstrated by two or more of
23 the following factors:

24 (A) High and persistent rates of poverty.

1 (B) Population at risk of displacement due
2 to rising housing costs.

3 (C) Dwelling unit sales prices that are
4 lower than the cost to acquire and rehabilitate,
5 or build, a new dwelling unit.

6 (D) High proportions of residential and
7 commercial properties that are vacant due to
8 foreclosure, eviction, abandonment, or other
9 causes.

10 (E) Low rates of homeownership by race
11 and ethnicity, relative to the national homeown-
12 ership rate.

13 (2) ELIGIBLE RECIPIENT.—An eligible recipient
14 of a planning or implementation grant under sub-
15 section (b)(1) or an implementation grant under
16 subsection (b)(2) shall be a local partnership of a
17 lead applicant and one or more joint applicants with
18 the ability to administer the grant. An eligible recipi-
19 ent of a planning grant under subsection (b)(2) shall
20 be a lead applicant with the ability to administer the
21 grant, including a regional, State, or national non-
22 profit.

23 (d) ELIGIBLE RECIPIENTS AND APPLICANTS.—

24 (1) LEAD APPLICANT.—An eligible lead appli-
25 cant for a grant awarded under this section shall be

1 an entity that is located within or serves the geo-
2 graphic area of the project, or derives its mission
3 and operational priorities from the needs of the geo-
4 graphic area of the project, demonstrates a commit-
5 ment to anti-displacement efforts, and that is—

6 (A) a nonprofit organization that has ex-
7 pertise in community planning, engagement, or-
8 ganizing, housing and community development;

9 (B) a community development corporation;

10 (C) a community housing development or-
11 ganization;

12 (D) a community-based development orga-
13 nization; or

14 (E) a community development financial in-
15 stitution, as defined by section 103 of the Rie-
16 gle Community Development and Regulatory
17 Improvement Act of 1994 (12 U.S.C. 4702).

18 (2) JOINT APPLICANTS.—A joint applicant shall
19 be an entity eligible to be a lead applicant in para-
20 graph (1), or a local, regional, or national—

21 (A) nonprofit organization;

22 (B) community development financial insti-
23 tution;

24 (C) unit of general local government;

25 (D) Indian tribe;

1 (E) State housing finance agency;

2 (F) land bank;

3 (G) fair housing enforcement organization

4 (as such term is defined in section 561 of the

5 Housing and Community Development Act of

6 1987 (42 U.S.C. 3616a));

7 (H) public housing agency;

8 (I) tribally designated housing entity; or

9 (J) philanthropic organization.

10 (3) LACK OF LOCAL ENTITY.—A regional,

11 State, or national nonprofit organization may serve

12 as a lead entity if there is no local entity that meets

13 the geographic requirements in paragraph (1).

14 (e) USES OF FUNDS.—

15 (1) IN GENERAL.—Planning and implementa-

16 tion grants awarded under this section shall be used

17 to support civic infrastructure and housing-related

18 activities.

19 (2) IMPLEMENTATION GRANTS.—Implementa-

20 tion grants awarded under this section may be used

21 for activities eligible under subsections (a) through

22 (g) of section 105 of the Housing and Community

23 Development Act of 1974 (42 U.S.C. 5305) and

24 other activities to support civic infrastructure and

25 housing-related activities, including—

1 (A) new construction of housing;

2 (B) demolition of abandoned or distressed
3 structures, but only if such activity is part of a
4 strategy that incorporates rehabilitation or new
5 construction, anti-displacement efforts such as
6 tenants' right to return and right of first re-
7 fusual to purchase, and efforts to increase af-
8 fordable, accessible housing and homeowner-
9 ship, except that not more than 10 percent of
10 any grant made under this section may be used
11 for activities under this subparagraph unless
12 the Secretary determines that such use is to the
13 benefit of existing residents;

14 (C) facilitating the creation, maintenance,
15 or availability of rental units, including units in
16 mixed-use properties, affordable and accessible
17 to a household whose income does not exceed
18 80 percent of the median income for the area,
19 as determined by the Secretary, for a period of
20 not less than 30 years;

21 (D) facilitating the creation, maintenance,
22 or availability of homeownership units afford-
23 able and accessible to households whose incomes
24 do not exceed 120 percent of the median in-

1 come for the area, as determined by the Sec-
2 retary;

3 (E) establishing or operating land banks;
4 and

5 (F) providing assistance to existing resi-
6 dents experiencing economic distress or at risk
7 of displacement, including purchasing nonper-
8 forming mortgages and clearing and obtaining
9 formal title.

10 (3) COMMUNITY LAND TRUST GRANTS AND
11 SHARED EQUITY HOMEOWNERSHIP GRANTS.—An eli-
12 gible recipient of a community land trust grant
13 awarded for establishing and operating a community
14 land trust or shared equity homeownership program;
15 creation, subsidization, construction, acquisition, re-
16 habilitation, and preservation of housing in a com-
17 munity land trust or shared equity homeownership
18 program, and expanding the capacity of the recipient
19 to carry out the grant.

20 (f) WAIVERS.—The Secretary may waive or specify
21 alternative requirements for any provision of subsection
22 (a)(1) or (a)(2), or regulation for the administration of
23 the amounts made available under this section other than
24 requirements related to fair housing, nondiscrimination,
25 labor standards, and the environment, upon a finding that

1 the waiver or alternative requirement is not inconsistent
2 with the overall purposes of such Act and that the waiver
3 or alternative requirement is necessary to expedite or fa-
4 cilitate the use of amounts made available under this sec-
5 tion.

6 (g) DEFINITIONS.—For purposes of this section, the
7 following definitions shall apply:

8 (1) COMMUNITY LAND TRUST.—The term
9 “community land trust” means a nonprofit organi-
10 zation or State or local governments or instrumen-
11 talities that—

12 (A) use a ground lease or deed covenant
13 with an affordability period of at least 30 years
14 or more to—

15 (i) make rental and homeownership
16 units affordable to households; and

17 (ii) stipulate a preemptive option to
18 purchase the affordable rentals or home-
19 ownership units so that the affordability of
20 the units is preserved for successive in-
21 come-eligible households; and

22 (B) monitor properties to ensure afford-
23 ability is preserved.

24 (2) LAND BANK.—The term “land bank”
25 means a government entity, agency, or program, or

1 a special purpose nonprofit entity formed by one or
2 more units of government in accordance with State
3 or local land bank enabling law, that has been des-
4 ignated by one or more State or local governments
5 to acquire, steward, and dispose of vacant, aban-
6 doned, or other problem properties in accordance
7 with locally-determined priorities and goals.

8 (3) SHARED EQUITY HOMEOWNERSHIP PRO-
9 GRAM.—The term “shared equity homeownership
10 program” means a program to facilitate affordable
11 homeownership preservation through a resale restric-
12 tion program administered by a community land
13 trust, other nonprofit organization, or State or local
14 government or instrumentalities and that utilizes a
15 ground lease, deed restriction, subordinate loan, or
16 similar mechanism that includes provisions ensuring
17 that the program shall—

18 (A) maintain the home as affordable for
19 subsequent very low-, low-, or moderate-income
20 families for an affordability term of at least 30
21 years after recordation;

22 (B) apply a resale formula that limits the
23 homeowner’s proceeds upon resale; and

24 (C) provide the program administrator or
25 such administrator’s assignee a preemptive op-

1 tion to purchase the homeownership unit from
2 the homeowner at resale.

3 (h) 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 **SEC. 40106. FAIR HOUSING ACTIVITIES AND INVESTIGA-**
10 **TIONS.**

11 (a) APPROPRIATION.—In addition to amounts other-
12 wise available, there is appropriated to the Secretary of
13 Housing and Urban Development (in this section referred
14 to as the “Secretary”) for fiscal year 2022, out of any
15 money in the Treasury not otherwise appropriated—

16 (1) \$540,000,000, to remain available until
17 September 30, 2026, for the Fair Housing Initia-
18 tives Program under section 561 of the Housing and
19 Community Development Act of 1987 (42 U.S.C.
20 3616a) to ensure existing and new fair housing or-
21 ganizations have expanded and strengthened capac-
22 ity to address fair housing inquiries and complaints,
23 conduct local, regional, and national testing and in-
24 vestigations, conduct education and outreach activi-
25 ties, and address costs of delivering or adapting

1 services to meet increased housing market activity
2 and evolving business practices in the housing, hous-
3 ing-related, and lending markets. Amounts made
4 available under this section shall support greater or-
5 ganizational continuity and capacity, including
6 through up to 10-year grants; and

7 (2) \$160,000,000, to remain available until
8 September 30, 2031, for the costs to the Secretary
9 of administering and overseeing the implementation
10 of this section and the Fair Housing Initiatives and
11 Fair Housing Assistance 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 (b) 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. 40107. INTERGOVERNMENTAL FAIR HOUSING ACTIVI-**
23 **TIES AND INVESTIGATIONS.**

24 In addition to amounts otherwise available, there is
25 appropriated to the Secretary of Housing and Urban De-

1 velopment (in this section referred to as the “Secretary”)
2 for fiscal year 2022, out of any money in the Treasury
3 not otherwise appropriated—

4 (1) \$75,000,000 for support for cooperative ef-
5 forts with State and local agencies administering
6 fair housing laws under section 817 of the Fair
7 Housing Act (42 U.S.C. 3616) to assist the Sec-
8 retary to affirmatively further fair housing, and for
9 Fair Housing Assistance Program cooperative agree-
10 ments with interim certified and certified State and
11 local agencies, under the requirements of subpart C
12 of part 115 of title 24, Code of Federal Regulations,
13 to ensure expanded and strengthened capacity of
14 substantially equivalent agencies to assume a greater
15 share of the responsibility for the administration and
16 enforcement of fair housing laws; and

17 (2) \$25,000,000 for the costs to the Secretary
18 of administering and overseeing the implementation
19 of this section and the Fair Housing Assistance and
20 Fair Housing Initiatives Programs generally, includ-
21 ing information technology, financial reporting, re-
22 search and evaluations, other cross-program costs in
23 support of programs administered by the Secretary
24 in this title, and other costs.

1 **Subtitle C—Homeownership**
2 **Investments**

3 **SEC. 40201. FIRST-GENERATION DOWNPAYMENT ASSIST-**
4 **ANCE.**

5 (a) APPROPRIATION.—In addition to amounts other-
6 wise available, there is appropriated to the First Genera-
7 tion Downpayment Fund to increase equal access to home-
8 ownership, established under subsection (b) for fiscal year
9 2022, out of any money in the Treasury not otherwise ap-
10 propriated—

11 (1) \$6,825,000,000, to remain available until
12 September 30, 2026, for the First-Generation Down-
13 payment Assistance Fund under this section for allo-
14 cation to each State in accordance with a formula
15 established by the Secretary, which shall take into
16 consideration best available data to approximate the
17 number of potential qualified homebuyers as defined
18 in subsection (e)(7) as well as median area home
19 prices, to carry out the eligible uses of the Fund as
20 described in subsection (e);

21 (2) \$2,275,000,000, to remain available until
22 September 30, 2026, for the First-Generation Down-
23 payment Assistance Program under this section for
24 competitive grants to eligible entities to carry out

1 the eligible uses of the Fund as described in sub-
2 section (d);

3 (3) \$500,000,000, to remain available until
4 September 30, 2031, for the costs of providing hous-
5 ing counseling required under the First-Generation
6 Downpayment Assistance Program under subsection
7 (c)(1); and

8 (4) \$400,000,000, to remain available until
9 September 30, 2031, for the costs to the Secretary
10 of Housing and Urban Development of admin-
11 istering and overseeing the implementation of the
12 First-Generation Downpayment Assistance Program,
13 including information technology, financial report-
14 ing, programmatic reporting, research and evalua-
15 tions, which shall include the program's impact on
16 racial and ethnic disparities in homeownership rates,
17 technical assistance to recipients of amounts under
18 this section, and other cross-program costs in sup-
19 port of programs administered by the Secretary in
20 this Act, and other costs.

21 (b) ESTABLISHMENT.—The Secretary of Housing
22 and Urban Development shall establish and manage a
23 fund to be known as the First Generation Downpayment
24 Fund (in this section referred to as the “Fund”) for the
25 uses set forth in subsection (d).

1 (c) ALLOCATION OF FUNDS.—

2 (1) INITIAL ALLOCATION.—The Secretary shall
3 allocate and award funding provided by subsection
4 (a) as provided under such subsection not later than
5 12 months after the date of the enactment of this
6 section.

7 (2) REALLOCATION.—If a State or eligible enti-
8 ty does not demonstrate the capacity to expend
9 grant funds provided under this section, the Sec-
10 retary may recapture amounts remaining available
11 to a grantee that has not demonstrated the capacity
12 to expend such funds in a manner that furthers the
13 purposes of this section and shall reallocate such
14 amounts among any other States or eligible entities
15 that have demonstrated to the Secretary the capac-
16 ity to expend such amounts in a manner that fur-
17 thers the purposes of this section.

18 (d) TERMS AND CONDITIONS OF GRANTS ALLO-
19 CATED OR AWARDED FROM FUND.—

20 (1) USES OF FUNDS.—States and eligible enti-
21 ties receiving grants from the Fund shall use such
22 grants to provide assistance to or on behalf of a
23 qualified homebuyer who has completed a program
24 of housing counseling provided through a housing
25 counseling agency approved by the Secretary or

1 other adequate homebuyer education before entering
2 into a sales purchase agreement for—

3 (A) costs in connection with the acquisi-
4 tion, involving an eligible mortgage loan, of an
5 eligible home, including downpayment costs,
6 closing costs, and costs to reduce the rates of
7 interest on eligible mortgage loans;

8 (B) subsidies to make shared equity homes
9 affordable to eligible homebuyers; and

10 (C) pre-occupancy home modifications to
11 accommodate qualified homebuyers or members
12 of their household with disabilities;

13 (2) AMOUNT OF ASSISTANCE.—Assistance
14 under this section—

15 (A) may be provided to or on behalf of any
16 qualified homebuyer;

17 (B) may be provided to or on behalf of any
18 qualified homebuyer only once in the form of
19 grants or forgivable, non-amortizing, non-inter-
20 est-bearing loans that may only be required to
21 be repaid pursuant to paragraph (d)(4); and

22 (C) may not exceed the greater of \$20,000
23 or 10 percent of the purchase price in the case
24 of a qualified homebuyer, not to include assist-
25 ance received under subsection (d)(1)(C) for

1 disability related home modifications, except
2 that the Secretary may increase such maximum
3 limitation amounts for qualified homebuyers
4 who are economically disadvantaged.

5 (3) PROHIBITION OF PRIORITY OR
6 RECOUPMENT OF FUNDS.—In selecting qualified
7 homebuyers for assistance with grant amounts under
8 this section, a State or eligible entity may not pro-
9 vide any priority or preference for homebuyers who
10 are acquiring eligible homes with a mortgage loan
11 made, insured, guaranteed, or otherwise assisted by
12 the State housing finance agency for the State, any
13 other housing agency of the State, or an eligible en-
14 tity when applicable, nor may the State or eligible
15 entity seek to recoup any funds associated with the
16 provision of downpayment assistance to the qualified
17 homebuyer, whether through premium pricing or
18 otherwise, except as provided in paragraph (4) of
19 this subsection or otherwise authorized by the Sec-
20 retary.

21 (4) REPAYMENT OF ASSISTANCE.—

22 (A) REQUIREMENT.—The Secretary shall
23 require that, if a homebuyer to or on behalf of
24 whom assistance is provided from grant
25 amounts under this section fails or ceases to oc-

1 copy the property acquired using such assist-
2 ance as the primary residence of the home-
3 buyer, except in the case of assistance provided
4 in connection with the purchase of a principal
5 residence through a shared equity homeownership
6 program, the homebuyer shall repay to the
7 State or eligible entity, as applicable, in a pro-
8 portional amount of the assistance the home-
9 buyer receives based on the number of years
10 they have occupied the eligible home up to 5
11 years, except that no assistance shall be repaid
12 if the qualified homebuyer occupies the eligible
13 home as a primary residence for 5 years or
14 more.

15 (B) LIMITATION.—Notwithstanding sub-
16 paragraph (A), a homebuyer to or on behalf of
17 whom assistance is provided from grant
18 amounts under this section shall not be liable to
19 the State or eligible entity for the repayment of
20 the amount of such shortage if the homebuyer
21 fails or ceases to occupy the property acquired
22 using such assistance as the principal residence
23 of the homebuyer at least in part because of a
24 hardship, or sells the property acquired with
25 such assistance before the expiration of the 60-

1 month period beginning on such date of acquisi-
2 tion and the capital gains from such sale to a
3 bona fide purchaser in an arm's length trans-
4 action are less than the amount the homebuyer
5 is required to repay the State or eligible entity
6 under subparagraph (A).

7 (5) RELIANCE ON BORROWER ATTESTATIONS.—
8 No additional documentation beyond the borrower's
9 attestation shall be required to demonstrate eligi-
10 bility under subparagraphs (B) and (C) of sub-
11 section (e)(7) and no State, eligible entity, or cred-
12 itor shall be subject to liability based on the accu-
13 racy of such attestation.

14 (6) COSTS TO GRANTEE.—States and eligible
15 entities receiving grants from the Fund may use a
16 portion of such grants for administrative costs up to
17 the limit specified by the Secretary.

18 (e) DEFINITIONS.—For purposes of this section, the
19 following definitions shall apply:

20 (1) ELIGIBLE ENTITY.—The term “eligible enti-
21 ty” means—

22 (A) a minority depository institution, as
23 such term is defined in section 308 of the Fi-
24 nancial Institutions Reform, Recovery, and En-
25 forcement Act of 1989 (12 U.S.C. 1463 note);

1 (B) a community development financial in-
2 stitution, as such term is defined in section 103
3 of the Riegle Community Development and
4 Regulatory Improvement Act of 1994 (12
5 U.S.C. 4702), that is certified by the Secretary
6 of the Treasury and targets services to minority
7 and low-income populations or provides services
8 in neighborhoods having high concentrations of
9 minority and low-income populations;

10 (C) any other nonprofit entity that the
11 Secretary finds has a track record of providing
12 assistance to homeowners, targets services to
13 minority and low-income or provides services in
14 neighborhoods having high concentrations of
15 minority and low-income populations; and

16 (D) a unit of general local government, as
17 such term is defined in section 102 of the
18 Housing and Community Development Act of
19 1974 (42 U.S.C. 5302).

20 (2) ELIGIBLE HOME.—The term “eligible
21 home” means a residential dwelling that—

22 (A) consists of 1 to 4 dwelling units; and

23 (B) will be occupied by the qualified home-
24 buyer as the primary residence of the home-
25 buyer.

1 (3) ELIGIBLE MORTGAGE LOAN.—The term “el-
2 igible mortgage loan” means a single-family residen-
3 tial mortgage loan that—

4 (A) meets the underwriting requirements
5 and dollar amount limitations for acquisition by
6 the Federal National Mortgage Association or
7 the Federal Home Loan Mortgage Corporation;

8 (B) is made, insured, or guaranteed under
9 any program administered by the Secretary;

10 (C) is made, insured, or guaranteed by the
11 Rural Housing Administrator of the Depart-
12 ment of Agriculture;

13 (D) is a qualified mortgage, as such term
14 is defined in section 129C(b)(2) of the Truth in
15 Lending Act (15 U.S.C. 1639c(b)(2)); or

16 (E) is made, insured, or guaranteed for the
17 benefit of a veteran.

18 (4) FIRST GENERATION HOMEBUYER.—The
19 term “first-generation homebuyer” means a home-
20 buyer that is, as attested by the homebuyer—

21 (A) an individual—

22 (i) whose parents or legal guardians
23 do not, or did not at the time of their
24 death, to the best of the individual’s knowl-
25 edge, have any present ownership interest

1 in a residence in any State, excluding own-
2 ership of heir property or ownership of
3 chattel; and

4 (ii) whose spouse or domestic partner
5 has not, during the 3-year period ending
6 upon acquisition of the eligible home to be
7 acquired using such assistance, had any
8 present ownership interest in a residence
9 in any State, excluding ownership of heir
10 property or ownership of chattel, whether
11 the individual is a co-borrower on the loan
12 or not; or

13 (B) an individual who has at any time
14 been placed in foster care or institutional care
15 whose spouse or domestic partner has not, dur-
16 ing the 3-year period ending upon acquisition of
17 the eligible home to be acquired using such as-
18 sistance, had any ownership interest in a resi-
19 dence in any State, excluding ownership of heir
20 property or ownership of chattel, whether such
21 individuals are co-borrowers on the loan or not.

22 (5) HEIR PROPERTY.—The term “heir prop-
23 erty” means residential property for which title
24 passed by operation of law through intestacy and is
25 held by two or more heirs as tenants in common.

1 (6) OWNERSHIP INTEREST.—The term “own-
2 ership interest” means any ownership, excluding any
3 interest in heir property, in—

4 (A) real estate in fee simple;

5 (B) a leasehold on real estate under a lease
6 for not less than ninety-nine years which is re-
7 newable; or

8 (C) a fee interest in, or long-term leasehold
9 interest in, real estate consisting of a one-family
10 unit in a multifamily project, including a
11 project in which the dwelling units are attached,
12 or are manufactured housing units, semi-de-
13 tached, or detached, and an undivided interest
14 in the common areas and facilities which serve
15 the project.

16 (7) QUALIFIED HOMEBUYER.—The term
17 “qualified homebuyer” means a homebuyer—

18 (A) having an annual household income
19 that is less than or equal to—

20 (i) 120 percent of median income, as
21 determined by the Secretary, for—

22 (I) the area in which the home to
23 be acquired using such assistance is
24 located; or

1 (II) the area in which the place
2 of residence of the homebuyer is lo-
3 cated; or

4 (ii) 140 percent of the median income,
5 as determined by the Secretary, for the
6 area within which the eligible home to be
7 acquired using such assistance is located if
8 the homebuyer is acquiring an eligible
9 home located in a high-cost area;

10 (B) who is a first-time homebuyer, as such
11 term is defined in section 104 of the Cranston-
12 Gonzalez National Affordable Housing Act (42
13 U.S.C. 12704), except that for the purposes of
14 this section the reference in such section 104 to
15 title II shall be considered to refer to this sec-
16 tion, and except that ownership of heir property
17 shall not be treated as owning a home for pur-
18 poses of determining whether a borrower quali-
19 fies as a first-time homebuyer; and

20 (C) who is a first-generation homebuyer.

21 (8) SECRETARY.—The term “Secretary” means
22 the Secretary of Housing and Urban Development.

23 (9) SHARED EQUITY HOMEOWNERSHIP PRO-
24 GRAM.—

1 (A) IN GENERAL.—The term “shared equity
2 homeownership program” means affordable
3 homeownership preservation through a resale
4 restriction program administered by a commu-
5 nity land trust, other nonprofit organization, or
6 State or local government or instrumentalities.

7 (B) AFFORDABILITY REQUIREMENTS.—
8 Any such program under subparagraph (A)
9 shall—

10 (i) provide affordable homeownership
11 opportunities to households; and

12 (ii) utilize a ground lease, deed re-
13 striction, subordinate loan, or similar
14 mechanism that includes provisions ensur-
15 ing that the program shall—

16 (I) maintain the homeownership
17 unit as affordable for subsequent very
18 low-, low-, or moderate-income fami-
19 lies for an affordability term of at
20 least 30 years after recordation;

21 (II) apply a resale formula that
22 limits the homeowner’s proceeds upon
23 resale; and

24 (III) provide the program admin-
25 istrator or such administrator’s as-

1 signee a preemptive option to pur-
2 chase the homeownership unit from
3 the homeowner at resale.

4 (10) STATE.—The term “State” means any
5 State of the United States, the District of Columbia,
6 the Commonwealth of Puerto Rico, the United
7 States Virgin Islands, Guam, the Commonwealth of
8 the Northern Mariana Islands, and American
9 Samoa.

10 (f) IMPLEMENTATION.—The Secretary shall have au-
11 thority to issue such regulations, notices, or other guid-
12 ance, forms, instructions, and publications to carry out the
13 programs, projects, or activities authorized under this sec-
14 tion to ensure that such programs, projects, or activities
15 are completed in a timely and effective manner.

16 **SEC. 40202. HOME LOAN PROGRAM.**

17 (a) APPROPRIATION.—In addition to amounts other-
18 wise available, there is appropriated for fiscal year 2022,
19 out of any amounts in the Treasury not otherwise appro-
20 priated, to remain available until September 30, 2031—

21 (1) \$4,000,000,000 to the Secretary of Housing
22 and Urban Development for the cost of guaranteed
23 or insured loans and other obligations, including the
24 cost of modifying such loans, under subsection
25 (e)(1)(A);

1 (2) \$500,000,000 to the Secretary of Housing
2 and Urban Development for costs of carrying out
3 the program under paragraph (1) and programs of
4 the Federal Housing Administration and the Gov-
5 ernment National Mortgage Association generally,
6 including information technology, financial report-
7 ing, and other cross-program costs in support of
8 programs administered by the Secretary in this title,
9 and other costs;

10 (3) \$150,000,000 to the Secretary of Agri-
11 culture for the cost of guaranteed and insured loans
12 and other obligations, including the cost of modi-
13 fying such loans, under subsection (e)(1)(B);

14 (4) \$50,000,000 to the Secretary of Agriculture
15 for the costs of carrying out the program under
16 paragraph (3) and programs of the Rural Housing
17 Service generally, including information technology
18 and financial reporting in support of the Program
19 administered by the Secretary of Agriculture in this
20 title; and

21 (5) \$300,000,000 to the Secretary of Treasury
22 for the costs of carrying out the program under this
23 section.

24 (b) USE OF FUNDS.—

25 (1) IN GENERAL.—

1 (A) The Secretary of Housing and Urban
2 Development and the Secretary of Agriculture
3 shall use the funds provided under subsections
4 (a)(1), (a)(2), (a)(3), and (a)(4) to carry out
5 the programs under subsections (a)(1) and
6 (a)(3) to make covered mortgage loans.

7 (B) The Secretary of the Treasury shall
8 use the funds provided under subsections (a)(5)
9 and (b)(2) to—

10 (i) purchase, on behalf of the Sec-
11 retary of Housing and Urban Develop-
12 ment, securities that are secured by cov-
13 ered mortgage loans, and sell, manage, and
14 exercise any rights received in connection
15 with, any financial instruments or assets
16 acquired pursuant to the authorities grant-
17 ed under this section, including, as appro-
18 priate, establishing and using vehicles to
19 purchase, hold, and sell such financial in-
20 struments or assets;

21 (ii) designate one or more banks, se-
22 curity brokers or dealers, asset managers,
23 or investment advisers, as a financial agent
24 of the Federal Government to perform du-

1 ties related to authorities granted under
2 this section; and

3 (iii) use the services of the Depart-
4 ment of Housing and Urban Development
5 on a reimbursable basis, and the Secretary
6 of Housing and Urban Development is au-
7 thorized to provide services as requested by
8 the Secretary of Treasury using all au-
9 thorities vested in or delegated to the De-
10 partment of Housing and Urban Develop-
11 ment.

12 (2) TRANSFER OF AMOUNTS TO TREASURY.—
13 Such portions of the appropriation to the Secretary
14 of Housing and Urban Development shall be trans-
15 ferred by the Secretary of Housing and Urban De-
16 velopment to the Department of the Treasury from
17 time-to-time in an amount equal to, as determined
18 by the Secretary of the Treasury in consultation
19 with the Secretary of Housing and Urban Develop-
20 ment, the amount necessary for the purchase of se-
21 curities under the Program during the period for
22 which the funds are intended to be available.

23 (3) USE OF PROCEEDS.—Revenues of and pro-
24 ceeds from the sale, exercise, or surrender of assets
25 purchased or acquired under the Program under this

1 section shall be available to the Secretary of the
2 Treasury through September 30, 2031, for purposes
3 of purchases under subsection (b)(1)(B)(i).

4 (c) LIMITATION ON AGGREGATE LOAN INSURANCE
5 OR GUARANTEE AUTHORITY.—The aggregate original
6 principal obligation of all covered mortgage loans insured
7 or guaranteed under subsection (e)(1)(A) of this section
8 may not exceed \$48,000,000,000, and under section
9 (e)(1)(B) may not exceed \$12,000,000,000.

10 (d) GNMA GUARANTEE AUTHORITY AND FEE.—To
11 carry out the purposes of this section, the Government Na-
12 tional Mortgage Association may enter into new commit-
13 ments to issue guarantees of securities based on or backed
14 by mortgages insured or guaranteed under this section,
15 not exceeding \$60,000,000,000, and shall collect guaranty
16 fees consistent with section 306(g)(1) of the National
17 Housing Act (12 U.S.C. 1721(g)(1)) that are paid at
18 securitization.

19 (e) DEFINITIONS.—In this section:

20 (1) COVERED MORTGAGE LOAN.—

21 (A) IN GENERAL.—The term “covered
22 mortgage loan” means, for purposes of the Pro-
23 gram established by the Secretary of Housing
24 and Urban Development, a mortgage loan
25 that—

1 (i) is insured by the Federal Housing
2 Administration pursuant to section 203(b)
3 of the National Housing Act, subject to the
4 eligibility criteria set forth in this sub-
5 section, and has a case number issued on
6 or before December 31, 2029;

7 (ii) is made for an original term of 20
8 years with a monthly mortgage payment of
9 principal and interest that is not more
10 than 110 percent and not less than 100
11 percent of the monthly payment of prin-
12 cipal, interest, and periodic mortgage in-
13 surance premium associated with a newly
14 originated 30-year mortgage loan with the
15 same loan balance insured by the agency
16 as determined by the Secretary;

17 (iii) subject to subparagraph (C) of
18 this paragraph and notwithstanding sec-
19 tion 203(c)(2) of the National Housing Act
20 (12 U.S.C. 1709(c)(2)), has a mortgage in-
21 surance premium of not more than 4 per-
22 cent of the loan balance that is paid at
23 closing, financed into the principal balance
24 of the loan, paid through an annual pre-
25 mium, or a combination thereof;

1 (iv) involves a rate of interest that is
2 fixed over the term of the mortgage loan;
3 and

4 (v) is secured by a single-family resi-
5 dence that is the principal residence of an
6 eligible homebuyer.

7 (B) The term “covered mortgage loan”
8 means, for purposes of the Program established
9 by the Secretary of Agriculture, a loan guaran-
10 teed under section 502(h) of the Housing Act
11 of 1949 (42 U.S.C. 1472(h)) that—

12 (i) notwithstanding section
13 502(h)(7)(A) of the Housing Act of 1949
14 (42 U.S.C. 1472(h)(7)(A)), is made for an
15 original term of 20 years with a monthly
16 mortgage payment of principal and interest
17 that is not more than 110 percent and not
18 less than 100 percent of the monthly pay-
19 ment of principal, interest, and loan guar-
20 antee fee associated with a newly origi-
21 nated 30-year mortgage loan with the
22 same loan balance guaranteed by the agen-
23 cy as determined by the Secretary; and

24 (ii) subject to subparagraph (C) of
25 this paragraph and notwithstanding sec-

1 tion 502(h)(8)(A) of the Housing Act of
2 1949 (42 U.S.C. 1472(h)(8)(A)), has a
3 loan guarantee fee of not more than 4 per-
4 cent of the principal obligation of the loan.

5 (C) WAIVER AND ALTERNATIVE REQUIRE-
6 MENTS.—The Secretary of Housing and Urban
7 Development and the Secretary of Agriculture,
8 in consultation with the Secretary of the Treas-
9 ury, and notwithstanding paragraph (8)(A) of
10 section 502(h) of the Housing Act of 1949 (42
11 U.S.C. 1472(h)(8)(A)) for purposes of the Pro-
12 gram established by the Secretary of Agri-
13 culture, may waive or specify alternative re-
14 quirements for subsection (e)(1)(A)(ii) or
15 (e)(1)(B)(i) for covered mortgage loans in con-
16 nection with the use of amounts made available
17 under this section upon a finding that the waiv-
18 er or alternative requirement is necessary to fa-
19 cilitate the use of amounts made available
20 under this section.

21 (2) ELIGIBLE HOMEBUYER.—The term “eligible
22 homebuyer” means an individual who—

23 (A) for purposes of the Program estab-
24 lished by the Secretary of Housing and Urban
25 Development—

1 (i) has an annual household income
2 that is less than or equal to—

3 (I) 120 percent of median income
4 for the area, as determined by the
5 Secretary of Housing and Urban De-
6 velopment for—

7 (aa) the area in which the
8 home to be acquired using such
9 assistance is located; or

10 (bb) the area in which the
11 place of residence of the home-
12 buyer is located; or

13 (II) if the homebuyer is acquiring
14 an eligible home that is located in a
15 high-cost area, 140 percent of the me-
16 dian income, as determined by the
17 Secretary, for the area within which
18 the eligible home to be acquired using
19 assistance provided under this section
20 is located;

21 (ii) is a first-time homebuyer, as de-
22 fined in paragraph (4) of this subsection;
23 and

24 (iii) is a first-generation homebuyer as
25 defined in paragraph (3) of this subsection;

1 (B) for purposes of the Program estab-
2 lished by the Secretary of Agriculture—

3 (i) meets the applicable requirements
4 in section 502(h) of the Housing Act of
5 1949 (42 U.S.C. 1472(h)); and

6 (ii) is a first-time homebuyer as de-
7 fined in paragraph (4) of this subsection
8 and a first-generation homebuyer as de-
9 fined in paragraph (3) of this subsection.

10 (3) FIRST-GENERATION HOMEBUYER.—The
11 term “first-generation homebuyer” means a home-
12 buyer that, as attested by the homebuyer, is—

13 (A) an individual—

14 (i) whose parents or legal guardians
15 do not, or did not at the time of their
16 death, to the best of the individual’s knowl-
17 edge, have any present ownership interest
18 in a residence in any State or ownership of
19 chattel, excluding ownership of heir prop-
20 erty; and

21 (ii) whose spouse, or domestic partner
22 has not, during the 3-year period ending
23 upon acquisition of the eligible home to be
24 acquired using such assistance, have any
25 present ownership interest in a residence

1 in any State, excluding ownership of heir
2 property or ownership of chattel, whether
3 the individual is a co-borrower on the loan
4 or not; or

5 (B) an individual who has at any time
6 been placed in foster care or institutional care
7 whose spouse or domestic partner has not, dur-
8 ing the 3-year period ending upon acquisition of
9 the eligible home to be acquired using such as-
10 sistance, had any ownership interest in a resi-
11 dence in any State, excluding ownership of heir
12 property or ownership of chattel, whether such
13 individuals are co-borrowers on the loan or not.

14 (4) **FIRST-TIME HOMEBUYER.**—The term “first-
15 time homebuyer” means a homebuyer as defined in
16 section 104 of the Cranston-Gonzalez National Af-
17 fordable Housing Act (42 U.S.C. 12704), except
18 that for the purposes of this section the reference in
19 such section 12704(14) to title II shall be considered
20 to refer to this section, and except that ownership of
21 heir property shall not be treated as owning a home
22 for purposes of determining whether a borrower
23 qualifies as a first-time homebuyer.

24 (5) **HEIR PROPERTY.**—The term “heir prop-
25 erty” means residential property for which title

1 passed by operation of law through intestacy and is
2 held by two or more heirs as tenants in common.

3 (6) OWNERSHIP INTEREST.—The term “owner-
4 ship interest” means any ownership, excluding any
5 interest in heir property, in—

6 (A) real estate in fee simple;

7 (B) a leasehold on real estate under a lease
8 for not less than ninety-nine years which is re-
9 newable; or

10 (C) a fee interest in, or long-term leasehold
11 interest in, real estate consisting of a one-family
12 unit in a multifamily project, including a
13 project in which the dwelling units are attached,
14 or are manufactured housing units, semi-de-
15 tached, or detached, and an undivided interest
16 in the common areas and facilities which serve
17 the project.

18 (7) STATE.—The term “State” means the
19 States of the United States, the District of Colum-
20 bia, the Commonwealth of Puerto Rico, the Com-
21 monwealth of the Northern Mariana Islands, Guam,
22 the Virgin Islands, American Samoa, the Trust Ter-
23 ritory of the Pacific Islands, and any other territory
24 or possession of the United States.

1 (f) RELIANCE ON BORROWER ATTESTATIONS.—No
2 additional documentation beyond the borrower’s attesta-
3 tion shall be required to demonstrate eligibility under
4 clauses (ii) and (iii) of subsection (e)(2)(A) and clause (ii)
5 of subsection (e)(2)(B) and no State, eligible entity, or
6 creditor shall be subject to liability based on the accuracy
7 of such attestation.

8 (g) IMPLEMENTATION.—The Secretary of Housing
9 and Urban Development, the Secretary of Agriculture,
10 and the Secretary of Treasury shall have authority to issue
11 such regulations, notices, or other guidance, forms, in-
12 structions, and publications to carry out the programs,
13 projects, or activities authorized under this section to en-
14 sure that such programs, projects, or activities are com-
15 pleted in a timely and effective manner.

16 **SEC. 40203. HUD-INSURED SMALL DOLLAR MORTGAGE**
17 **DEMONSTRATION PROGRAM.**

18 (a) APPROPRIATION.—In addition to amounts other-
19 wise available, there is appropriated to the Secretary of
20 Housing and Urban Development (in this section referred
21 to as the “Secretary”) for fiscal year 2022, out of any
22 money in the Treasury not otherwise appropriated, to re-
23 main available until September 30, 2031—

24 (1) \$76,000,000 for a program to increase ac-
25 cess to small-dollar mortgages, as defined in sub-

1 section (b), which may include payment of incentives
2 to lenders, adjustments to terms and costs, indi-
3 vidual financial assistance, technical assistance to
4 lenders and certain financial institutions to help
5 originate loans, lender and borrower outreach, and
6 other activities;

7 (2) \$10,000,000 for the cost of insured or guar-
8 anteed loans, including the cost of modifying loans;
9 and

10 (3) \$14,000,000 for the costs to the Secretary
11 of administering and overseeing the implementation
12 of this section and programs in the Office of Hous-
13 ing generally, including information technology, fi-
14 nancial reporting, research and evaluations, fair
15 housing and fair lending compliance, and other
16 cross-program costs in support of programs adminis-
17 tered by the Secretary in this title, and other costs.

18 (b) SMALL-DOLLAR MORTGAGE.—For purposes of
19 this section, the term “small-dollar mortgage” means a
20 forward mortgage that—

21 (1) has an original principal balance of
22 \$100,000 or less;

23 (2) is secured by a one- to four-unit property
24 that is the mortgagor’s principal residence; and

25 (3) is insured or guaranteed by the Secretary.

1 (c) 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. 40204. INVESTMENTS IN RURAL HOMEOWNERSHIP.**

8 (a) APPROPRIATION.—In addition to amounts other-
9 wise available, there is appropriated to the Rural Housing
10 Service of the Department of Agriculture for fiscal year
11 2022, out of any money in the Treasury not otherwise ap-
12 propriated, to remain available until expended—

13 (1) \$90,000,000 for providing single family
14 housing repair grants under section 504 of the
15 Housing Act of 1949 (42 U.S.C. 1474), subject to
16 the terms and conditions in subsection (b) of this
17 section;

18 (2) \$10,000,000 for administrative expenses of
19 the Rural Housing Service of the Department of Ag-
20 riculture that in whole or in part support activities
21 funded by this section and related activities.

22 (b) TERMS AND CONDITIONS.—

23 (1) ELIGIBILITY.—Eligibility for grants from
24 amounts made available by subsection (a)(1) shall

1 not be subject to the limitations in section
2 3550.103(b) of title 7, Code of Federal Regulations.

3 (2) USES.—Notwithstanding the limitations in
4 section 3550.102(a) of title 7, Code of Federal Reg-
5 ulations, grants from amounts made available by
6 subsection (a)(2) shall be available for the eligible
7 purposes in section 3550.102(b) of title 7, Code of
8 Federal Regulations.

9 (c) IMPLEMENTATION.—The Administrator of the
10 Rural Housing Service shall have authority to issue such
11 regulations, notices, or other guidance, forms, instruc-
12 tions, and publications to carry out the programs,
13 projects, or activities authorized under this section to en-
14 sure that such programs, projects, or activities are com-
15 pleted in a timely and effective manner.

16 **Subtitle D—HUD Administration,**
17 **Capacity Building, Technical**
18 **Assistance, and Agency Over-**
19 **sight**

20 **SEC. 40301. PROGRAM ADMINISTRATION, TRAINING, TECH-**
21 **NICAL ASSISTANCE, CAPACITY BUILDING,**
22 **AND OVERSIGHT.**

23 (a) APPROPRIATION.—In addition to amounts other-
24 wise available, there is appropriated for fiscal year 2022,

1 out of any money in the Treasury not otherwise appro-
2 priated,—

3 (1) \$949,250,000 to the Secretary of Housing
4 and Urban Development for—

5 (A) the costs to the Secretary of admin-
6 istering and overseeing the implementation of
7 this title and the Department's programs gen-
8 erally, including information technology, inspec-
9 tions of housing units, research and evaluation,
10 financial reporting, and other costs; and

11 (B) new awards or increasing prior awards
12 to provide training, technical assistance, and ca-
13 pacity building related to the Department's pro-
14 grams, including direct program support to pro-
15 gram recipients throughout the country, includ-
16 ing insular areas, that require such assistance
17 with daily operations;

18 (2) \$43,250,000 to the Office of Inspector Gen-
19 eral of the Department of Housing and Urban De-
20 velopment for necessary salaries and expenses for
21 conducting oversight of amounts provided by this
22 title;

23 (3) \$5,000,000 to the Office of Inspector Gen-
24 eral of the Department of the Treasury for nec-

1 necessary salaries and expenses for conducting oversight
2 of amounts provided by this title; and

3 (4) \$2,500,000 to the Office of Inspector Gen-
4 eral of the Department of the Agriculture for nec-
5 essary salaries and expenses for conducting oversight
6 of amounts provided by this title.

7 Amounts appropriated by this section shall remain avail-
8 able until September 30, 2031.

9 (b) IMPLEMENTATION.—The Secretary of Housing
10 and Urban Development shall have authority to issue such
11 regulations, notices, or other guidance, forms, instruc-
12 tions, and publications to carry out the programs,
13 projects, or activities authorized under this section to en-
14 sure that such programs, projects, or activities are com-
15 pleted in a timely and effective manner.

16 **SEC. 40302. COMMUNITY-LED CAPACITY BUILDING.**

17 (a) APPROPRIATION.—In addition to amounts other-
18 wise made available, there is appropriated to the Secretary
19 of Housing and Urban Development (in this section re-
20 ferred to as the “Secretary”) for fiscal year 2022, out of
21 any money in the Treasury not otherwise appropriated—

22 (1) \$90,000,000 for competitively awarded
23 funds for technical assistance and capacity building
24 to non-Federal entities, including grants awarded to
25 nonprofit organizations to provide technical assist-

1 ance activities to community development corpora-
2 tions, community housing development organiza-
3 tions, community land trusts, nonprofit organiza-
4 tions in insular areas, and other mission-driven and
5 nonprofit organizations that target services to low-
6 income and socially disadvantaged populations, and
7 provide services in neighborhoods having high con-
8 centrations of minority, low-income, or socially dis-
9 advantaged populations to—

10 (A) provide training, education, support,
11 and advice to enhance the technical and admin-
12 istrative capabilities of community development
13 corporations, community housing development
14 organizations, community land trusts, and other
15 mission-driven and nonprofit organizations un-
16 dertaking affordable housing development, ac-
17 quisition, preservation, or rehabilitation activi-
18 ties;

19 (B) provide predevelopment assistance to
20 community development corporations, commu-
21 nity housing development organizations, and
22 other mission-driven and nonprofit organiza-
23 tions undertaking affordable housing develop-
24 ment, acquisition, preservation, or rehabilitation
25 activities; and

1 (C) carry out such other activities as may
2 be determined by the grantees in consultation
3 with the Secretary; and

4 (2) \$10,000,000 for the costs to the Secretary
5 of administering and overseeing the implementation
6 of this section and the Department's technical as-
7 sistance programs generally, including information
8 technology, research and evaluations, financial re-
9 porting, and other cross-program costs in support of
10 programs administered by the Secretary in this title
11 and other costs.

12 Amounts appropriated by this section shall remain avail-
13 able until September 30, 2031.

14 (b) 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 **Subtitle E—Economic Development**

21 **SEC. 40401. MINORITY BUSINESS DEVELOPMENT AGENCY.**

22 In addition to amounts otherwise available, there is
23 appropriated to the Minority Business Development Agen-
24 cy of the Department of Commerce for fiscal year 2022,

1 out of any money in the Treasury not otherwise appro-
2 priated—

3 (1) \$200,000,000, to remain available until
4 September 30, 2026, for entering into agreements
5 with minority-serving institutions of higher edu-
6 cation or consortiums of institutions of higher edu-
7 cation that are led by minority-serving institutions
8 of higher education to operate a rural business cen-
9 ter to assist minority business enterprises located in
10 rural areas, priority for which shall be given to insti-
11 tutions that have financial need and are located in
12 areas that have a significant population of socially
13 or economically disadvantaged individuals; and

14 (2) \$1,000,000,000, to remain available until
15 September 30, 2026, for entering into grants and
16 agreements to—

17 (A) assist the formation and growth of mi-
18 nority business enterprises;

19 (B) establish and provide Federal assist-
20 ance to minority business centers, specialty cen-
21 ters, and minority business enterprises;

22 (C) make grants to private, nonprofit orga-
23 nizations that can demonstrate that a primary
24 activity of the organization is to provide serv-
25 ices to minority business enterprises, priority

1 for which shall be given to organizations located
2 in a Federally recognized area of economic dis-
3 tress; and

4 (D) provide grants and assistance to mi-
5 nority-serving institutions of higher education
6 to develop and implement entrepreneurship cur-
7 ricula and participate in the business center
8 program of the Minority Business Development
9 Agency; and

10 (3) \$400,000,000, to remain available until
11 September 30, 2029, to—

12 (A) establish not less than 5 regional of-
13 fices of the Minority Business Development
14 Agency, 1 of which shall be established in each
15 region of the United States, as determined by
16 the Secretary;

17 (B) assist the formation and growth of mi-
18 nority business enterprises;

19 (C) collect data relating to the needs and
20 development of minority business enterprises;

21 (D) annually review the status of problems
22 and programs relating to capital formation by
23 minority business enterprises; and

24 (E) carry out this section.

1 **SEC. 40402. ENHANCED USE OF DEFENSE PRODUCTION ACT**
2 **OF 1950.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated for fiscal year 2022,
5 out of any money at the Treasury not otherwise appro-
6 priated, \$500,000,000, to remain available until Sep-
7 tember 30, 2025, to carry out the Defense Production Act
8 of 1950 in accordance with subsection (b).

9 (b) USE.—Amounts appropriated by subsection (a)
10 shall be used to create, maintain, protect, expand, or re-
11 store the domestic industrial base capabilities essential for
12 national and economic security.

13 **SEC. 40403. SUPPORTING FACTORY-BUILT HOUSING**
14 **THROUGH SSBCI.**

15 (a) IN GENERAL.—Section 3009 of the State Small
16 Business Credit Initiative Act of 2010 (12 U.S.C. 5708)
17 is amended—

18 (1) in subsection (c), by striking “at the end of
19 the 7-year period beginning on March 11, 2021”
20 and inserting “on September 30, 2030”; and

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

22 “(f) ADDITIONAL TECHNICAL ASSISTANCE WITH RE-
23 SPECT TO FACTORY-BUILT HOUSING SECTOR.—The Sec-
24 retary shall contract with legal, accounting, and financial
25 advisory firms to provide technical assistance to existing

1 and prospective business enterprises within the factory-
2 built housing sector applying to—

3 “(1) State programs under the Program; and

4 “(2) other State or Federal programs that sup-
5 port small businesses.”

6 (b) APPROPRIATION.—In addition to amounts other-
7 wise available, there is hereby appropriated to the Sec-
8 retary of the Treasury for fiscal year 2022, out of any
9 money in the Treasury not otherwise appropriated,
10 \$25,000,000, to remain available until September 30,
11 2030, to carry out the amendments made by subsection
12 (a).

13 **TITLE V—COMMITTEE ON** 14 **HOMELAND SECURITY**

15 **SEC. 50001. CYBERSECURITY AND INFRASTRUCTURE SECU-** 16 **RITY AGENCY.**

17 (a) IMPROVING FEDERAL SYSTEM CYBERSECU-
18 RITY.—In addition to amounts otherwise made available,
19 there is appropriated to the Cybersecurity and Infrastruc-
20 ture Security Agency for fiscal year 2022, out of any
21 money in the Treasury not otherwise appropriated,
22 \$100,000,000, to remain available until September 30,
23 2031, for improving the cybersecurity of Federal informa-
24 tion systems that are not national security systems (as de-

1 fined in paragraph (6) of section 3552 of title 44, United
2 States Code) and necessary mission support activities.

3 (b) CYBERSECURITY TRAINING.—In addition to
4 amounts otherwise made available, there is appropriated
5 to the Cybersecurity and Infrastructure Security Agency
6 for fiscal year 2022, out of any money in the Treasury
7 not otherwise appropriated, \$15,000,000, to remain avail-
8 able until September 30, 2031, for the Cybersecurity Edu-
9 cation and Training Assistance Program, Federal assist-
10 ance grants under the Cybersecurity Education and Train-
11 ing Assistance Program, and necessary mission support
12 activities.

13 (c) CYBERSECURITY AWARENESS, TRAINING, AND
14 WORKFORCE DEVELOPMENT.—In addition to amounts
15 otherwise made available, there is appropriated to the Cy-
16 bersecurity and Infrastructure Security Agency for fiscal
17 year 2022, out of any money in the Treasury not otherwise
18 appropriated, \$100,000,000, to remain available until
19 September 30, 2031, for improving cybersecurity aware-
20 ness, training, and workforce development, including nec-
21 essary mission support activities.

22 (d) MULTI-STATE INFORMATION SHARING AND
23 ANALYSIS CENTER.—In addition to amounts otherwise
24 made available, there is appropriated to the Cybersecurity
25 and Infrastructure Security Agency for fiscal year 2022,

1 out of any money in the Treasury not otherwise appro-
2 priated, \$35,000,000, to remain available until September
3 30, 2031, for Federal assistance through cooperative
4 agreements with the Multi-State Information Sharing and
5 Analysis Center.

6 (e) CYBERSENTRY.—In addition to amounts other-
7 wise made available, there is appropriated to the Cyberse-
8 curity and Infrastructure Security Agency for fiscal year
9 2022, out of any money in the Treasury not otherwise ap-
10 propriated, \$50,000,000, to remain available until Sep-
11 tember 30, 2031, for the purpose of protecting critical in-
12 frastructure industrial control systems and the
13 CyberSentry program.

14 (f) CLOUD SECURITY.—In addition to amounts other-
15 wise made available, there is appropriated to the Cyberse-
16 curity and Infrastructure Security Agency for fiscal year
17 2022, out of any money in the Treasury not otherwise ap-
18 propriated, \$50,000,000, to remain available until Sep-
19 tember 30, 2031, for the purpose of executing the secure
20 cloud architecture activities, migration advisory services,
21 and cloud threat hunting capabilities of the Cybersecurity
22 and Infrastructure Security Agency.

23 (g) INDUSTRIAL CONTROL SYSTEMS SECURITY.—In
24 addition to amounts otherwise made available, there is ap-
25 propriated to the Cybersecurity and Infrastructure Secu-

1 rity Agency for fiscal year 2022, out of any money in the
2 Treasury not otherwise appropriated, \$50,000,000, to re-
3 main available until September 30, 2031, for the purpose
4 of researching and developing the means by which to se-
5 cure operational technology and industrial control systems
6 against security vulnerabilities (as such term is defined
7 in section 102(17) of the Cybersecurity Information Shar-
8 ing Act of 2015 (6 U.S.C. 1501(17)).

9 **SEC. 50002. CYBERSECURITY ASSISTANCE.**

10 (a) STATE AND LOCAL CYBERSECURITY RECRUIT-
11 MENT AND TRAINING.—In addition to amounts otherwise
12 made available, there is appropriated for fiscal year 2022,
13 out of any money in the Treasury not otherwise appro-
14 priated, \$80,000,000, to remain available until September
15 30, 2031, to the Administrator of the Federal Emergency
16 Management Agency, in consultation with the Cybersecu-
17 rity and Infrastructure Security Agency, to award grants,
18 contracts, or cooperative agreements to State, local, Trib-
19 al, and territorial governments for cybersecurity recruit-
20 ment and training to enhance efforts to address cybersecu-
21 rity risks (as defined in paragraph (2) of section 2201 of
22 the Homeland Security Act) and cybersecurity threats (as
23 defined in paragraph (3) of section 2201 of the Homeland
24 Security Act).

1 (b) MIGRATION TO .GOV DOMAIN.—In addition to
2 amounts otherwise made available, there is appropriated
3 for fiscal year 2022, out of any money in the Treasury
4 not otherwise appropriated, \$20,000,000, to remain avail-
5 able until September 30, 2031, to the Administrator of
6 the Federal Emergency Management Agency, in consulta-
7 tion with the Cybersecurity and Infrastructure Security
8 Agency, to award grants, contracts, or cooperative agree-
9 ments to State, local, Tribal, and territorial governments
10 to carry out activities to migrating the online services of
11 such governments to the .gov internet domain.

12 (c) LIMITATION.—The Administrator of the Federal
13 Emergency Management Agency may not use amounts ap-
14 propriated under this section for activities under the Na-
15 tional Flood Insurance Act of 1968 or a function of the
16 Federal Emergency Management Agency relating to that
17 Act.

18 **SEC. 50003. NONPROFIT SECURITY GRANT PROGRAM.**

19 (a) HIGH-RISK URBAN AREAS.—In addition to
20 amounts otherwise available, there is appropriated, out of
21 any money in the Treasury not otherwise appropriated,
22 \$50,000,000, to remain available until September 30,
23 2031, to the Administrator of Federal Emergency Man-
24 agement Agency for the Nonprofit Security Grant Pro-

1 gram for grants to nonprofits under the Urban Area Security Initiative.

3 (b) OTHER AREAS.—In addition to amounts otherwise available, there is appropriated, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain available until September 30, 2031, to the Administrator of the Federal Emergency Management Agency for the Nonprofit Security Grant Program for grants to nonprofits under the State Homeland Security Grant Program.

11 (c) LIMITATION.—The Administrator of the Federal Emergency Management Agency may not use amounts appropriated under this section for activities under the National Flood Insurance Act of 1968 or a function of the Federal Emergency Management Agency relating to that Act.

17 **SEC. 50004. OFFICE OF CHIEF READINESS SUPPORT OFFICER.**

19 In addition to the amounts otherwise available, there is appropriated to the Secretary of Homeland Security for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$900,000,000, to remain available until September 30, 2028, for the Office of the Chief Readiness Support Officer to carry out sustainability and environmental programs.

1 **TITLE VI—COMMITTEE ON THE**
2 **JUDICIARY**
3 **Subtitle A—Immigration**
4 **Provisions**

5 **SEC. 60001. PROTECTIONS AND WORK PERMITS.**

6 (a) IN GENERAL.—The Secretary of Homeland Secu-
7 rity shall—

8 (1) under section 212(d)(5) of the Immigration
9 and Nationality Act (8 U.S.C. 1182(d)(5)) and con-
10 sistent with this section, parole into the United
11 States for a period of 5 years or until September 30,
12 2031, whichever is earlier, an alien described in sub-
13 section (b), if such alien—

14 (A) files an application for parole after the
15 date of the enactment of this section;

16 (B) pays an administrative fee in an
17 amount sufficient to cover the cost of proc-
18 essing the application; and

19 (C) completes security and law enforce-
20 ment background checks to the satisfaction of
21 the Secretary; and

22 (2) for the period during which an alien is pa-
23 roled into the United States under paragraph (1)
24 and any period in which such parole is extended
25 under subsection (c)—

1 (A) provide employment and travel author-
2 ization to such alien; and

3 (B) deem such alien eligible for a driver's
4 license or identification card under section 202
5 of the REAL ID Act of 2005 (division B of
6 Public Law 109–13; 49 U.S.C. 30301 note).

7 (b) ALIENS DESCRIBED.—An alien is described in
8 this subsection if the alien—

9 (1) before January 1, 2011—

10 (A) was inspected and admitted to the
11 United States;

12 (B) entered the United States without in-
13 spection; or

14 (C) was paroled into the United States;

15 (2) has continuously resided in the United
16 States since such entry; and

17 (3) is not inadmissible pursuant to paragraph
18 (2), (3), (6)(E), (8), (10)(A), (10)(C), or (10)(D) of
19 section 212(a) of the Immigration and Nationality
20 Act (8 U.S.C. 1182(a)).

21 (c) EXTENSION.—Consistent with the requirements
22 under subsection (a), and based on the policies and imple-
23 menting guidance issued pursuant to this section and in
24 effect when parole was initially granted to the alien under
25 this section, the Secretary of Homeland Security shall ex-

1 tend a grant of parole for an alien described in subsection
2 (b) from the date the initial parole period expires until
3 September 30, 2031.

4 (d) REVOCATION.—The Secretary of Homeland Secu-
5 rity may not revoke parole granted to an alien under sub-
6 section (a) unless the Secretary determines that such alien
7 is ineligible for parole under subsection (b) based on the
8 policies and implementing guidance in effect when parole
9 was initially granted to the alien under this section.

10 (e) CLARIFICATIONS.—

11 (1) IN GENERAL.—An alien paroled under this
12 section shall not be counted for purposes of the cal-
13 culation under section 201(c)(4) of the Immigration
14 and Nationality Act (8 U.S.C. 1151(c)(4)).

15 (2) OTHER RELIEF.—Nothing in this section
16 shall limit the existing authority of the Secretary of
17 Homeland Security to provide administrative or stat-
18 utory relief to aliens on an individual or class-wide
19 basis.

20 (f) CONFIDENTIALITY OF INFORMATION.—The Sec-
21 retary of Homeland Security may not disclose information
22 provided in any application filed under this section to U.S.
23 Immigration and Customs Enforcement, U.S. Customs
24 and Border Protection, or any designee of either such enti-

1 ty or use such information for purposes of immigration
2 enforcement.

3 (g) INTERIM RULES.—Not later than 90 days after
4 the date of the enactment of this section, the Secretary
5 of Homeland Security shall publish in the Federal Reg-
6 ister, interim final rules implementing this section and
7 shall, not later than 90 days after such rules are pub-
8 lished, begin accepting and adjudicating applications for
9 parole under subsection (a)(1)(A).

10 **SEC. 60002. RECAPTURE OF UNUSED IMMIGRANT VISA**
11 **NUMBERS.**

12 (a) ENSURING FUTURE USE OF ALL IMMIGRANT
13 VISAS.—Section 201(c)(1)(B)(ii) of the Immigration and
14 Nationality Act (8 U.S.C. 1151(c)(1)(B)(ii)) is amended
15 to read as follows:

16 “(ii) In no case shall the number com-
17 puted under subparagraph (A) be less than
18 the sum of—

19 “(I) 226,000; and

20 “(II) the number computed
21 under paragraph (3).”.

22 (b) RECAPTURING UNUSED VISAS.—Section 201 of
23 the Immigration and Nationality Act (8 U.S.C. 1151) is
24 amended by adding at the end the following:

25 “(g) RECAPTURING UNUSED VISAS.—

1 “(1) FAMILY-SPONSORED VISAS.—

2 “(A) IN GENERAL.—Notwithstanding the
3 numerical limitations set forth in this section or
4 in sections 202 or 203, beginning in fiscal year
5 2022, the number of family-sponsored immi-
6 grant visas that may be issued under section
7 203(a) shall be increased by the number com-
8 puted under subparagraph (B).

9 “(B) UNUSED VISAS.—The number com-
10 puted under this subparagraph is the dif-
11 ference, if any, between—

12 “(i) the difference, if any, between—

13 “(I) the number of visas that
14 were originally made available to fam-
15 ily-sponsored immigrants under sec-
16 tion 201(c)(1) for fiscal years 1992
17 through 2021, setting aside any un-
18 used visas made available to such im-
19 migrants in such fiscal years under
20 section 201(c)(3); and

21 “(II) the number of visas de-
22 scribed in subclause (I) that were
23 issued under section 203(a), or, in ac-
24 cordance with section 201(d)(2)(C),
25 under section 203(b); and

1 “(ii) the number of visas resulting
2 from the calculation under clause (i) issued
3 under section 203(a) after fiscal year
4 2021.

5 “(2) EMPLOYMENT-BASED VISAS.—

6 “(A) IN GENERAL.—Notwithstanding the
7 numerical limitations set forth in this section or
8 in sections 202 or 203, beginning in fiscal year
9 2022, the number of employment-based immi-
10 grant visas that may be issued under section
11 203(b) shall be increased by the number com-
12 puted under subparagraph (B).

13 “(B) UNUSED VISAS.—The number com-
14 puted under this paragraph is the difference, if
15 any, between—

16 “(i) the difference, if any, between—

17 “(I) the number of visas that
18 were originally made available to em-
19 ployment-based immigrants under sec-
20 tion 201(d)(1) for fiscal years 1992
21 through 2021, setting aside any un-
22 used visas made available to such im-
23 migrants in such fiscal years under
24 section 201(d)(2); and

1 “(II) the number of visas de-
2 scribed in subclause (I) that were
3 issued under section 203(b), or, in ac-
4 cordance with section 201(c)(3)(C),
5 under section 203(a); and

6 “(ii) the number of visas resulting
7 from the calculation under clause (i) issued
8 under section 203(b) after fiscal year
9 2021.

10 “(3) DIVERSITY VISAS.—Notwithstanding sec-
11 tion 204(a)(1)(I)(ii)(II), an immigrant visa for an
12 alien selected in accordance with section 203(e)(2) in
13 fiscal year 2017, 2018, 2019, 2020, or 2021 shall
14 remain available to such alien (and the spouse and
15 children of such alien) if—

16 “(A) the alien was refused a visa, pre-
17 vented from seeking admission, or denied ad-
18 mission to the United States solely because of
19 Executive Order 13769, Executive Order
20 13780, Presidential Proclamation 9645, or
21 Presidential Proclamation 9983; or

22 “(B) because of restrictions or limitations
23 on visa processing, visa issuance, travel, or
24 other effects associated with the COVID–19
25 public health emergency—

1 “(i) the alien was unable to receive a
2 visa interview despite submitting an Online
3 Immigrant Visa and Alien Registration
4 Application (Form DS–260) to the Sec-
5 retary of State; or

6 “(ii) the alien was unable to seek ad-
7 mission or was denied admission to the
8 United States despite being approved for a
9 visa under section 203(c).”.

10 **SEC. 60003. ADJUSTMENT OF STATUS.**

11 Section 245 of the Immigration and Nationality Act
12 (8 U.S.C. 1255) is amended by adding at the end the fol-
13 lowing:

14 “(n) VISA AVAILABILITY.—

15 “(1) IN GENERAL.—Notwithstanding subsection
16 (a)(3), the Secretary of Homeland Security may ac-
17 cept for filing an application for adjustment of sta-
18 tus from an alien (and the spouse and children of
19 such alien), if such alien—

20 “(A) is the beneficiary of an approved peti-
21 tion under section 204(a)(1);

22 “(B) pays a supplemental fee of \$1,500,
23 plus \$250 for each derivative beneficiary; and

24 “(C) is otherwise eligible for such adjust-
25 ment.

1 “(2) EXEMPTION.—The Secretary of Homeland
2 Security shall exempt an alien (and the spouse and
3 children of such alien) from the numerical limita-
4 tions described in sections 201, 202, and 203, and
5 the Secretary of Homeland Security may adjust the
6 status of such alien (and the spouse and children of
7 such alien) to lawful permanent resident, if such
8 alien submits or has submitted an application for
9 adjustment of status and—

10 “(A) such alien—

11 “(i) is the beneficiary of an approved
12 petition under subparagraph (A)(i) or
13 (B)(i)(I) of section 204(a)(1) that bears a
14 priority date that is more than 2 years be-
15 fore the date the alien requests an exemp-
16 tion from the numerical limitations; and

17 “(ii) pays a supplemental fee of
18 \$2,500;

19 “(B) such alien—

20 “(i) is the beneficiary of an approved
21 petition under subparagraph (E) or (F) of
22 section 204(a)(1) that bears a priority date
23 that is more than 2 years before the date
24 the alien requests an exemption from the
25 numerical limitations; and

1 “(ii) pays a supplemental fee of
2 \$5,000; or

3 “(C) such alien—

4 “(i) is the beneficiary of an approved
5 petition under subparagraph (H) of section
6 204(a)(1) that bears a priority date that is
7 more than 2 years before the date the alien
8 requests an exemption from the numerical
9 limitations; and

10 “(ii) pays a supplemental fee of
11 \$50,000.

12 “(3) EFFECTIVE DATE.—

13 “(A) IN GENERAL.—The provisions of this
14 subsection—

15 “(i) shall take effect on the earlier of
16 the date that is—

17 “(I) 180 days after the date of
18 the enactment of this subsection; or

19 “(II) May 1, 2022; and

20 “(ii) except as provided in subpara-
21 graph (B), shall cease to have effect on
22 September 30, 2031.

23 “(B) CONTINUATION.—Paragraph (2)
24 shall continue in effect with respect to an alien
25 who requested an exemption of the numerical

1 limitations and paid the requisite fee prior to
2 the date described in subparagraph (A)(ii),
3 until the Secretary of Homeland Security ren-
4 ders a final administrative decision on such ap-
5 plication.”.

6 **SEC. 60004. ADDITIONAL SUPPLEMENTAL FEES.**

7 (a) **TREASURY.**—The fees described in this section,
8 section 60001, and section 245(n) of the Immigration and
9 Nationality Act, as added by this subtitle—

10 (1) shall be deposited in the general fund of the
11 Treasury; and

12 (2) may not be waived, in whole or in part.

13 (b) **IMMIGRANT VISA PETITIONS.**—In addition to any
14 other fee collected in connection with a petition described
15 in this subsection, the Secretary of Homeland Security
16 shall collect a supplemental fee in the amount of—

17 (1) \$100 in connection with each petition filed
18 under—

19 (A) section 204(a)(1)(A)(i) of the Immi-
20 gration and Nationality Act (8 U.S.C.
21 1154(a)(1)(A)(i)) for classification by reason of
22 a relationship described under paragraph (1),
23 (3), or (4) of section 203(a) of such Act (8
24 U.S.C. 1153(a)); and

1 (B) section 204(a)(1)(B)(i)(I) of such Act
2 (8 U.S.C. 1154(a)(1)(B)(i)(I));

3 (2) \$800 in connection with each petition filed
4 under subparagraph (E) or (F) of section 204(a)(1)
5 of the Immigration and Nationality Act (8 U.S.C.
6 1154(a)(1)); and

7 (3) \$15,000 in connection with each petition
8 filed under subparagraph (H) of section 204(a)(1) of
9 the Immigration and Nationality Act (8 U.S.C.
10 1154(a)(1)).

11 (c) FORM I-94 OR FORM I-94W.—The Secretary of
12 Homeland Security shall collect from each individual who
13 is admitted to the United States as a nonimmigrant, and
14 is issued an electronic or paper arrival/departure record
15 (Form I-94 or Form I-94W, or any successor form), a
16 fee of \$19.

17 (d) STUDENT AND EXCHANGE VISITORS.—In addi-
18 tion to any other fee collected from an approved institution
19 of higher education, other approved educational institu-
20 tion, or designated exchange visitor program in the United
21 States, in connection with nonimmigrants described in
22 subparagraph (F), (J), or (M) of section 101(a)(15) of
23 the Immigration and Nationality Act (8 U.S.C.
24 1101(a)(15)) enrolled in such institution or program, the

1 Secretary of Homeland Security shall collect a supple-
2 mental fee of \$250 for each such nonimmigrant.

3 (e) PERMANENT RESIDENT CARD REPLACEMENT.—

4 In addition to any other fee collected in connection with
5 each Application to Replace Permanent Resident Card
6 (Form I-90, or any successor form), filed for purposes of
7 replacing an expired or expiring permanent resident card,
8 the Secretary of Homeland Security shall collect a supple-
9 mental fee of \$500.

10 (f) NONIMMIGRANT VISA PETITIONS.—In addition to

11 any other fee collected in connection with a petition filed
12 under section 214 of the Immigration and Nationality Act
13 (8 U.S.C. 1184), the Secretary of Homeland Security shall
14 collect a supplemental fee of \$500 in connection with each
15 such petition for classification as a nonimmigrant under
16 subparagraph (E), (H)(i)(b), (L), (O), or (P) of section
17 101(a)(15) of such Act (8 U.S.C. 1101(a)(15)).

18 (g) EXTEND/CHANGE STATUS.—In addition to any

19 other fee collected in connection with each Application to
20 Extend/Change Nonimmigrant Status (Form I-539, or
21 any successor form), the Secretary of Homeland Security
22 shall collect a supplemental fee of \$500.

23 (h) EMPLOYMENT AUTHORIZATION.—In addition to

24 any other fee collected in connection with an application
25 for employment authorization (Form I-765, or any suc-

1 cessor form), the Secretary of Homeland Security shall
2 collect a supplemental fee of \$500 for each such applica-
3 tion filed by an individual seeking such authorization as—

4 (1) the spouse of a nonimmigrant described in
5 subparagraph (E), (H), or (L) of section 101(a)(15)
6 of the Immigration and Nationality Act (8 U.S.C.
7 1101(a)(15));

8 (2) a nonimmigrant described in section
9 101(a)(15)(F) of such Act (8 U.S.C.
10 1101(a)(15)(F)) to engage in optional practical
11 training; or

12 (3) as an applicant for adjustment of status
13 under section 245(a) of such Act (8 U.S.C.
14 1255(a)).

15 (i) **EFFECTIVE DATE.**—The fees authorized by this
16 section shall take effect on the earlier of the date that
17 is—

18 (1) 180 days after the date of the enactment of
19 this Act; and

20 (2) May 1, 2022.

21 **SEC. 60005. U.S. CITIZENSHIP AND IMMIGRATION SERVICES.**

22 In addition to amounts otherwise available, there is
23 appropriated to U.S. Citizenship and Immigration Serv-
24 ices for fiscal year 2022, out of any money in the Treasury
25 not otherwise appropriated, \$2,800,000,000, to remain

1 available until expended, for the purpose of increasing the
2 capacity of U.S. Citizenship and Immigration Services to
3 adjudicate efficiently applications described in section
4 60001 of this Act, and section 245(n) of the Immigration
5 and Nationality Act (8 U.S.C. 1255(n)), as added by
6 60003 of this Act, and to reduce case processing backlogs.

7 **Subtitle B—Community Violence** 8 **Prevention**

9 **SEC. 61001. FUNDING FOR COMMUNITY-BASED VIOLENCE** 10 **INTERVENTION INITIATIVES.**

11 (a) **IN GENERAL.**—In addition to amounts otherwise
12 available, there is appropriated to the Attorney General
13 for fiscal year 2022, out of any money in the Treasury
14 not otherwise appropriated, \$2,500,000,000, to remain
15 available until September 30, 2031, for the purposes de-
16 scribed in subsection (b).

17 (b) **USE OF FUNDING.**—The Attorney General, act-
18 ing through the Assistant Attorney General of the Office
19 of Justice Programs, the Director of the Office of Commu-
20 nity Oriented Policing Services, and the Director of the
21 Office on Violence Against Women, shall use amounts ap-
22 propriated by subsection (a)—

23 (1) to award competitive grants or contracts to
24 units of local government, States, the District of Co-
25 lumbia, Indian Tribes, nonprofit community-based

1 organizations, victim services providers, or other en-
2 tities as determined by the Attorney General, to sup-
3 port evidence-informed intervention strategies to re-
4 duce community violence;

5 (2) to support training, technical assistance, re-
6 search, evaluation, and data collection on strategies
7 to effectively reduce community violence and ensure
8 public safety; and

9 (3) to support research, evaluation, and data
10 collection on the differing impact of community vio-
11 lence on demographic categories.

12 **Subtitle C—Antitrust**

13 **SEC. 62001. ANTITRUST DIVISION.**

14 In addition to amounts otherwise available, there is
15 appropriated to the Attorney General for fiscal year 2022,
16 out of any money in the Treasury not otherwise appro-
17 priated, \$500,000,000, to remain available until Sep-
18 tember 30, 2031, for necessary expenses for the Depart-
19 ment of Justice Antitrust Division for carrying out work
20 of the Division related to competition or enforcement of
21 the antitrust laws.

1 **SEC. 62002. FEDERAL TRADE COMMISSION FUNDING FOR**
2 **UNFAIR COMPETITION AND ANTITRUST EN-**
3 **FORCEMENT WORK.**

4 In addition to amounts otherwise available, there is
5 appropriated to the Federal Trade Commission for fiscal
6 year 2022, out of any money in the Treasury not otherwise
7 appropriated, \$500,000,000 to remain available until Sep-
8 tember 30, 2031, for carrying out work of the Commission
9 related to unfair methods of competition or enforcement
10 of the antitrust laws.

11 **Subtitle D—Revenue Matters**

12 **SEC. 63001. ADDITIONAL APPROPRIATION FOR ENFORCE-**
13 **MENT RELATING TO FEDERAL INCOME TAX**
14 **EVASION.**

15 In addition to amounts otherwise available, there is
16 appropriated to the Attorney General for fiscal year 2022,
17 out of any money in the Treasury not otherwise appro-
18 priated, \$498,000,000, to remain available until Sep-
19 tember 30, 2030, for necessary expenses for the Depart-
20 ment of Justice Tax Division for purposes of enforcing
21 Federal laws against tax evasion, including by pursuing
22 civil cases or prosecuting criminal violations.

1 **TITLE VII—COMMITTEE ON**
2 **NATURAL RESOURCES**
3 **Subtitle A—Native American and**
4 **Native Hawaiian Affairs**

5 **SEC. 70101. TRIBAL CLIMATE RESILIENCE.**

6 (a) **TRIBAL CLIMATE RESILIENCE AND ADAPTA-**
7 **TION.**—In addition to amounts otherwise available, there
8 is appropriated to the Director of the Bureau of Indian
9 Affairs for fiscal year 2022, out of any money in the
10 Treasury not otherwise appropriated, \$441,000,000, to re-
11 main available until September 30, 2031, for Tribal cli-
12 mate resilience and adaptation programs.

13 (b) **BUREAU OF INDIAN AFFAIRS FISH HATCH-**
14 **ERIES.**—In addition to amounts otherwise available, there
15 is appropriated to the Director of the Bureau of Indian
16 Affairs for fiscal year 2022, out of any money in the
17 Treasury not otherwise appropriated, \$19,600,000, to re-
18 main available until September 30, 2031, for fish hatchery
19 operations and maintenance programs of the Bureau of
20 Indian Affairs.

21 (c) **ADMINISTRATION.**—In addition to amounts other-
22 wise available, there is appropriated to the Director of the
23 Bureau of Indian Affairs for fiscal year 2022, out of any
24 money in the Treasury not otherwise appropriated,
25 \$9,400,000, to remain available until September 30, 2031,

1 for the administrative costs of carrying out this section.
2 None of the funds provided by this section shall be subject
3 to cost-sharing or matching requirements

4 (d) SMALL AND NEEDY PROGRAM.—Amounts made
5 available under this section shall be excluded from the cal-
6 culation of funds received by those Tribal governments
7 that participate in the “Small and Needy” program.

8 (e) DISTRIBUTION; USE OF FUNDS.—Amounts made
9 available under this section that are distributed to Indian
10 Tribes and Tribal organizations for services pursuant to
11 a self-determination contract (as defined in subsection (j)
12 of section 4 of the Indian Self-Determination and Edu-
13 cation Assistance Act (25 U.S.C. 5304(j))) or a self-gov-
14 ernance compact entered into pursuant to subsection (a)
15 of section 404 of the Indian Self-Determination and Edu-
16 cation Assistance Act (25 U.S.C. 5364(a))—

17 (1) shall be distributed on a 1-time basis;

18 (2) shall not be part of the amount required by
19 subsections (a) through (b) of section 106 of the In-
20 dian Self-Determination and Education Assistance
21 Act (25 U.S.C. 5325(a)–(b)); and

22 (3) shall only be used for the purposes identi-
23 fied under the applicable subsection.

1 **SEC. 70102. NATIVE HAWAIIAN CLIMATE RESILIENCE.**

2 (a) NATIVE HAWAIIAN CLIMATE RESILIENCE AND
3 ADAPTATION.—In addition to amounts otherwise avail-
4 able, there is appropriated to the Senior Program Director
5 of the Office of Native Hawaiian Relations for fiscal year
6 2022, out of any money in the Treasury not otherwise ap-
7 propriated, \$49,000,000, to remain available until Sep-
8 tember 30, 2031, to carry out, through financial assist-
9 ance, technical assistance, direct expenditure, grants, con-
10 tracts, or cooperative agreements, climate resilience and
11 adaptation activities that serve the Native Hawaiian Com-
12 munity.

13 (b) ADMINISTRATION.—In addition to amounts oth-
14 erwise available, there is appropriated to the Senior Pro-
15 gram Director of the Office of Native Hawaiian Relations
16 for fiscal year 2022, out of any money in the Treasury
17 not otherwise appropriated, \$1,000,000, to remain avail-
18 able until September 30, 2031, for the administrative
19 costs of carrying out this section. None of the funds pro-
20 vided by this section shall be subject to cost-sharing or
21 matching requirements.

22 **SEC. 70103. TRIBAL ELECTRIFICATION PROGRAM.**

23 (a) TRIBAL ELECTRIFICATION PROGRAM.—In addi-
24 tion to amounts otherwise available, there is appropriated
25 to the Director of the Bureau of Indian Affairs for fiscal
26 year 2022, out of any money in the Treasury not otherwise

1 appropriated, \$294,000,000, to remain available until
2 September 30, 2031, for—

3 (1) the provision of electricity to unelectrified
4 Tribal homes through renewable energy systems;

5 (2) transitioning electrified Tribal homes to re-
6 newable energy systems; and

7 (3) associated home repairs and retrofitting
8 necessary to install the renewable energy systems
9 authorized under paragraphs (1) and (2).

10 (b) ADMINISTRATION.—In addition to amounts oth-
11 erwise available, there is appropriated to the Director of
12 the Bureau of Indian Affairs for fiscal year 2022, out of
13 any money in the Treasury not otherwise appropriated,
14 \$6,000,000, to remain available until September 30, 2031,
15 for the administrative costs of carrying out this section.

16 (c) SMALL AND NEEDY PROGRAM.—Amounts made
17 available under this section shall be excluded from the cal-
18 culation of funds received by those Tribal governments
19 that participate in the “Small and Needy” program.

20 (d) DISTRIBUTION; USE OF FUNDS.—Amounts made
21 available under this section that are distributed to Indian
22 Tribes and Tribal organizations for services pursuant to
23 a self-determination contract (as defined in subsection (j)
24 of section 4 of the Indian Self-Determination and Edu-
25 cation Assistance Act (25 U.S.C. 5304(j))) or a self-gov-

1 ernance compact entered into pursuant to subsection (a)
2 of section 404 of the Indian Self-Determination and Edu-
3 cation Assistance Act (25 U.S.C. 5364(a))—

4 (1) shall be distributed on a 1-time basis;

5 (2) shall not be part of the amount required by
6 subsections (a) through (b) of section 106 of the In-
7 dian Self-Determination and Education Assistance
8 Act (25 U.S.C. 5325(a)–(b)); and

9 (3) shall only be used for the purposes identi-
10 fied under the applicable subsection.

11 **SEC. 70104. EMERGENCY DROUGHT RELIEF FOR TRIBES.**

12 In addition to amounts otherwise available, there is
13 appropriated to the Commissioner of the Bureau of Rec-
14 lamation for fiscal year 2022, out of any money in the
15 Treasury not otherwise appropriated, \$25,000,000, to re-
16 main available until September 30, 2026, for near-term
17 drought relief actions to mitigate drought impacts for In-
18 dian Tribes that are impacted by the operation of a Bu-
19 reau of Reclamation water project, including through di-
20 rect financial assistance to address drinking water short-
21 ages and to mitigate the loss of Tribal trust resources.

22 **SEC. 70105. NATIVE AMERICAN CONSULTATION RESOURCE**
23 **CENTER.**

24 (a) IN GENERAL.—In addition to amounts otherwise
25 available, there is appropriated to the Secretary of the In-

1 terior for fiscal year 2022, out of any money in the Treas-
2 ury not otherwise appropriated, \$33,000,000, to remain
3 available until September 30, 2031, to establish and ad-
4 minister a Native American Consultation Resource Center
5 (the authority for which shall expire on September 30,
6 2031) to provide training and technical assistance to sup-
7 port Federal consultation and coordination responsibilities
8 relating to—

9 (1) the protection of the natural and cultural
10 resources of Native Americans;

11 (2) land use planning and development that im-
12 pacts Tribal Governments, Alaska Native Corpora-
13 tions, and the Native Hawaiian Community; and

14 (3) infrastructure projects that impact Tribal
15 Governments, Alaska Native Corporations, and the
16 Native Hawaiian Community.

17 (b) DEFINITION.—In this section:

18 (1) ALASKA NATIVE CORPORATION.—The term
19 “Alaska Native Corporation” has the meaning given
20 the term in subsection (m) of section 3 of the Alaska
21 Native Claims Settlement Act (43 U.S.C. 1602(m)).

22 (2) NATIVE AMERICAN.—The term “Native
23 American” means—

24 (A) an Indian (as defined in subsection (d)
25 of section 4 of the Indian Self-Determination

1 and Education Assistance Act (25 U.S.C.
2 5304(d));

3 (B) a Native Hawaiian (as defined in item
4 (10) of section 2 of the Native American Graves
5 Protection and Repatriation Act (25 U.S.C.
6 3001(10))); and

7 (C) a Native (as defined in subsection (b)
8 of section 3 of the Alaska Native Claims Settle-
9 ment Act (43 U.S.C. 1602(b))).

10 (3) TRIBAL GOVERNMENT.—The term “Tribal
11 Government” means the recognized governing body
12 of any Indian or Alaska Native tribe, band, nation,
13 pueblo, village, community, component band, or com-
14 ponent reservation, individually identified (including
15 parenthetically) in the list published most recently as
16 of the date of enactment of this paragraph pursuant
17 to section 104 of the Federally Recognized Indian
18 Tribe List Act of 1994 (25 U.S.C. 5131).

19 **SEC. 70106. INDIAN HEALTH SERVICE.**

20 (a) MAINTENANCE AND IMPROVEMENT.—In addition
21 to amounts otherwise available, there is appropriated to
22 the Director of the Indian Health Service for fiscal year
23 2022, out of any money in the Treasury not otherwise ap-
24 propriated, \$945,000,000, to remain available until Sep-
25 tember 30, 2031, for maintenance and improvement of fa-

1 cilities operated by the Indian Health Service or 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 (b) MENTAL HEALTH AND SUBSTANCE USE DIS-
9 ORDERS.—In addition to amounts otherwise available,
10 there is appropriated to the Director of the Indian Health
11 Service for fiscal year 2022, out of any money in the
12 Treasury not otherwise appropriated, \$123,716,000, to re-
13 main available until September 30, 2031, for mental
14 health and substance use prevention and treatment serv-
15 ices, including facility renovation, construction, or expan-
16 sion relating to mental health and substance use preven-
17 tion and treatment services.

18 (c) PRIORITY HEALTH CARE FACILITIES.—In addi-
19 tion to amounts otherwise available, there is appropriated
20 to the Director of the Indian Health Service for fiscal year
21 2022, out of any money in the Treasury not otherwise ap-
22 propriated, \$1,000,000,000, to remain available until Sep-
23 tember 30, 2031, for projects identified through the health
24 care facility priority system established and maintained
25 pursuant to subparagraph (A) of paragraph (1) of sub-

1 section (e) of section 301 of the Indian Health Care Im-
2 provement Act (25 U.S.C. 1631(c)(1)(A)).

3 (d) SMALL AMBULATORY.—In addition to amounts
4 otherwise available, there is appropriated to the Director
5 of the Indian Health Service for fiscal year 2022, out of
6 any money in the Treasury not otherwise appropriated,
7 \$40,000,000, to remain available until September 30,
8 2031, for small ambulatory construction.

9 (e) URBAN INDIAN ORGANIZATIONS.—In addition to
10 amounts otherwise available, there is appropriated to the
11 Director of the Indian Health Service for fiscal year 2022,
12 out of any money in the Treasury not otherwise appro-
13 priated, \$100,000,000, to remain available until Sep-
14 tember 30, 2031, for, notwithstanding the restrictions de-
15 scribed in section 509 of the Indian Health Care Improve-
16 ment Act (25 U.S.C. 1659), the renovation, construction,
17 expansion, equipping, and improvement of facilities owned
18 or leased by an Urban Indian organization (as defined in
19 item (29) of section 4 of that Act (25 U.S.C. 1603(29))).

20 (f) EPIDEMIOLOGY CENTERS.—In addition to
21 amounts otherwise available, there is appropriated to the
22 Director of the Indian Health Service for fiscal year 2022,
23 out of any money in the Treasury not otherwise appro-
24 priated, \$25,000,000, to remain available until September
25 30, 2031, for the epidemiology centers established under

1 paragraphs (1) through (2) of subsection (a) of section
2 214 of the Indian Health Care Improvement Act (25
3 U.S.C. 1621m(a)(1)–(2)).

4 (g) ENVIRONMENTAL HEALTH AND FACILITIES SUP-
5 PORT ACTIVITIES.—In addition to amounts otherwise
6 available, there is appropriated to the Director of the In-
7 dian Health Service for fiscal year 2022, out of any money
8 in the Treasury not otherwise appropriated,
9 \$113,284,000, to remain available until September 30,
10 2031, for environmental health and facilities support ac-
11 tivities of the Indian Health Service.

12 (h) DISTRIBUTION; USE OF FUNDS.—Amounts ap-
13 propriated under this section that are distributed to In-
14 dian Tribes and Tribal organizations for services pursuant
15 to a self-determination contract (as defined in subsection
16 (j) of section 4 of the Indian Self-Determination and Edu-
17 cation Assistance Act (25 U.S.C. 5304(j))) or a self-gov-
18 ernance compact entered into pursuant to subsection (a)
19 of section 404 of the Indian Self-Determination and Edu-
20 cation Assistance Act (25 U.S.C. 5364(a))—

21 (1) shall be distributed on a 1-time basis;

22 (2) shall not be part of the amount required by
23 subsections (a) through (b) of section 106 of the In-
24 dian Self-Determination and Education Assistance
25 Act (25 U.S.C. 5325(a)–(b)); and

1 (3) shall only be used for the purposes identi-
2 fied under the applicable subsection.

3 **SEC. 70107. TRIBAL PUBLIC SAFETY.**

4 (a) PUBLIC SAFETY AND JUSTICE.—In addition to
5 amounts otherwise available, there is appropriated to the
6 Assistant Secretary for Indian Affairs for fiscal year 2022,
7 out of any money in the Treasury not otherwise appro-
8 priated, \$490,000,000, to remain available until Sep-
9 tember 30, 2031, for public safety and justice programs
10 and construction.

11 (b) ADMINISTRATION.—In addition to amounts oth-
12 erwise available, there is appropriated to the Assistant
13 Secretary for Indian Affairs for fiscal year 2022, out of
14 any money in the Treasury not otherwise appropriated,
15 \$10,000,000, to remain available until September 30,
16 2031, for the administrative costs of carrying out this sec-
17 tion.

18 (c) SMALL AND NEEDY PROGRAM.—Amounts made
19 available under this section shall be excluded from the cal-
20 culation of funds received by those Tribal governments
21 that participate in the “Small and Needy” program.

22 (d) DISTRIBUTION; USE OF FUNDS.—Amounts made
23 available under this section that are distributed to Indian
24 Tribes and Tribal organizations for services pursuant to
25 a self-determination contract (as defined in subsection (j)

1 of section 4 of the Indian Self-Determination and Edu-
2 cation Assistance Act (25 U.S.C. 5304(j))) or a self-gov-
3 ernance compact entered into pursuant to subsection (a)
4 of section 404 of the Indian Self-Determination and Edu-
5 cation Assistance Act (25 U.S.C. 5364(a))—

6 (1) shall be distributed on a 1-time basis;

7 (2) shall not be part of the amount required by
8 subsections (a) through (b) of section 106 of the In-
9 dian Self-Determination and Education Assistance
10 Act (25 U.S.C. 5325(a)–(b)); and

11 (3) shall only be used for the purposes identi-
12 fied under the applicable subsection.

13 **SEC. 70108. BUREAU OF INDIAN AFFAIRS AND TRIBAL**
14 **ROADS.**

15 (a) **ROADS.**—In addition to amounts otherwise avail-
16 able, there is appropriated to the Director of the Bureau
17 of Indian Affairs for fiscal year 2022, out of any money
18 in the Treasury not otherwise appropriated,
19 \$715,400,000, to remain available until September 30,
20 2026, for the Bureau of Indian Affairs Road System and
21 Tribal transportation facilities (as defined in paragraph
22 (31) of subsection (a) of section 101 of title 23, United
23 States Code)—

24 (1) for road maintenance;

1 (2) for planning, design, construction, and re-
2 construction activities; and

3 (3) to address the deferred road maintenance
4 backlog at the Bureau of Indian Affairs.

5 (b) ADMINISTRATION.—In addition to amounts oth-
6 erwise available, there is appropriated to the Director of
7 the Bureau of Indian Affairs for fiscal year 2022, out of
8 any money in the Treasury not otherwise appropriated,
9 \$14,600,000, to remain available until September 30,
10 2026, for the administrative costs of carrying out this sec-
11 tion.

12 **Subtitle B—National Oceanic and**
13 **Atmospheric Administration**

14 **SEC. 70201. INVESTING IN COASTAL COMMUNITIES AND**
15 **CLIMATE RESILIENCE.**

16 (a) IN GENERAL.—In addition to amounts otherwise
17 available, there is appropriated to the National Oceanic
18 and Atmospheric Administration for fiscal year 2022, out
19 of any money in the Treasury not otherwise appropriated,
20 \$6,000,000,000, to remain available until September 30,
21 2026, to provide funding through direct expenditure, con-
22 tracts, grants, cooperative agreements, or technical assist-
23 ance to coastal states (as defined in paragraph (4) of sec-
24 tion 304 of the Coastal Zone Management Act of 1972
25 (16 U.S.C. 1453(4))), the District of Columbia, Tribal

1 Governments, nonprofit organizations, local governments,
2 and institutions of higher education (as defined in sub-
3 section (a) of section 101 of the Higher Education Act
4 of 1965 (20 U.S.C. 1001(a))), for the conservation, res-
5 toration, and protection of coastal and marine habitats
6 and resources, including fisheries, to enable coastal com-
7 munities to prepare for extreme storms and other chang-
8 ing climate conditions, and for projects that support nat-
9 ural resources that sustain coastal and marine resource
10 dependent communities, and for related administrative ex-
11 penses. None of the funds provided by this section shall
12 be subject to cost-sharing or matching requirements.

13 (b) TRIBAL GOVERNMENT DEFINED.—In this sec-
14 tion, the term “Tribal Government” means the recognized
15 governing body of any Indian or Alaska Native tribe,
16 band, nation, pueblo, village, community, component band,
17 or component reservation, individually identified (includ-
18 ing parenthetically) in the list published most recently as
19 of the date of enactment of this subsection pursuant to
20 section 104 of the Federally Recognized Indian Tribe List
21 Act of 1994 (25 U.S.C. 5131).

22 **SEC. 70202. PACIFIC SALMON RESTORATION AND CON-**
23 **SERVATION.**

24 In addition to amounts otherwise available, there is
25 appropriated to the National Oceanic and Atmospheric

1 Administration for fiscal year 2022, out of any money in
2 the Treasury not otherwise appropriated, \$1,000,000,000,
3 to remain available until September 30, 2026, for the pur-
4 poses of supporting the restoration and conservation of
5 Pacific salmon and steelhead populations and the habitat
6 of those populations, including by improving climate resil-
7 ience and climate adaptation, and for related administra-
8 tive expenses.

9 **SEC. 70203. MARINE FISHERIES INFRASTRUCTURE.**

10 (a) IN GENERAL.—In addition to amounts otherwise
11 available, there is appropriated to the National Oceanic
12 and Atmospheric Administration for fiscal year 2022, out
13 of any money in the Treasury not otherwise appropriated,
14 \$400,000,000, to remain available until September 30,
15 2026, for grants to States and Tribal Governments, to re-
16 pair, replace, and upgrade hatchery infrastructure for the
17 production of a fishery (as defined in paragraph (13) of
18 section 3 of the Magnuson-Stevens Fishery Conservation
19 and Management Act (16 U.S.C. 1802(13))) that is in-
20 cluded in a fishery management plan or plan amendment
21 approved by the Secretary of Commerce under subsection
22 (a) of section 301 of the Magnuson-Stevens Fishery Con-
23 servation and Management Act (16 U.S.C. 1851(a)), and
24 for related administrative expenses.

1 (b) TRIBAL GOVERNMENT.—In this section, the term
2 “Tribal Government” means the recognized governing
3 body of any Indian or Alaska Native tribe, band, nation,
4 pueblo, village, community, component band, or compo-
5 nent reservation, individually identified (including par-
6 enthetically) in the list published most recently as of the
7 date of enactment of this subsection pursuant to section
8 104 of the Federally Recognized Indian Tribe List Act
9 of 1994 (25 U.S.C. 5131).

10 **SEC. 70204. MARINE FISHERIES AND MARINE MAMMAL**
11 **STOCK ASSESSMENTS, SURVEYS, AND RE-**
12 **SEARCH AND MANAGEMENT.**

13 In addition to amounts otherwise available, there is
14 appropriated to the National Oceanic and Atmospheric
15 Administration for fiscal year 2022, out of any money in
16 the Treasury not otherwise appropriated, \$500,000,000,
17 to remain available until September 30, 2026, for pur-
18 poses of Federal fisheries management, marine fisheries
19 conservation, and marine mammal research, including
20 fisheries and marine mammal stock assessments, marine
21 fisheries data collection, surveys, scientific research, and
22 management, acquisition of electronic monitoring equip-
23 ment for fishery participants, transitional gear research,
24 and ecosystem-based assessments in support of marine
25 fish species, including fisheries managed under section

1 303 of the Magnuson-Stevens Fishery Conservation and
2 Management Act (16 U.S.C. 1853) and subsection (a) of
3 section 117 of the Marine Mammal Protection Act of 1972
4 (16 U.S.C. 1386(a)).

5 **SEC. 70205. FACILITIES OF THE NATIONAL OCEANIC AND**
6 **ATMOSPHERIC ADMINISTRATION AND NA-**
7 **TIONAL MARINE SANCTUARIES.**

8 (a) NATIONAL OCEANIC AND ATMOSPHERIC ADMIN-
9 STRATION FACILITIES.—In addition to amounts other-
10 wise available, there is appropriated to the National Oce-
11 anic and Atmospheric Administration for fiscal year 2022,
12 out of any money in the Treasury not otherwise appro-
13 priated, \$300,000,000, to remain available until Sep-
14 tember 30, 2026, for the construction of new facilities (in-
15 cluding facilities in need of replacement) including piers,
16 marine operations facilities, and fisheries laboratories.

17 (b) NATIONAL MARINE SANCTUARIES FACILITIES.—
18 In addition to amounts otherwise available, there is appro-
19 priated to the National Oceanic and Atmospheric Adminis-
20 tration for fiscal year 2022, out of any money in the
21 Treasury not otherwise appropriated, \$100,000,000, to re-
22 main available until September 30, 2026, for the construc-
23 tion of facilities to support the National Marine Sanctuary
24 System established under subsection (c) of section 301 of
25 the National Marine Sanctuaries Act (16 U.S.C. 1431(c)).

1 **SEC. 70206. NOAA EFFICIENT AND EFFECTIVE REVIEWS.**

2 In addition to amounts otherwise available, there is
3 appropriated to the National Oceanic and Atmospheric
4 Administration for fiscal year 2022, out of any money in
5 the Treasury not otherwise appropriated, \$20,000,000, to
6 remain available until September 30, 2026, to provide for
7 the development of more efficient, accurate, and timely re-
8 views for planning, permitting and approval processes
9 through the hiring and training of personnel, the develop-
10 ment of programmatic documents, the procurement of
11 technical or scientific services for reviews, the development
12 of environmental data or information systems, stakeholder
13 and community engagement, the purchase of new equip-
14 ment for environmental analysis, and the development of
15 geographic information systems and other analysis tools,
16 techniques, and guidance to improve agency transparency,
17 accountability, and public engagement.

18 **SEC. 70207. SEAFOOD IMPORT MONITORING PROGRAM.**

19 In addition to amounts otherwise available, there is
20 appropriated to the National Oceanic and Atmospheric
21 Administration for fiscal year 2022, out of any money in
22 the Treasury not otherwise appropriated, \$2,000,000, to
23 remain available until September 30, 2026, to implement
24 the seafood import monitoring program of the National
25 Oceanic and Atmospheric Administration.

1 **Subtitle C—United States Fish and**
2 **Wildlife Service**

3 **SEC. 70301. ENDANGERED SPECIES ACT RECOVERY PLANS.**

4 In addition to amounts otherwise available, there is
5 appropriated to the United States Fish and Wildlife Serv-
6 ice for fiscal year 2022, out of any money in the Treasury
7 not otherwise appropriated, \$180,000,000, to remain
8 available until expended, for the purposes of developing
9 and implementing recovery plans under paragraphs (1),
10 (3), and (4) of subsection (f) of section 4 of the Endan-
11 gered Species Act of 1973 (16 U.S.C. 1533(f)).

12 **SEC. 70302. ISLAND PLANT CONSERVATION.**

13 (a) **IN GENERAL.**—In addition to amounts otherwise
14 available, there is appropriated to the United States Fish
15 and Wildlife Service for fiscal year 2022, out of any money
16 in the Treasury not otherwise appropriated, \$4,850,000,
17 to remain available until expended, to make direct expend-
18 itures, award grants, and enter into contracts and cooper-
19 ative agreements for the purposes of conserving endan-
20 gered species and threatened species of plants in the Ha-
21 waiian Islands and the Pacific Island Territories of the
22 United States under paragraphs (1), (3), and (4) of sub-
23 section (f) of section 4 of the Endangered Species Act of
24 1973 (16 U.S.C. 1533(f)).

1 (b) ADMINISTRATIVE EXPENSES.—In addition to
2 amounts otherwise available, there is appropriated to the
3 United States Fish and Wildlife Service for fiscal year
4 2022, out of any money in the Treasury not otherwise ap-
5 propriated, \$150,000, to remain available until September
6 30, 2030, for necessary administrative expenses associated
7 with carrying out this section.

8 **SEC. 70303. POLLINATOR CONSERVATION.**

9 (a) IN GENERAL.—In addition to amounts otherwise
10 available, there is appropriated to the United States Fish
11 and Wildlife Service for fiscal year 2022, out of any money
12 in the Treasury not otherwise appropriated, \$4,850,000,
13 to remain available until expended, to make direct expend-
14 itures, award grants, and enter into contracts and cooper-
15 ative agreements for the purposes of conserving endan-
16 gered species and threatened species of pollinators in the
17 United States under paragraphs (1), (3), and (4) of sub-
18 section (f) of section 4 of the Endangered Species Act of
19 1973 (16 U.S.C. 1533(f)).

20 (b) ADMINISTRATIVE EXPENSES.—In addition to
21 amounts otherwise available, there is appropriated to the
22 United States Fish and Wildlife Service for fiscal year
23 2022, out of any money in the Treasury not otherwise ap-
24 propriated, \$150,000, to remain available until September

1 30, 2030, for necessary administrative expenses associated
2 with carrying out this section.

3 **SEC. 70304. MUSSEL 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 freshwater mussels
12 in the United States under paragraphs (1), (3), and (4)
13 of subsection (f) of section 4 of the Endangered Species
14 Act of 1973 (16 U.S.C. 1533(f)).

15 (b) ADMINISTRATIVE EXPENSES.—In addition to
16 amounts otherwise available, there is appropriated to the
17 United States Fish and Wildlife Service for fiscal year
18 2022, out of any money in the Treasury not otherwise ap-
19 propriated, \$150,000, to remain available until September
20 30, 2030, for necessary administrative expenses associated
21 with carrying out this section.

22 **SEC. 70305. DESERT FISH CONSERVATION.**

23 (a) IN GENERAL.—In addition to amounts otherwise
24 available, there is appropriated to the United States Fish
25 and Wildlife Service for fiscal year 2022, out of any money

1 in the Treasury not otherwise appropriated, \$4,850,000,
2 to remain available until expended, to make direct expend-
3 itures, award grants, and enter into contracts and cooper-
4 ative agreements for the purposes of conserving endan-
5 gered species and threatened species of desert fish in the
6 United States under paragraphs (1), (3), and (4) of sub-
7 section (f) of section 4 of the Endangered Species Act of
8 1973 (16 U.S.C. 1533(f)).

9 (b) ADMINISTRATIVE EXPENSES.—In addition to
10 amounts otherwise available, there is appropriated to the
11 United States Fish and Wildlife Service for fiscal year
12 2022, out of any money in the Treasury not otherwise ap-
13 propriated, \$150,000, to remain available until September
14 30, 2030, for necessary administrative expenses associated
15 with carrying out this section.

16 **SEC. 70306. FUNDING FOR THE UNITED STATES FISH AND**
17 **WILDLIFE SERVICE TO ADDRESS CLIMATE-IN-**
18 **DUCED WEATHER EVENTS.**

19 (a) IN GENERAL.—In addition to amounts otherwise
20 available, there is appropriated to the United States Fish
21 and Wildlife Service for fiscal year 2022, out of any money
22 in the Treasury not otherwise appropriated,
23 \$242,500,000, to remain available until September 30,
24 2026, to make direct expenditures, award grants, and
25 enter into contracts and cooperative agreements for the

1 purposes of rebuilding and restoring units of the National
2 Wildlife Refuge System and State wildlife management
3 areas, including by—

4 (1) addressing the threat of invasive species;

5 (2) increasing the resiliency and capacity of
6 habitats and infrastructure to withstand climate-in-
7 duced weather events; and

8 (3) reducing the amount of damage caused by
9 climate-induced weather events.

10 (b) ADMINISTRATIVE COSTS.—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, \$7,500,000, to remain available until Sep-
15 tember 30, 2026, for necessary administrative expenses
16 associated with carrying out this section.

17 **SEC. 70307. WILDLIFE CORRIDOR 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, \$9,700,000,
22 to remain available until expended, to carry out, through
23 direct expenditures, contracts, grants, and cooperative
24 agreements, activities necessary for—

25 (1) mapping wildlife corridors;

1 (2) the conservation and restoration of wildlife
2 corridors; and

3 (3) addressing the conservation and restoration
4 of wildlife corridors—

5 (A) on land included in the National Wild-
6 life Refuge System; and

7 (B) on private land through—

8 (i) the Partners for Fish and Wildlife
9 Program of the United States Fish and
10 Wildlife Service; and

11 (ii) the Coastal Program of the
12 United States Fish and Wildlife Service.

13 (b) ADMINISTRATIVE COSTS.—In addition to
14 amounts otherwise available, there is appropriated to the
15 United States Fish and Wildlife Service for fiscal year
16 2022, out of any money in the Treasury not otherwise ap-
17 propriated, \$300,000, to remain available until September
18 30, 2030, for necessary administrative expenses associated
19 with carrying out this section.

20 **SEC. 70308. GRASSLAND RESTORATION.**

21 (a) IN GENERAL.—In addition to amounts otherwise
22 available, there is appropriated to the United States Fish
23 and Wildlife Service for fiscal year 2022, out of any money
24 in the Treasury not otherwise appropriated, \$38,800,000,
25 to remain available until expended to make direct expendi-

1 tures, award grants, and enter into contracts and coopera-
2 tive agreements for carrying out the protection and res-
3 toration of grassland habitats.

4 (b) ADMINISTRATIVE COSTS.—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, \$1,200,000, to remain available until Sep-
9 tember 30, 2030, for necessary administrative expenses
10 associated with carrying out this section.

11 **Subtitle D—Water Resources Re-**
12 **search and Technology Insti-**
13 **tutes**

14 **SEC. 70401. WATER RESOURCES RESEARCH AND TECH-**
15 **NOLOGY INSTITUTES.**

16 In addition to amounts otherwise available, there is
17 appropriated to the United States Geological Survey for
18 fiscal year 2022, out of any money in the Treasury not
19 otherwise appropriated, \$50,000,000, to remain available
20 until September 30, 2031, for grants and other financial
21 assistance to water resources research and technology in-
22 stitutes, centers, and equivalent agencies.

1 **Subtitle E—Council on**
2 **Environmental Quality**

3 **SEC. 70501. ENVIRONMENTAL AND CLIMATE DATA COLLEC-**
4 **TION.**

5 In addition to amounts otherwise available, there is
6 appropriated to the Chair of the Council on Environmental
7 Quality for fiscal year 2022, out of any money in the
8 Treasury not otherwise appropriated, \$65,000,000, to re-
9 main available until September 30, 2026—

10 (1) to support data collection efforts relating
11 to—

12 (A) disproportionate negative environ-
13 mental harms and climate impacts; and

14 (B) cumulative impacts of pollution and
15 temperature rise;

16 (2) to establish, expand, and maintain efforts to
17 track disproportionate burdens and cumulative im-
18 pacts, including academic and workforce support for
19 analytics and informatics infrastructure and data
20 collection systems; and

21 (3) to support efforts to ensure that any map-
22 ping or screening tool is accessible to community-
23 based organizations and community members.

1 **SEC. 70502. COUNCIL ON ENVIRONMENTAL QUALITY EFFI-**
2 **CIENT AND EFFECTIVE ENVIRONMENTAL RE-**
3 **VIEWS.**

4 In addition to amounts otherwise available, there is
5 appropriated to the Chair of the Council on Environmental
6 Quality for fiscal year 2022, out of any money in the
7 Treasury not otherwise appropriated, \$15,000,000, to re-
8 main available until September 30, 2026, to carry out the
9 Council on Environmental Quality's functions and for the
10 purposes of training personnel, developing programmatic
11 environmental documents, and developing tools, guidance,
12 and techniques to improve stakeholder and community en-
13 gagement.

14 **Subtitle F—Department of the Inte-**
15 **rior Efficient and Effective Re-**
16 **views**

17 **SEC. 70601. DEPARTMENT OF THE INTERIOR EFFICIENT**
18 **AND EFFECTIVE REVIEWS.**

19 In addition to amounts otherwise available, there is
20 appropriated to the Department of the Interior for fiscal
21 year 2022, out of any money in the Treasury not otherwise
22 appropriated, \$100,000,000, to remain available until
23 September 30, 2026, to provide for the development of
24 more efficient, accurate, and timely reviews for planning,
25 permitting, and approval processes for the National Park
26 Service, the Bureau of Land Management, the Bureau of

1 Ocean Energy Management, the Bureau of Reclamation,
2 the Bureau of Safety and Environmental Enforcement,
3 and the Office of Surface Mining Reclamation and En-
4 forcement through the hiring and training of personnel,
5 the development of programmatic documents, the procure-
6 ment of technical or scientific services for reviews, the de-
7 velopment of environmental data or information systems,
8 stakeholder and community engagement, the purchase of
9 new equipment for environmental analysis, and the devel-
10 opment of geographic information systems and other anal-
11 ysis tools, techniques, and guidance to improve agency
12 transparency, accountability, and public engagement.

13 **Subtitle G—Public Lands**

14 **SEC. 70701. NATIONAL PARKS AND PUBLIC LANDS CON-** 15 **SERVATION AND RESILIENCE.**

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, \$1,250,000,000, to remain available until Sep-
20 tember 30, 2031, to carry out projects for the conserva-
21 tion, protection, and resiliency of lands and resources ad-
22 ministered by the National Park Service and Bureau of
23 Land Management. None of the funds provided under this
24 section shall be subject to cost-share or matching require-
25 ments.

1 **SEC. 70702. NATIONAL PARKS AND PUBLIC LANDS CON-**
2 **SERVATION AND ECOSYSTEM RESTORATION.**

3 In addition to amounts otherwise available, there is
4 appropriated to the Secretary of the Interior for fiscal year
5 2022, out of any money in the Treasury not otherwise ap-
6 propriated, \$750,000,000, to remain available until Sep-
7 tember 30, 2031, to carry out conservation, ecosystem and
8 habitat restoration projects on lands administered by the
9 National Park Service and Bureau of Land Management.
10 None of the funds provided under this section shall be sub-
11 ject to cost-share or matching requirements.

12 **SEC. 70703. LANDS PROJECTS.**

13 (a) DEFINITIONS.—With regard to this section:

14 (1) APPROPRIATE CONSERVATION PROJECTS.—

15 The term “appropriate conservation projects” means
16 any project for the conservation, restoration, con-
17 struction, or rehabilitation of natural, cultural, his-
18 toric, archaeological, recreational, or scenic resources
19 on public lands administered by the National Park
20 Service or Bureau of Land Management.

21 (2) RESILIENCY OR RESTORATION PROJECTS.—

22 The term “restoration or resiliency projects” means
23 any project funded under sections 70701 and 70702.

24 (b) IN GENERAL.—In addition to amounts otherwise
25 available, there is appropriated to the Secretary of the In-
26 terior for fiscal year 2022, out of any money in the Treas-

1 ury not otherwise appropriated, \$500,000,000, to remain
2 available until September 30, 2031, to provide funding,
3 including all expenses necessary to provide funding,
4 through direct expenditure, grants, contracts, or coopera-
5 tive agreements, to perform appropriate conservation
6 projects or resiliency or restoration projects, including all
7 expenses necessary to carry out such projects, on public
8 lands administered by the National Park Service and Bu-
9 reau of Land Management. None of the funds provided
10 under this section shall be subject to cost-share or match-
11 ing requirements.

12 **SEC. 70704. WILDFIRE MANAGEMENT.**

13 In addition to amounts otherwise available, there is
14 appropriated to the Secretary of the Interior for fiscal year
15 2022, out of any money in the Treasury not otherwise ap-
16 propriated, \$500,000,000, to remain available until Sep-
17 tember 30, 2031, for wildland fire management by the Bu-
18 reau of Land Management or National Park Service, in-
19 cluding improvement, relocation, renovation, or construc-
20 tion of firefighting facilities; reduction of wildfire hazards
21 to communities through fuels projects within the wildland-
22 urban interface; burned area rehabilitation; rural fire as-
23 sistance; for salaries and expenses for wildland fire-
24 fighters; wildfire-related information technology and
25 geospatial analysis; deployment of remote sensing tech-

1 nologies; wildfire science and research, including firehosed
2 mapping; and, through the Office of Aviation Services,
3 purchase, lease or contract of fixed-wing aircraft, and the
4 assessment and deployment of technologies to limit interrup-
5 tions to firefighting operations at night, in a degraded vis-
6 ual environment, and by unauthorized unmanned aircraft
7 system, including the feasibility of optionally-piloted rotor-
8 wing aircraft and containerized retardant-delivery sys-
9 tems.

10 **SEC. 70705. NATIONAL PARK SERVICE DEFERRED MAINTEN-**
11 **NANCE AND DEPARTMENT OF THE INTERIOR**
12 **HOUSING.**

13 In addition to amounts otherwise available, there is
14 appropriated to the Secretary of the Interior for fiscal year
15 2022, out of any money in the Treasury not otherwise ap-
16 propriated, \$400,000,000, to remain available until Sep-
17 tember 30, 2026, for carrying out priority deferred main-
18 tenance projects, which may include resolving directly-re-
19 lated infrastructure deficiencies, including through direct
20 expenditures or transfer authority, within the boundaries
21 of the National Park System and to provide housing, in-
22 cluding expenses necessary to provide housing, for—

23 (1) field employees of the National Park Service
24 pursuant to subchapter III of chapter 1013 of title
25 54, United States Code;

1 (2) field employees of the Bureau of Land Man-
2 agement in a manner similar to the provision of
3 housing under paragraph (1); and

4 (3) participants in corps programs performing
5 appropriate conservation projects or resiliency and
6 restoration projects under grants, contracts, or coop-
7 erative agreements with the National Park Service
8 or the Bureau of Land Management in a manner
9 similar to the provision of housing under paragraph
10 (1).

11 **SEC. 70706. URBAN PARKS.**

12 In addition to amounts otherwise available, there is
13 appropriated to the Director of the National Park Service
14 for fiscal year 2022, out of any money in the Treasury
15 not otherwise appropriated, \$100,000,000, to remain
16 available until September 30, 2026, to carry out direct,
17 competitive grants to localities for acquisition of land or
18 interests in land, or for development of recreation facilities
19 to create or significantly enhance access to parks or out-
20 door recreation in urban areas, subject to the conditions
21 that no property acquired or developed with funding under
22 this section shall be converted to uses other than public
23 outdoor recreation without the approval of the Secretary.
24 Such approval shall require assurances as the Secretary
25 considers necessary to ensure the substitution of other rec-

1 reational properties of equivalent or greater fair market
2 value and of equivalent usefulness and accessibility.

3 **SEC. 70707. HISTORIC PRESERVATION.**

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, \$25,000,000, to remain avail-
8 able until September 30, 2026, to provide funding through
9 direct expenditure, contracts, grants, cooperative agree-
10 ments, or technical assistance to States, Indian Tribes, the
11 District of Columbia, and Territories to carry out preser-
12 vation or historic preservation as defined by section
13 300315 of title 54, United States Code.

14 **SEC. 70708. NATIONAL HERITAGE AREAS.**

15 In addition to amounts otherwise available, there is
16 appropriated to the Director of the National Park Service
17 for fiscal year 2022, out of any money in the Treasury
18 not otherwise appropriated, \$50,000,000, to remain avail-
19 able until September 30, 2026, to carry out funding for
20 National Heritage Area Partnerships, including funding
21 in fiscal year 2022 for any national heritage area, national
22 heritage corridor, cultural heritage corridor, national her-
23 itage partnership, national heritage canalway, national
24 heritage route, and battlefields national historic district

1 authorized to receive Federal funds as of September 1,
2 2021.

3 **SEC. 70709. WITHDRAWALS.**

4 The Secretary of the Interior shall, on or before June
5 30, 2024, withdraw, permanently or for a set term and
6 subject to valid existing rights, lands or interest in lands
7 administered by the Bureau of Land Management from
8 entry, appropriation, disposal, location, leasing, permit-
9 ting, and patent. Withdrawals made under this section
10 shall result in an aggregate reduction of receipts payable
11 to the Treasury between the date of the enactment of this
12 section and the end of fiscal year 2031 of \$10,000,000.

13 **SEC. 70710. NATIONAL PARK SERVICE EMPLOYEES.**

14 In addition to amounts otherwise available, there is
15 appropriated to the Secretary of the Interior for fiscal year
16 2022, out of any money in the Treasury not otherwise ap-
17 propriated, \$500,000,000, to remain available through
18 September 30, 2030, to hire employees in units of the Na-
19 tional Park System.

20 **Subtitle H—Drought Response and**
21 **Preparedness**

22 **SEC. 70801. BUREAU OF RECLAMATION DOMESTIC WATER**
23 **SUPPLY PROJECTS.**

24 (a) **FUNDING FOR DOMESTIC WATER SUPPLY**
25 **PROJECTS.**—In addition to amounts otherwise available,

1 there is appropriated to the Commissioner of the Bureau
2 of Reclamation for fiscal year 2022, out of any money in
3 the Treasury not otherwise appropriated, \$550,000,000,
4 to remain available until expended, for grants, contracts,
5 or financial assistance agreements for disadvantaged com-
6 munities (identified according to criteria adopted by the
7 Commissioner) in a manner as determined by the Commis-
8 sioner for up to 100 percent of the cost of the planning,
9 design, or construction of water projects the primary pur-
10 pose of which is to provide domestic water supplies to com-
11 munities or households that do not have reliable access
12 to domestic water supplies in a State or territory described
13 in the first section of the Act of June 17, 1902 (43 U.S.C.
14 391; 32 Stat. 388, chapter 1093).

15 (b) ADDITIONAL FUNDING.—In addition to amounts
16 otherwise available, there is appropriated to the Commis-
17 sioner of the Bureau of Reclamation for fiscal year 2032
18 and each fiscal year thereafter, out of any money in the
19 Treasury not otherwise appropriated, \$50,000,000, to re-
20 main available until expended, for grants, contracts, or fi-
21 nancial assistance agreements for disadvantaged commu-
22 nities (identified according to criteria adopted by the Com-
23 missioner) in a manner as determined by the Commis-
24 sioner for up to 100 percent of the cost of the planning,
25 design, or construction of water projects the primary pur-

1 pose of which is to provide domestic water supplies to com-
2 munities or households that do not have reliable access
3 to domestic water supplies in a United States territory or
4 a Western State (as described in item (6) of section 3002
5 of the Western Water Policy Review Act of 1992).

6 **SEC. 70802. LARGE SCALE WATER REUSE.**

7 (a) DEFINITIONS.—In this section:

8 (1) ELIGIBLE ENTITY.—The term “eligible enti-
9 ty” means—

10 (A) a State, Indian Tribe, municipality, ir-
11 rigation district, water district, wastewater dis-
12 trict, or other organization with water or power
13 delivery authority;

14 (B) a State, regional, or local authority,
15 the members of which include 1 or more organi-
16 zations with water or power delivery authority;
17 or

18 (C) an agency established under State law
19 for the joint exercise of powers or a combina-
20 tion of entities described in subparagraphs (A)
21 and (B).

22 (2) RECLAMATION STATE.—The term “Rec-
23 lamation State” means a State or territory described
24 in the first section of the Act of June 17, 1902 (32
25 Stat. 388, chapter 1093; 43 U.S.C. 391).

1 (b) IN GENERAL.—In addition to amounts otherwise
2 available, there is appropriated to the Bureau of Reclama-
3 tion for fiscal year 2022, out of any money in the Treasury
4 not otherwise appropriated, \$100,000,000, to remain
5 available until September 30, 2031, to provide nonreim-
6 bursable grants on a competitive basis to eligible entities
7 that shall not exceed 25 percent of the total cost of an
8 eligible project unless the project advances at least a pro-
9 portionate share of authorized nonreimbursable benefits
10 (including benefits provided through measurable reduc-
11 tions in water diversions from a river basin that is associ-
12 ated with or affected by, or located within the same river
13 basin as a Federal reclamation project) up to a maximum
14 75 percent of the total costs of an eligible project, to carry
15 out the planning, design, and construction of projects to
16 reclaim and reuse municipal, industrial, domestic, or agri-
17 cultural wastewater or impaired ground or surface waters
18 that have a total estimated cost of more than
19 \$500,000,000 and that provide benefits to drought strick-
20 en regions within the Reclamation States for the purposes
21 of—

22 (1) helping to advance water management plans
23 across a multi-state area, such as drought contin-
24 gency plans in the Colorado River Basin; and

1 project, to cover up to 50 percent of the total cost of the
2 project, in partnership with a State, Indian Tribe, munic-
3 ipality, irrigation district, water district, wastewater dis-
4 trict, nonprofit organization, institution of higher learn-
5 ing, or an agency established under State law for the joint
6 exercise of powers.

7 **SEC. 70804. CANAL REPAIR AND IMPROVEMENT PROJECTS.**

8 (a) CONVEYANCE REPAIRS.—In addition to amounts
9 otherwise available, there is appropriated to the Bureau
10 of Reclamation for fiscal year 2022, out of any money in
11 the Treasury not otherwise appropriated, \$25,000,000, to
12 remain available until September 30, 2031, to provide
13 nonreimbursable grants in a manner as determined by the
14 Secretary of the Interior (in this section referred to as
15 the “Secretary”) on a competitive basis to eligible entities
16 that in aggregate shall not exceed 33 percent of the total
17 cost of an eligible project to carry out the planning, de-
18 sign, and construction of projects to make major, non-re-
19 curring maintenance repairs to water conveyance facilities
20 that do not enlarge the carrying capacity of a conveyance
21 facility beyond the capacity as previously constructed for
22 conveyance facilities in need of emergency capacity res-
23 toration due to subsidence and experiencing exceptional
24 drought for the purposes of increasing drought resiliency,
25 primarily through groundwater recharge.

1 (b) SOLAR CANAL INTEGRATION.—In addition to
2 amounts otherwise available, there is appropriated to the
3 Bureau of Reclamation for fiscal year 2022, out of any
4 money in the Treasury not otherwise appropriated,
5 \$25,000,000, to remain available until September 30,
6 2031, for the design, study, and implementation of
7 projects (including pilot and demonstration projects) to
8 cover conveyance facilities receiving grants under sub-
9 section (a) with solar panels to generate renewable energy
10 in a manner as determined by the Secretary or for other
11 solar projects associated with Bureau of Reclamation
12 projects that increase water efficiency and assist in imple-
13 mentation of clean energy goals.

14 **Subtitle I—Insular Affairs**

15 **SEC. 70901. INSULAR AFFAIRS CRITICAL INFRASTRUCTURE** 16 **FUNDING.**

17 In addition to amounts otherwise available, there is
18 appropriated to the Department of the Interior Office of
19 Insular Affairs for fiscal year 2022, out of any money in
20 the Treasury not otherwise appropriated, \$1,000,000,000,
21 to remain available until September 30, 2026, for critical
22 infrastructure in the territories. Amounts made available
23 under this section shall be distributed under section 701
24 of the Covenant approved under Public Law 94–241 in
25 the manner provided under the heading “ASSISTANCE TO

1 TERRITORIES” in title I of the Department of the Interior
2 and Related Agencies Appropriations Act, 1996, as en-
3 acted by Public Law 104-134 (110 Stat. 1321-173).

4 **SEC. 70902. OFFICE OF INSULAR AFFAIRS CLIMATE**
5 **CHANGE TECHNICAL ASSISTANCE.**

6 (a) IN GENERAL.—In addition to amounts otherwise
7 available, there is appropriated to the Department of the
8 Interior Office of Insular Affairs for fiscal year 2022, out
9 of any money in the Treasury not otherwise appropriated,
10 \$29,100,000, to remain available until September 30,
11 2026, to provide technical assistance for climate change
12 planning, mitigation, adaptation, and resilience to United
13 States Insular Areas under the Office of Insular Affairs.

14 (b) ADMINISTRATIVE EXPENSES.—In addition to
15 amounts otherwise available, there is appropriated to the
16 Department of the Interior Office of Insular Affairs for
17 fiscal year 2022, out of any money in the Treasury not
18 otherwise appropriated, \$900,000, to remain available
19 until September 30, 2026, for necessary administrative ex-
20 penses associated with carrying out this section.

21 **SEC. 70903. DEFINITIONS.**

22 For the purposes of this subtitle:

23 (1) TERRITORIES.—The term “territories”
24 means American Samoa, the Commonwealth of the

1 Northern Mariana Islands, Guam, and the Virgin Is-
2 lands of the United States.

3 (2) UNITED STATES INSULAR AREAS.—The
4 term “United States Insular Areas” means Amer-
5 ican Samoa, the Commonwealth of the Northern
6 Mariana Islands, Guam, Puerto Rico, or the Virgin
7 Islands of the United States.

8 **Subtitle J—Offshore Wind**

9 **SEC. 71001. RENEWABLE ENERGY LEASING ON THE OUTER** 10 **CONTINENTAL SHELF.**

11 The Secretary of the Interior shall grant leases, ease-
12 ments, and rights-of-way, to produce or support produc-
13 tion, transportation, or transmission of electricity from re-
14 newable energy facilities on the Outer Continental Shelf
15 in the areas identified on the map entitled “Outer Conti-
16 nental Shelf Lower 48 States Planning Areas” and dated
17 October 18, 2021, as the Mid Atlantic Planning Area, the
18 South Atlantic Planning Area, the Straits of Florida Plan-
19 ning Area, and the Eastern Gulf of Mexico Planning Area.

20 **SEC. 71002. OFFSHORE WIND FOR THE TERRITORIES.**

21 The Secretary of the Interior shall grant leases, ease-
22 ments, and rights-of-way to produce or support produc-
23 tion, transportation, or transmission of electricity from re-
24 newable energy facilities in submerged lands seaward from
25 the coastline of Puerto Rico, Guam, American Samoa, the

1 Virgin Islands of the United States, and the Common-
2 wealth of the Northern Mariana Islands and of which the
3 subsoil and seabed appertain to the United States and are
4 subject to its jurisdiction and control. The Secretary of
5 the Interior shall conduct wind lease sales in said sub-
6 merged lands if the Secretary of the Interior has deter-
7 mined that a wind lease sale is feasible and issued a call
8 for information and nominations, determined there is suf-
9 ficient interest in leasing the area, and consulted with the
10 Governor of the territory regarding the suitability of the
11 area for wind energy development.

12 **Subtitle K—Preventing Damage**
13 **From Mining**

14 **SEC. 71101. FUNDING TO PREVENT DAMAGE FROM MINING.**

15 In addition to amounts otherwise available, there is
16 appropriated to the Bureau of Land Management for fis-
17 cal year 2022, out of any money in the Treasury not other-
18 wise appropriated, \$3,000,000, to remain available until
19 September 30, 2031, to revise rules and regulations to
20 prevent undue degradation of public lands due to hardrock
21 mining activities.

1 **Subtitle L—Arctic National Wildlife**
2 **Refuge**

3 **SEC. 71201. REPEAL OF THE ARCTIC NATIONAL WILDLIFE**
4 **REFUGE OIL AND GAS PROGRAM.**

5 Section 20001 of Public Law 115–97 is repealed and
6 any leases issued pursuant to section 20001 of Public Law
7 115–97 are hereby cancelled and all payments related to
8 the leases shall be returned to the lessee(s) within 30 days
9 of enactment of this section.

10 **Subtitle M—Outer Continental**
11 **Shelf Oil and Gas Leasing**

12 **SEC. 71301. PROTECTION OF THE EASTERN GULF, ATLANTIC,**
13 **AND PACIFIC COASTS.**

14 The Secretary of the Interior may not issue a lease
15 or any other authorization for the exploration, develop-
16 ment, or production of oil or natural gas in any of the
17 planning areas on the Outer Continental Shelf in the Pa-
18 cific Region Planning Areas, in the Atlantic Region Plan-
19 ning Areas, or in the Eastern Gulf of Mexico Planning
20 Area identified on the map entitled “Outer Continental
21 Shelf Lower 48 States Planning Areas” and dated October
22 18, 2021.

1 **Subtitle N—Fossil Fuel Resources**

2 **SEC. 71401. ONSHORE FOSSIL FUEL ROYALTY RATES.**

3 All new onshore oil and gas leases issued by the Sec-
4 retary of the Interior shall be conditioned upon the pay-
5 ment of a royalty at a rate of 18.75 percent in amount
6 or value of the production from the lease. Before a termi-
7 nated or cancelled oil or gas lease may be reinstated by
8 the Secretary of the Interior, back royalties must be paid,
9 and future royalties shall be at a rate of 25 percent in
10 amount or value of the production from the lease.

11 **SEC. 71402. OFFSHORE OIL AND GAS ROYALTY RATE.**

12 All new offshore oil and gas leases on submerged
13 lands of the outer Continental Shelf granted by the Sec-
14 retary of the Interior shall be conditioned upon the pay-
15 ment of a royalty at a rate of not less than 14 percent
16 in amount or value of the production from the lease.

17 **SEC. 71403. OIL AND GAS MINIMUM BID.**

18 The onshore minimum acceptable bid charged by the
19 Secretary of the Interior shall be \$10 per acre on Federal
20 lands in the contiguous United States authorized to be
21 leased by the Secretary for production of oil and gas. The
22 Secretary of the Interior shall by regulation, at least once
23 every 4 years, adjust the dollar amount to reflect the
24 change in inflation.

1 **SEC. 71404. DEFERRED COAL BONUS PAYMENTS.**

2 The Secretary of the Interior may not offer Federal
3 coal leases under a system of deferred bonus payment.

4 **SEC. 71405. FOSSIL FUEL RENTAL RATES.**

5 The Secretary of the Interior shall require all onshore
6 oil and gas leases in the contiguous United States to be
7 conditioned upon payment by the lessee of a rental of \$3
8 per acre per year during the 2-year period beginning on
9 the date the lease begins for new leases, and after the end
10 of such two-year period \$5 per acre per year. The Sec-
11 retary of the Interior shall by regulation, at least once
12 every 4 years, adjust the dollar amounts to reflect the
13 change in inflation. A terminated onshore oil and gas lease
14 may not be reinstated without the payment of back rentals
15 and a requirement that future rentals be at a rate of \$20
16 per acre per year.

17 **SEC. 71406. FOSSIL FUEL LEASE TERM LENGTH.**

18 (a) A new coal lease issued by the Secretary of the
19 Interior shall be for a term of ten years. Any lease which
20 is not producing in commercial quantities at the end of
21 5 years shall be terminated. The aggregate number of
22 years during the period of any lease for which advance
23 royalties may be accepted in lieu of the condition of contin-
24 ued operation shall not exceed 10 years.

25 (b) Leases for exploration for and development of oil
26 or gas in the contiguous United States issued by the Sec-

1 retary of the Interior shall be for a primary term of 5
2 years.

3 **SEC. 71407. EXPRESSION OF INTEREST FEE.**

4 (a) IN GENERAL.—The Secretary of the Interior shall
5 charge any person who submits an expression of interest
6 in leasing land in the contiguous United States available
7 for disposition for exploration and development of oil or
8 gas a fee in an amount determined by the Secretary of
9 the Interior under subsection (b).

10 (b) AMOUNT.—The fee authorized under subsection
11 (a) shall be established by the Secretary of the Interior
12 in an amount that is determined by the Secretary of the
13 Interior to be appropriate to cover the aggregate cost of
14 processing an expression of interest under this section, but
15 not less than \$15 per acre and not more than \$50 per
16 acre of the area covered by the applicable expression of
17 interest.

18 (c) ADJUSTMENT OF FEE.—The Secretary of the In-
19 terior shall, by regulation at least every 4 years, establish
20 a higher expression of interest fee to reflect the change
21 in inflation.

22 **SEC. 71408. ELIMINATION OF NONCOMPETITIVE LEASING.**

23 The Secretary of the Interior may not issue an oil
24 or gas lease noncompetitively. Land made available by the
25 Secretary of the Interior for oil and gas leasing for which

1 no bid is accepted or received, or the land for which a
2 lease terminates, expires, is cancelled, or is relinquished,
3 may only be made available by the Secretary of the Inte-
4 rior for a new round of sealed, competitive bidding.

5 **SEC. 71409. OIL AND GAS BONDING REQUIREMENTS.**

6 Not later than 18 months after the date of enactment
7 of this subtitle, the Secretary of the Interior shall publish
8 a final rule in the Federal Register requiring that an ade-
9 quate bond, surety, or other financial arrangement be pro-
10 vided by an oil or gas lessee prior to the commencement
11 of surface-disturbing activities on an onshore oil and gas
12 lease issued by the Secretary to ensure the complete and
13 timely restoration and reclamation of any land, water,
14 range, or other environmental resources adversely affected
15 by lease activities or operations after the abandonment or
16 cessation of oil and gas operations on the lease. The Sec-
17 retary of the Interior shall find that a bond, surety or
18 other financial arrangement required by rule or regulation
19 is inadequate if it is for less than the complete and timely
20 reclamation of the least tract, the restoration of any lands
21 or surface waters adversely affected by lease operations,
22 and, in the case of an idled well, the total plugging and
23 reclamation costs for each idled well controlled by the
24 same operator.

1 **SEC. 71410. PER-ACRE LEASE FEES.**

2 (a) OIL AND GAS LEASE FEES.—The Secretary of
3 the Interior shall charge onshore and offshore oil and gas
4 leaseholders the following annual, non-refundable fees:

5 (1) CONSERVATION OF RESOURCES FEE.—

6 There is established a Conservation of Resources
7 Fee of \$4 per acre per year on new producing Fed-
8 eral onshore and offshore oil and gas leases.

9 (2) SPECULATIVE LEASING FEE.—There is es-
10 tablished a Speculative Leasing Fee of \$6 per acre
11 per year on new nonproducing Federal onshore and
12 offshore oil and gas leases.

13 (b) DEPOSIT.—All funds collected pursuant to sub-
14 section (a) shall be deposited into the United States
15 Treasury General Fund.

16 (c) ADJUSTMENT FOR INFLATION.—The Secretary of
17 the Interior shall, by regulation at least once every four
18 years, adjust each fee created by subsection (a) to reflect
19 any increase in inflation.

20 **SEC. 71411. OFFSHORE OIL AND GAS INSPECTION FEES.**

21 (a) IN GENERAL.—

22 (1) ESTABLISHMENT.—The Secretary of the In-
23 terior shall collect inspection fees from the operators
24 of oil and gas facilities on the outer continental shelf
25 subject to any environmental or safety regulation to

1 prevent or ameliorate blowouts, fires, spills,
2 spillages, or major accidents—

3 (A) at an aggregate level to offset the an-
4 nual expenses of such inspections; and

5 (B) using a schedule that reflect the dif-
6 ferences in complexity among the classes of fa-
7 cilities to be inspected.

8 (2) ADJUSTMENT FOR INFLATION.—For each
9 fiscal year beginning after fiscal year 2022, the Sec-
10 retary of the Interior shall adjust the amount of the
11 fees collected under this section for inflation.

12 (3) FEES FOR FISCAL YEAR 2022.—

13 (A) ANNUAL FEES.—For fiscal year 2022,
14 the Secretary of the Interior shall collect annual
15 fees from the operator of facilities that are
16 above the waterline, excluding drilling rigs, and
17 are in place at the start of the fiscal year in the
18 following amounts:

19 (i) \$11,725 for facilities with no wells,
20 but with processing equipment or gath-
21 ering lines.

22 (ii) \$18,984 for facilities with 1 to 10
23 wells, with any combination of active or in-
24 active wells.

1 (iii) \$35,176 for facilities with more
2 than 10 wells, with any combination of ac-
3 tive or inactive wells.

4 (B) FEES FOR DRILLING RIGS.—For fiscal
5 year 2022, the Secretary of the Interior shall
6 collect fees for each inspection from the opera-
7 tors of drilling rigs in the following amounts:

8 (i) \$34,059 per inspection for rigs op-
9 erating in water depths of 500 feet or
10 more.

11 (ii) \$18,649 per inspection for rigs
12 operating in water depths of less than 500
13 feet.

14 (C) FEES FOR NON-RIG UNITS.—For fiscal
15 year 2022, the Secretary of the Interior shall
16 collect fees for each inspection from the opera-
17 tors of well operations conducted via non-rig
18 units in the following amounts:

19 (i) \$13,260 per inspection for non-rig
20 units operating in water depths of 2,500
21 feet or more.

22 (ii) \$11,530 per inspection for non-rig
23 units operating in water depths between
24 500 and 2,499 feet.

1 (iii) \$4,470 per inspection for non-rig
2 units operating in water depths of less
3 than 500 feet.

4 (b) DISPOSITION.—Amounts collected as fees under
5 subsection (a) shall be deposited into the general fund of
6 the Treasury.

7 (c) BILLING.—

8 (1) ANNUAL FEES.—The Secretary of the Inte-
9 rior shall bill designated operators under subsection
10 (a)(3)(A) annually, with payment required not later
11 than 30 days after such billing.

12 (2) FEES FOR DRILLING RIGS.—The Secretary
13 of the Interior shall bill designated operators under
14 subsection (a)(3)(B) not later than 30 days after the
15 end of the month in which the inspection occurred,
16 with payment required not later than 30 days after
17 such billing.

18 **SEC. 71412. ONSHORE OIL AND GAS INSPECTION FEES.**

19 (a) IN GENERAL.—The designated operator under
20 each oil and gas lease on Federal land or each unit and
21 communitization agreement that includes one or more
22 such Federal leases that is subject to inspection and that
23 is in force at the start of the fiscal year 2021, shall pay
24 a nonrefundable annual inspection fee in an amount that,
25 except as provided in subsection (b), is established by the

1 Secretary of the Interior by regulation and is sufficient
2 to recover the full costs incurred by the United States for
3 inspection and enforcement with respect to such leases.

4 (b) AMOUNT.—Until the effective date of regulations
5 under subsection (a)—

6 (1) the amount of the fee for all States shall be
7 \$1,000 for each lease, unit, or communitization
8 agreement; and

9 (2) the Secretary of the Interior may increase
10 the fees based upon the actual costs incurred for in-
11 spections.

12 (c) ASSESSMENT FOR FISCAL YEAR 2022.—For fis-
13 cal year 2022, the Secretary of the Interior shall assess
14 the fee described under this section at \$1,000 for each
15 lease, unit, or communitization agreement, and shall pro-
16 vide notice of such assessment to each designated operator
17 who is liable for such fee, by not later than 60 days after
18 the date of enactment of this section.

19 **SEC. 71413. SEVERANCE FEES.**

20 The Secretary of the Interior shall collect annual,
21 non-refundable fees on fossil fuels produced from new
22 leases on Federal lands and the Outer Continental Shelf
23 and deposit the funds into the United States Treasury
24 General Fund. Such fees shall be—

1 (1) \$0.50 per barrel of oil equivalent on oil and
2 natural gas produced from Federal lands and the
3 Outer Continental Shelf; and

4 (2) \$2 per metric ton of coal produced from
5 Federal lands.

6 **SEC. 71414. IDLED WELL FEES.**

7 (a) IN GENERAL.—The Secretary of the Interior
8 shall, not later than 180 days after the date of enactment
9 of this section, issue regulations to require each operator
10 of an idled well on Federal land and the Outer Continental
11 Shelf to pay an annual, nonrefundable fee for each such
12 idled well in accordance with this subsection.

13 (b) AMOUNTS.—Except as provided in subsection (d),
14 the amount of the fee shall be as follows:

15 (1) \$500 for each well that has been considered
16 an idled well for at least 1 year, but not more than
17 5 years.

18 (2) \$1,500 for each well that has been consid-
19 ered an idled well for at least 5 years, but not more
20 than 10 years.

21 (3) \$3,500 for each well that has been consid-
22 ered an idled well for at least 10 years, but not more
23 than 15 years.

24 (4) \$7,500 for each well that has been consid-
25 ered an idled well for at least 15 years.

1 (c) DUE DATE.—An owner of an idled well that is
2 required to pay a fee under this section shall submit to
3 the Secretary of the Interior such fee by not later than
4 October 1 of each year.

5 (d) ADJUSTMENT FOR INFLATION.—The Secretary of
6 the Interior shall, by regulation not less than once every
7 4 years, adjust each fee under this section to account for
8 inflation.

9 (e) DEPOSIT.—All funds collected pursuant to sub-
10 section (a) shall be deposited into the United States
11 Treasury General Fund.

12 (f) IDLED WELL DEFINITION.—For the purposes of
13 this section, the term “idled well” means a well that has
14 been non-operational for at least two consecutive years
15 and for which there is no anticipated beneficial future use.

16 **SEC. 71415. ANNUAL PIPELINE OWNERS FEE.**

17 (a) IN GENERAL.—Not later than 180 days after the
18 date of enactment of this section, the Bureau of Safety
19 and Environmental Enforcement shall issue regulations to
20 assess an annual fee on owners of existing and new off-
21 shore oil and gas pipelines defined as “DOI pipelines”
22 under 30 C.F.R. 250.1001. No portion of such fee that
23 is passed on to a lessee may be deducted as part of a les-
24 see’s transportation allowance when calculating royalties
25 due to the United States.

1 (b) AMOUNTS.—Fees established under this para-
2 graph shall be—

3 (1) \$10,000 per mile for pipelines in water with
4 a depth of 500 feet or greater; and

5 (2) \$1,000 per mile for pipelines in water depth
6 of under 500 feet.

7 **SEC. 71416. ROYALTIES ON ALL EXTRACTED METHANE.**

8 (a) IN GENERAL.—Except as provided in subsection
9 (b), royalties paid for gas produced from Federal lands
10 and on the Outer Continental Shelf shall be assessed on
11 all gas produced, including—

12 (1) gas used or consumed within the area of the
13 lease tract for the benefit of the lease; and

14 (2) all gas that is consumed or lost by venting,
15 flaring, or fugitive releases through any equipment
16 during upstream operations.

17 (b) EXCEPTION.—Subsection (a) shall not apply with
18 respect to gas vented or flared for not longer than 48
19 hours in an acute emergency situation that poses a danger
20 to human health.

21 **SEC. 71417. ELIMINATION OF ROYALTY RELIEF.**

22 (a) LIMITATION ON AUTHORITY.—The Secretary of
23 the Interior may not reduce, eliminate, or suspend royal-
24 ties or net profit share for any oil and gas leases on the
25 Outer Continental Shelf. Royalty relief may not be per-

1 mitted on any future oil and gas leases on the Outer Con-
2 tinental Shelf.

3 (b) REPEAL.—Section 39 of the Mineral Leasing Act
4 (30 U.S.C. 209) is repealed.

5 **Subtitle O—United States**
6 **Geological Survey**

7 **SEC. 71501. UNITED STATES GEOLOGICAL SURVEY 3D ELE-**
8 **VATION PROGRAM.**

9 In addition to amounts otherwise available, there is
10 appropriated to the Director of the United States Geologi-
11 cal Survey for fiscal year 2022, out of any money in the
12 Treasury not otherwise appropriated, \$47,000,000, to re-
13 main available until September 30, 2031, to produce, col-
14 lect, disseminate, and use 3D elevation data.

15 **SEC. 71502. CLIMATE ADAPTATION SCIENCE CENTERS.**

16 In addition to amounts otherwise available, there is
17 appropriated to the United States Geological Survey for
18 fiscal year 2022, out of any money in the Treasury not
19 otherwise appropriated, \$50,000,000, to remain available
20 until September 30, 2031, for the Regional and National
21 Climate Adaptation Science Centers to provide localized
22 information to help communities respond to climate
23 change.

1 **TITLE VIII—COMMITTEE ON**
2 **OVERSIGHT AND REFORM**

3 **SEC. 80001. GENERAL SERVICES ADMINISTRATION CLEAN**
4 **FLEETS.**

5 In addition to amounts otherwise available, there is
6 appropriated to the Administrator of General Services for
7 fiscal year 2022, out of any money in the Treasury not
8 otherwise appropriated, \$2,995,000,000, to remain avail-
9 able until September 30, 2026, for the procurement of
10 zero-emission and electric vehicles and related costs.

11 **SEC. 80002. FUNDING FOR GENERAL SERVICES ADMINIS-**
12 **TRATION OFFICE OF INSPECTOR GENERAL.**

13 In addition to amounts otherwise available, there is
14 appropriated to the Office of Inspector General of the
15 General Services Administration for fiscal year 2022, out
16 of any money in the Treasury not otherwise appropriated,
17 \$5,000,000, to remain available until September 30, 2031,
18 to support oversight of General Services Administration
19 activities implemented pursuant to this Act.

20 **SEC. 80003. UNITED STATES POSTAL SERVICE CLEAN**
21 **FLEETS.**

22 In addition to amounts otherwise available, there is
23 appropriated to the United States Postal Service for fiscal
24 year 2022, out of any money in the Treasury not otherwise
25 appropriated, the following amounts, to be deposited into

1 the Postal Service Fund established under section 2003
2 of title 39, United States Code:

3 (1) \$2,573,550,000, to remain available
4 through September 30, 2031, for the purchase of
5 electric delivery vehicles.

6 (2) \$3,411,450,000, to remain available
7 through September 30, 2031, for the purchase, de-
8 sign, and installation of the requisite infrastructure
9 to support electric delivery vehicles at facilities that
10 the United States Postal Service owns or leases from
11 non-Federal entities.

12 **SEC. 80004. UNITED STATES POSTAL SERVICE OFFICE OF**
13 **INSPECTOR GENERAL.**

14 In addition to amounts otherwise available, there is
15 appropriated to the Office of Inspector General of the
16 United States Postal Service for fiscal year 2022, out of
17 any money in the Treasury not otherwise appropriated,
18 \$15,000,000, to remain available through September 30,
19 2031, to support oversight of United States Postal Service
20 activities implemented pursuant to this Act.

21 **SEC. 80005. GOVERNMENT ACCOUNTABILITY OFFICE OVER-**
22 **SIGHT.**

23 In addition to amounts otherwise available, there is
24 appropriated to the Comptroller General of the United
25 States for fiscal year 2022, out of any money in the Treas-

1 ury not otherwise appropriated, \$25,000,000, to remain
2 available until September 30, 2031, for necessary expenses
3 of the Government Accountability Office to support the
4 oversight of—

5 (1) the distribution and use of funds appro-
6 priated under this Act; and

7 (2) whether the economic, social, and environ-
8 mental impacts of the funds described in paragraph

9 (1) are equitable.

10 **SEC. 80006. OFFICE OF MANAGEMENT AND BUDGET OVER-**
11 **SIGHT.**

12 In addition to amounts otherwise available, there are
13 appropriated to the Director of the Office of Management
14 and Budget for fiscal year 2022, out of any money in the
15 Treasury not otherwise appropriated, \$25,000,000, to re-
16 main available until September 30, 2026, for necessary ex-
17 penses to—

18 (1) support the implementation of this Act and
19 the Justice40 Initiative; and

20 (2) track labor, equity, and environmental
21 standards and performance.

22 **SEC. 80007. GENERAL SERVICES ADMINISTRATION EMERG-**
23 **ING TECHNOLOGIES.**

24 In addition to amounts otherwise available, there is
25 appropriated to the Administrator of General Services for

1 fiscal year 2022, out of any money in the Treasury not
2 otherwise appropriated, \$975,000,000, to remain available
3 until September 30, 2026, for emerging and sustainable
4 technologies, and related sustainability and environmental
5 programs.

6 **SEC. 80008. GENERAL SERVICES ADMINISTRATION PRO-**
7 **CUREMENT AND TECHNOLOGY.**

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, \$3,250,000,000, to remain avail-
12 able until September 30, 2026, for the purchase of goods,
13 services, and systems to improve energy efficiency, pro-
14 mote the purchase of lower-carbon materials, and reduce
15 the carbon footprint.

16 **TITLE IX—COMMITTEE ON**
17 **SCIENCE, SPACE, AND TECH-**
18 **NOLOGY**

19 **SEC. 90001. DEPARTMENT OF ENERGY RESEARCH, DEVEL-**
20 **OPMENT, AND DEMONSTRATION ACTIVITIES.**

21 (a) OFFICE OF ENERGY EFFICIENCY AND RENEW-
22 ABLE ENERGY.—In addition to amounts otherwise avail-
23 able, there is appropriated to the Department of Energy
24 Office of Energy Efficiency and Renewable Energy for fis-
25 cal year 2022, out of any money in the Treasury not other-

1 wise appropriated, \$1,000,000,000, to remain available
2 until September 30, 2026, to carry out demonstration
3 projects, including demonstration of advanced—

- 4 (1) building technologies;
- 5 (2) solar energy technologies;
- 6 (3) geothermal energy technologies;
- 7 (4) wind energy technologies;
- 8 (5) water power technologies;
- 9 (6) bioenergy technologies; and
- 10 (7) vehicle technologies.

11 (b) OFFICE OF SCIENCE.—In addition to amounts
12 otherwise available, there is appropriated to the Office of
13 Science of the Department of Energy for fiscal year 2022,
14 out of any money in the Treasury not otherwise appro-
15 priated, to remain available until September 30, 2026—

16 (1) \$100,000,000 to carry out the low-dose ra-
17 diation research program established under section
18 306(c) of the Department of Energy Research and
19 Innovation Act (42 U.S.C. 18644(c)(1));

20 (2) \$200,000,000 to carry out the fusion mate-
21 rials research and development program established
22 under section 307(b) of the Department of Energy
23 Research and Innovation Act (42 U.S.C. 18645(b));

24 (3) \$200,000,000 to carry out the alternative
25 and enabling fusion energy concepts program estab-

1 lished under section 307(e) of the Department of
2 Energy Research and Innovation Act (42 U.S.C.
3 18645(e));

4 (4) \$325,000,000 to carry out the milestone-
5 based fusion energy development program estab-
6 lished under section 307(i) of the Department of
7 Energy Research and Innovation Act (42 U.S.C.
8 18645(i));

9 (5) \$140,000,000 to carry out the program of
10 research and technology development in inertial fu-
11 sion for energy applications established under sec-
12 tion 307(d) of the Department of Energy Research
13 and Innovation Act (42 U.S.C. 18645(d)); and

14 (6) \$20,000,000 to carry out the fusion reactor
15 system design activities authorized in section 307(j)
16 of the Department of Energy Research and Innova-
17 tion Act (42 U.S.C. 18645(j)).

18 (c) OFFICE OF FOSSIL ENERGY AND CARBON MAN-
19 AGEMENT.—In addition to amounts otherwise available,
20 there is appropriated to the Department of Energy Office
21 of Fossil Energy and Carbon Management for fiscal year
22 2022, out of any money in the Treasury not otherwise ap-
23 propriated, \$10,000,000, to remain available until Sep-
24 tember 30, 2026, to carry out on-site demonstration

1 projects on the reduction of environmental impacts of pro-
2 duced water.

3 (d) DIVERSITY SUPPORT.—In addition to amounts
4 otherwise available, there is appropriated to the Depart-
5 ment of Energy Office of Economic Impact and Diversity
6 for fiscal year 2022, out of any money in the Treasury
7 not otherwise appropriated, \$5,000,000, to remain avail-
8 able until September 30, 2026, to support programs
9 across the Department’s civilian research, development,
10 demonstration, and commercial application activities.

11 **SEC. 90002. AVAILABILITY OF HIGH-ASSAY LOW-ENRICHED**
12 **URANIUM.**

13 (a) APPROPRIATIONS.—In addition to amounts other-
14 wise available, there is appropriated to the Secretary of
15 Energy for fiscal year 2022, out of any money in the
16 Treasury not otherwise appropriated, to remain available
17 until September 30, 2026, \$500,000,000 to carry out the
18 program elements described in subparagraphs (D)
19 through (H) of section 2001(a)(2) of the Energy Act of
20 2020 (42 U.S.C. 16281(a)(2)), and for related adminis-
21 trative expenses.

22 (b) COMPETITIVE PROCEDURES.—To the maximum
23 extent practicable, the Department of Energy shall, in a
24 manner consistent with section 989 of the Energy Policy
25 Act of 2005 (42 U.S.C. 16353), use a competitive, merit-

1 based review process in carrying out research, develop-
2 ment, demonstration, and deployment activities under sec-
3 tion 2001 of the Energy Act of 2020 (42 U.S.C. 16281).

4 **SEC. 90003. AIR QUALITY AND CLIMATE RESEARCH.**

5 In addition to amounts otherwise available, there is
6 appropriated to the Environmental Protection Agency for
7 fiscal year 2022, out of any money in the Treasury not
8 otherwise appropriated, \$100,000,000, to remain available
9 until September 30, 2026, for air quality and climate re-
10 search under section 103 of the Clean Air Act (42 U.S.C.
11 7403) in support of research related to climate change
12 mitigation, adaptation and resilience activities to help re-
13 duce the impacts of climate change on human health and
14 welfare; the issuance of award grants for the collection of
15 regional and local climate data to better estimate the eco-
16 nomic impacts of climate change and support community-
17 based responses to climate change to better anticipate,
18 prepare for, adapt to, and recover from climate-driven ex-
19 tremes events; research on the impacts of climate change,
20 and the cumulative impacts of pollution exposure, in low-
21 income and disadvantaged communities.

22 **SEC. 90004. PFAS REPLACEMENT ASSISTANCE TO FIRE-**
23 **FIGHTERS GRANTS.**

24 (a) IN GENERAL.—In addition to amounts otherwise
25 available, there is appropriated for fiscal year 2022, out

1 of any money in the Treasury not otherwise appropriated,
2 \$95,000,000, to remain available until September 30,
3 2030, to the Federal Emergency Management Agency for
4 grants for personal protective firefighting equipment and
5 firefighting foam that does not contain perfluoroalkyl or
6 polyfluoroalkyl substances.

7 (b) PROGRAM ADMINISTRATION.—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, \$5,000,000, to remain available until
11 September 30, 2030, to the Federal Emergency Manage-
12 ment Agency for the administration and management of
13 this section.

14 (c) APPLICATIONS.—With respect to the grant pro-
15 gram described in subsection (a), the Administrator of the
16 Federal Emergency Management Agency shall—

17 (1) require eligible applicants to submit an ap-
18 plication at such time, in such form, and containing
19 such information and assurances as the Adminis-
20 trator of the Federal Emergency Management Agen-
21 cy may require; and

22 (2) establish appropriate review and delivery
23 mechanisms for an application submitted under
24 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 and for related ad-
5 ministrative expenses.

6 **SEC. 90010. NATIONAL INSTITUTE OF STANDARDS AND**
7 **TECHNOLOGY MANUFACTURING.**

8 In addition to amounts otherwise available, there is
9 appropriated to the National Institute of Standards and
10 Technology for fiscal year 2022, out of any money in the
11 Treasury not otherwise appropriated—

12 (1) \$220,000,000, to remain available until
13 September 30, 2028, to provide funds for advanced
14 manufacturing research, development, and testbeds,
15 through new and existing programs and public pri-
16 vate partnerships, and for related administrative ex-
17 penses; and

18 (2) \$20,000,000, to remain available until Sep-
19 tember 30, 2028, for the development and execution
20 of a cybersecurity workforce training center, and for
21 related administrative expenses.

22 **SEC. 90011. NATIONAL INSTITUTE OF STANDARDS AND**
23 **TECHNOLOGY RESEARCH INFRASTRUCTURE.**

24 In addition to amounts otherwise available, there is
25 appropriated to the National Institute of Standards and

1 Technology for fiscal year 2022, out of any money in the
2 Treasury not otherwise appropriated, \$650,000,000, to re-
3 main available until September 30, 2028, for the upgrade,
4 replacement, maintenance, or renovation of facilities and
5 equipment as necessary to conduct laboratory activities,
6 and for related administrative expenses.

7 **SEC. 90012. OCEANIC AND ATMOSPHERIC RESEARCH AND**
8 **FORECASTING FOR WEATHER AND CLIMATE.**

9 (a) FORECASTING AND RESEARCH.—In addition to
10 amounts otherwise available, there is appropriated to the
11 National Oceanic and Atmospheric Administration for fis-
12 cal year 2022, out of any money in the Treasury not other-
13 wise appropriated, \$200,000,000, to remain available until
14 September 30, 2026, to accelerate advances and improve-
15 ments in research, observation systems, modeling, fore-
16 casting, assessments, and dissemination of information to
17 the public as it pertains to ocean and atmospheric proc-
18 esses related to weather, coasts, oceans, and climate, and
19 to carry out section 102(a) of the Weather Research and
20 Forecasting Innovation Act of 2017 (15 U.S.C. 8512(a)),
21 and for related administrative expenses.

22 (b) RESEARCH GRANTS AND SCIENCE INFORMATION,
23 PRODUCTS, AND SERVICES.—In addition to amounts oth-
24 erwise available, there are appropriated to the National
25 Oceanic and Atmospheric Administration for fiscal year

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

4 (1) \$100,000,000 for competitive grants to
5 fund climate research as it relates to weather, ocean,
6 coastal, and atmospheric processes and conditions,
7 and impacts to marine species and coastal habitat,
8 and for related administrative expenses; and

9 (2) \$100,000,000 for education and training
10 pursuant to section 4002(b)(2) of the America
11 COMPETES Act (33 U.S.C. 893a(b)(2)), and for
12 increased development and dissemination of climate
13 science information, products, and services, in sup-
14 port of climate adaptation preparedness as it relates
15 to weather, ocean, coastal, and atmospheric proc-
16 esses and conditions, impacts to marine species and
17 coastal habitat, and for related administrative ex-
18 penses.

19 (c) RESEARCH INFRASTRUCTURE AND PROCURE-
20 MENT.—In addition to amounts otherwise available, there
21 are appropriated to the National Oceanic and Atmospheric
22 Administration for fiscal year 2022, out of any money in
23 the Treasury not otherwise appropriated, \$100,000,000,
24 to remain available until September 30, 2026, for the pro-
25 vision of research infrastructure that improves accuracy,

1 timing, and dissemination of public information con-
2 cerning extreme climate and weather and for procure-
3 ments necessary to support the activities described in sub-
4 sections (a) and (b), and for related administrative ex-
5 penses.

6 **SEC. 90013. CLIMATE EDUCATION.**

7 In addition to amounts otherwise available, there is
8 appropriated to the National Oceanic and Atmospheric
9 Administration for fiscal year 2022, out of any money in
10 the Treasury not otherwise appropriated, \$20,000,000, to
11 remain available until September 30, 2026, for contracts,
12 grants, and technical assistance for education activities
13 and materials under section 4002(b)(2) of the America
14 COMPETES Act (33 U.S.C. 893a(b)(2)) related to im-
15 proving public understanding of climate change as it re-
16 lates to weather, ocean, coastal, and atmospheric processes
17 and conditions and marine fisheries and resources, and for
18 related administrative expenses. None of the funds pro-
19 vided by this subsection shall be subject to cost-sharing
20 or matching requirements.

21 **SEC. 90014. COMPUTING CAPACITY AND RESEARCH FOR**
22 **WEATHER, OCEANS, AND CLIMATE.**

23 In addition to amounts otherwise available, there is
24 appropriated to the National Oceanic and Atmospheric
25 Administration for fiscal year 2022, out of any money in

1 the Treasury not otherwise appropriated, \$200,000,000,
2 to remain available until September 30, 2026, for the pro-
3 curement of additional high-performance computing, data
4 processing capacity, data management, and storage assets,
5 to carry out section 204(a)(2) of the High-Performance
6 Computing Act of 1991 (15 U.S.C. 5524(a)(2)), and for
7 transaction agreements authorized under section
8 301(d)(1)(A) of the Weather Research and Forecasting
9 Innovation Act of 2017 (15 U.S.C. 8531(d)(1)(A)), and
10 for related administrative expenses.

11 **SEC. 90015. ACQUISITION OF HURRICANE FORECASTING**
12 **AIRCRAFT.**

13 In addition to amounts otherwise available, there is
14 appropriated to the National Oceanic and Atmospheric
15 Administration for fiscal year 2022, out of any money in
16 the Treasury not otherwise appropriated, \$139,000,000,
17 to remain available until September 30, 2026, for the ac-
18 quisition of hurricane hunter aircraft under section 413(a)
19 of the Weather Research and Forecasting Innovation Act
20 of 2017 (15 U.S.C. 8549(a)).

21 **SEC. 90016. NATIONAL SCIENCE FOUNDATION CORE RE-**
22 **SEARCH.**

23 In addition to amounts otherwise available, there is
24 appropriated to the National Science Foundation (referred
25 to in this section as “the Foundation”) for fiscal year

1 2022, out of any money in the Treasury not otherwise ap-
2 propriated—

3 (1) \$668,000,000, to remain available until
4 September 30, 2026, to fund or extend new and ex-
5 isting research awards, traineeships, scholarships,
6 and fellowships administered by the National
7 Science Foundation, across all science, technology,
8 engineering, and mathematics disciplines supported
9 by the National Science Foundation, and for related
10 administrative expenses;

11 (2) \$25,000,000, to remain available until Sep-
12 tember 30, 2028, for activities and research to en-
13 sure broad demographic participation in the activi-
14 ties of the Foundation, consistent with the goals
15 under section 526(a)(7) of the America COM-
16 PETES Reauthorization Act of 2010 (42 U.S.C.
17 1862p-14(a)(7)) and section 3(e) of the National
18 Science Foundation Act of 1950 (42 U.S.C.
19 1862(e)), and for related administrative expenses;
20 and

21 (3) \$500,000,000, to remain available until
22 September 30, 2028, for climate change research as
23 it relates to fundamental understanding of physical,
24 chemical, biological, and human systems and the

1 interactions among them, and for related adminis-
2 trative expenses.

3 **SEC. 90017. NATIONAL SCIENCE FOUNDATION TECH-**
4 **NOLOGY, INNOVATION, AND PARTNERSHIPS**
5 **DIRECTORATE.**

6 In addition to amounts otherwise available, there is
7 appropriated to the National Science Foundation for fiscal
8 year 2022, out of any money in the Treasury not otherwise
9 appropriated—

10 (1) \$1,520,000,000, to remain available until
11 September 30, 2026, to fund and administer the Di-
12 rectorate for Technology, Innovation, and Partner-
13 ships, which shall accelerate use-inspired and
14 translational research and the development, commer-
15 cialization, and use of technologies and innovations
16 of national importance, including technologies and
17 innovations relevant to natural disaster mitigation
18 and other societal challenges, through programs of
19 the National Science Foundation, and for related ad-
20 ministrative expenses;

21 (2) \$25,000,000, to remain available until Sep-
22 tember 30, 2028, for research security activities;

23 (3) \$200,000,000, to remain available until
24 September 30, 2028, for research capacity building
25 at historically Black colleges and universities, Tribal

1 Colleges and Universities, Hispanic-serving institu-
2 tions, and other minority-serving institutions, admin-
3 istered through the Directorate for Technology, In-
4 novation, and Partnerships, and for related adminis-
5 trative expenses; and

6 (4) \$55,000,000, to remain available until Sep-
7 tember 30, 2028, to fund cybersecurity education
8 and training, including scholarships, through pro-
9 grams of the National Science Foundation, and for
10 related administrative expenses.

11 **SEC. 90018. NATIONAL SCIENCE FOUNDATION RESEARCH**
12 **INFRASTRUCTURE.**

13 In addition to amounts otherwise available, there is
14 appropriated to the National Science Foundation for fiscal
15 year 2022, out of any money in the Treasury not otherwise
16 appropriated—

17 (1) \$200,000,000 to remain available until Sep-
18 tember 30, 2026, for the repair, renovation, or, in
19 exceptional cases, replacement of obsolete science
20 and engineering facilities primarily devoted to re-
21 search and research training, and for related admin-
22 istrative expenses;

23 (2) \$200,000,000, to remain available until
24 September 30, 2026, for additional mid-scale and
25 major research instrumentation, equipment, and in-

1 frastructure awards under the direction of the Na-
2 tional Science Foundation, and for related adminis-
3 trative expenses; and

4 (3) \$100,000,000, to remain available until
5 September 30, 2028, for academic research facilities
6 modernization and research instrumentation, includ-
7 ing construction, upgrade, renovation, or repair of
8 research infrastructure, at historically Black colleges
9 and universities, Tribal Colleges and Universities,
10 Hispanic-serving institutions, and other minority-
11 serving institutions, through programs of the Na-
12 tional Science Foundation, and for related adminis-
13 trative expenses.

14 **SEC. 90019. NATIONAL SCIENCE FOUNDATION OVERSIGHT.**

15 In addition to amounts otherwise available, there is
16 appropriated to the National Science Foundation for fiscal
17 year 2022, out of any money in the Treasury not otherwise
18 appropriated, \$7,000,000, to remain available until Sep-
19 tember 30, 2030, for administrative expenses of the In-
20 spector General relating to oversight of funds provided to
21 the National Science Foundation under this Act.

1 **TITLE X—COMMITTEE ON SMALL**
2 **BUSINESS**

3 **Subtitle A—Increasing Federal**
4 **Contracting Opportunities for**
5 **Small Businesses**

6 **SEC. 100101. VETERAN FEDERAL PROCUREMENT ENTRE-**
7 **PRENEURSHIP TRAINING 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, \$35,000,000, to
12 remain available until September 30, 2030, for carrying
13 out subsection (h) of section 32 of the Small Business Act
14 (15 U.S.C. 657b), as added by this section.

15 (b) ESTABLISHMENT.—Section 32 of the Small Busi-
16 ness Act (15 U.S.C. 657b) is amended by adding at the
17 end the following:

18 “(h) VETERAN FEDERAL PROCUREMENT ENTREPRE-
19 NEURSHIP TRAINING PROGRAM.—The Administrator, act-
20 ing through the Associate Administrator, shall make
21 grants to, or enter into cooperative agreements with, non-
22 profit entities to operate a Federal procurement entrepre-
23 neurship training program to provide assistance to small
24 business concerns owned and controlled by veterans re-
25 garding how to increase the likelihood of being awarded

1 contracts with the Federal Government. A grant or coop-
2 erative agreement under this subsection—

3 “(1) shall be made to or entered into with non-
4 profit entities that have a track record of success-
5 fully providing educational and job training services
6 to veteran populations from diverse locations; and

7 “(2) shall include terms under which the non-
8 profit entities shall use a diverse group of profes-
9 sional service experts, such as Federal, State, and
10 local contracting experts and private sector industry
11 experts with first-hand experience in Federal Gov-
12 ernment contracting, to provide assistance to small
13 business concerns owned and controlled by veterans
14 through a program operated under this section.”.

15 **SEC. 100102. EXPANDING SURETY BOND PROGRAM.**

16 (a) APPROPRIATIONS.—In addition to amounts other-
17 wise available, there is appropriated to the Small Business
18 Administration for fiscal year 2022, out of any money in
19 the Treasury not otherwise appropriated, to remain avail-
20 able until September 30, 2031—

21 (1) \$85,000,000 for additional capital for the
22 fund established under section 412 of the Small
23 Business Investment Act of 1958 (15 U.S.C. 694c);
24 and

1 (2) \$15,000,000 for administrative expenses
2 and oversight costs related to carrying out this sec-
3 tion, and any amendments made by this section.

4 (b) EXPANDING SURETY BOND PROGRAM.—Part B
5 of title IV of the Small Business Investment Act of 1958
6 is amended—

7 (1) in section 411—

8 (A) in subsection (a)(1)—

9 (i) in subparagraph (A), by striking
10 “\$6,500,000” and inserting
11 “\$10,000,000”; and

12 (ii) by amending subparagraph (B) to
13 read as follows:

14 “(B) The Administrator may guarantee a
15 surety under subparagraph (A) for a total work
16 order or contract in an amount that does not
17 exceed \$20,000,000.”; and

18 (B) in subsection (e)(2), by striking
19 “\$6,500,000” and inserting “the amount de-
20 scribed in subparagraph (A) or (B) of sub-
21 section (a)(1), as applicable”; and

22 (2) in section 412(a) (15 U.S.C. 694c(a)), in
23 the third sentence, by striking “, excluding adminis-
24 trative expenses,”.

1 **Subtitle B—Empowering Small**
2 **Business Creation and Expans-**
3 **ion in Underrepresented Com-**
4 **munities**

5 **SEC. 100201. FUNDING FOR UPLIFT INCUBATORS.**

6 (a) APPROPRIATIONS.—In addition to amounts other-
7 wise available, there is appropriated to the Small Business
8 Administration for fiscal year 2022, out of any money in
9 the Treasury not otherwise appropriated, to remain avail-
10 able until September 30, 2031—

11 (1) \$850,000,000 for carrying out section 49 of
12 the Small Business Act, as added by subsection (b);
13 and

14 (2) \$150,000,000 for administrative expenses
15 and costs related to carrying out section 49 of the
16 Small Business Act, as added by subsection (b).

17 (b) ESTABLISHMENT.—The Small Business Act is
18 amended—

19 (1) by redesignating section 49 (15 U.S.C. 631
20 note) as section 54; and

21 (2) by inserting after section 48 the following:

22 **“SEC. 49. UPLIFT INCUBATORS.**

23 **“(a) DEFINITIONS.—In this section:**

1 “(1) ECONOMIC DEVELOPMENT ORGANIZA-
2 TION.—The term ‘economic development organiza-
3 tion’—

4 “(A) means a regional, State, tribal, or
5 local private nonprofit organization established
6 for purposes of promoting or otherwise facili-
7 tating economic development; and

8 “(B) includes community financial institu-
9 tions, as defined in section 7(a)(36)(A).

10 “(2) ELIGIBLE APPLICANT.—The term ‘eligible
11 applicant’ means—

12 “(A) an economic development organiza-
13 tion;

14 “(B) an SBA partner organization;

15 “(C) a historically Black college or univer-
16 sity;

17 “(D) an institution of higher education, as
18 described in section 371(a) of the Higher Edu-
19 cation Act; or

20 “(E) a junior or community college.

21 “(3) ELIGIBLE SMALL BUSINESS CONCERN.—
22 The term ‘eligible small business concern’ means a
23 business concern that—

24 “(A) is organized or incorporated in the
25 United States;

1 “(B) is operating primarily in the United
2 States;

3 “(C) meets—

4 “(i) the applicable industry-based size
5 standard established under section 3; or

6 “(ii) the alternate size standard appli-
7 cable to the program under section 7(a) or
8 the loan programs under title V of the
9 Small Business Investment Act of 1958;

10 “(D) is—

11 “(i) in the planning stages or has
12 been in business for not more than 5 years
13 as of the date on which assistance under
14 this section commences; or

15 “(ii) a small government contractor;
16 and

17 “(E) is—

18 “(i) owned and controlled by 1 or
19 more members of an underrepresented
20 community; or

21 “(ii) a Native Entity.

22 “(4) HISTORICALLY BLACK COLLEGE OR UNI-
23 VERSITY.—The term ‘historically Black college or
24 university’ means a ‘part B institution’, as defined
25 in section 322 of the Higher Education Act of 1965.

1 “(5) MEMBER OF AN UNDERREPRESENTED
2 COMMUNITY.—The term ‘member of an underrep-
3 resented community’ means an individual—

4 “(A) who is a resident of—

5 “(i) a low-income community, as de-
6 fined in section 45D(e) of the Internal
7 Revenue Code of 1986;

8 “(ii) a low-income rural community;
9 or

10 “(iii) a HUBZone, as defined in sec-
11 tion 31(b);

12 “(B) who is a member of an Indian or
13 Alaska Native tribe, band, nation, pueblo, vil-
14 lage, community, component band, or compo-
15 nent reservation, individually identified (includ-
16 ing parenthetically) in the most recent list pub-
17 lished pursuant to section 104 of the Federally
18 Recognized Indian Tribe List Act of 1994;

19 “(C) with a disability, as defined in section
20 3 of the Americans with Disabilities Act of
21 1990;

22 “(D) who is a veteran;

23 “(E) who completed a term of imprison-
24 ment; or

1 “(F) who is otherwise identified by the Ad-
2 ministrator.

3 “(6) NATIVE ENTITY.—The term ‘Native Enti-
4 ty’ means—

5 “(A) an Alaska Native Corporation, as de-
6 fined in section 3(m) of the Alaska Native
7 Claims Settlement Act; and

8 “(B) a Native Hawaiian organization, as
9 defined in section 6207 of the Elementary and
10 Secondary Education Act of 1965.

11 “(7) SBA PARTNER ORGANIZATION.—The term
12 ‘SBA partner organization’ means any organization
13 awarded financial assistance in the form of a grant,
14 prize, cooperative agreement, or contract for the
15 purpose of conducting a public project funded, either
16 in whole or in part, under a program of the Admin-
17 istration.

18 “(8) SMALL GOVERNMENT CONTRACTOR.—The
19 term ‘small government contractor’ means a small
20 business concern that is performing a government
21 contract or subcontract.

22 “(9) UPLIFT INCUBATOR.—The term ‘uplift in-
23 cubator’ means an organization that is designed to
24 accelerate the growth and success of startups and

1 small business concerns through a variety of busi-
2 ness support resources and services, including—

3 “(A) access to physical workspace and fa-
4 cilities;

5 “(B) access to capital, business education,
6 and counseling;

7 “(C) networking opportunities;

8 “(D) mentorship opportunities;

9 “(E) assistance in becoming prime contrac-
10 tors and submitting bids for prime contracts;

11 “(F) conducting market research, drafting
12 statements, and identifying acquisition authori-
13 ties under which eligible small business con-
14 cerns assisted under this section may enter into
15 Federal contracts or agreements; and

16 “(G) other services intended to aid in de-
17 veloping a business.

18 “(b) **AUTHORITY.**—The Administrator may provide
19 financial assistance on a competitive basis in the form of
20 a grant, prize, cooperative agreement, or contract to an
21 eligible applicant for purposes of—

22 “(1) providing the services of a uplift incubator
23 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 igned 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 chapter 261 of title
10 49, United States Code, to eligible entities for eligible
11 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 of the Public Works and Economic De-
14 velopment Act of 1965 (42 U.S.C. 3149) to develop re-
15 gional economic growth clusters, including grants for tech-
16 nical assistance, planning, and predevelopment activities,
17 subject to the condition that sections 204 and 301 of such
18 Act (42 U.S.C. 3144 and 3161) shall not apply to grants
19 made with amounts made available under this subsection.

20 (b) **RECOMPETE GRANTS FOR PERSISTENTLY DIS-**
21 **TRESSED COMMUNITIES.**—

22 (1) **IN GENERAL.**—In addition to amounts oth-
23 erwise available, there is appropriated for fiscal year
24 2022, out of any money in the Treasury not other-
25 wise appropriated, \$1,200,000,000, to remain avail-

1 able until September 30, 2031, to the Secretary of
2 Commerce for economic adjustment assistance as
3 authorized by section 209 of the Public Works and
4 Economic Development Act of 1965 (42 U.S.C.
5 3149) to provide grants to eligible recipients (as de-
6 fined in section 3 of such Act) to alleviate economic
7 distress and support long-term comprehensive eco-
8 nomic development and job creation in persistently
9 distressed local labor markets and local commu-
10 nities, except that sections 204 and 301 of such Act
11 (42 U.S.C. 3144 and 3161) shall be inapplicable to
12 such grants.

13 (2) RECOMPETE PLAN.—As a condition of re-
14 ceipt of a grant described under paragraph (1), an
15 eligible recipient shall submit a comprehensive 10-
16 year economic development plan for approval by the
17 Secretary that includes—

18 (A) proposed programs and activities to be
19 carried out with a grant awarded under this
20 subsection to address the economic challenges
21 of the local labor market or local community in
22 a manner that promotes long-term, sustained
23 economic growth, quality job creation, and local
24 prime-age employment growth;

1 (B) projected costs, annual expenditures,
2 and a proposed grant disbursement schedule;
3 and

4 (C) other local economic information and
5 periodic benchmarking criteria as the Secretary
6 determines appropriate.

7 (3) MAXIMUM AWARD AMOUNT.—In deter-
8 mining the maximum amount of a grant that may
9 be awarded under paragraph (1) for the purposes of
10 implementing and carrying out the programs and ac-
11 tivities identified in an approved recompute plan de-
12 scribed in paragraph (2), the Secretary shall use the
13 product obtained by multiplying—

14 (A) the difference in the prime-age employ-
15 ment rate between the United States and the
16 local labor market or local community;

17 (B) the prime-age population of the local
18 labor market or local community; and

19 (C) either—

20 (i) \$70,585 for local labor markets
21 with a prime-age employment rate not less
22 than 2.5 percent below the United States;
23 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 of the Public Works and Economic
5 Development Act of 1965 (42 U.S.C. 3149) to provide as-
6 sistance, including grants for technical assistance, plan-
7 ning, and predevelopment activities, to energy and indus-
8 trial transition communities, including oil, gas, coal, nu-
9 clear, and biomass transition communities, and manufac-
10 turing transition communities.

11 (d) ECONOMIC ADJUSTMENT ASSISTANCE FOR
12 TECHNICAL ASSISTANCE, PROJECT PREDEVELOPMENT,
13 AND CAPACITY BUILDING.—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, \$240,000,000, to remain available until Sep-
17 tember 30, 2027, to the Secretary of Commerce for eco-
18 nomic adjustment assistance as authorized by section 209
19 of the Public Works and Economic Development Act of
20 1965 (42 U.S.C. 3149) to provide grants for technical as-
21 sistance, project predevelopment, and capacity building ac-
22 tivities, including activities relating to the writing of grant
23 applications (consistent with section 213 of the Public
24 Works and Economic Development Act of 1965 (42
25 U.S.C. 3153)) and stipends to local community organiza-

1 tions for planning participation, community outreach and
2 engagement activities, subject to the conditions that—

3 (1) sections 204 and 301 of such Act shall not
4 apply to grants made with amounts made available
5 under this subsection; and

6 (2) not less than 50 percent of the amounts
7 made available under this subsection shall be for ac-
8 tivities that are carried out in underserved commu-
9 nities.

10 (e) ADMINISTRATION.—In addition to amounts other-
11 wise available, there is appropriated for fiscal year 2022,
12 out of any money in the Treasury not otherwise appro-
13 priated, \$210,000,000, to remain available until Sep-
14 tember 30, 2031, for the administrative expenses of car-
15 rying out this section.

16 **SEC. 110010. ASSISTANCE FOR FEDERAL BUILDINGS.**

17 In addition to amounts otherwise available, there is
18 appropriated for fiscal year 2022, out of any money in
19 the Treasury not otherwise appropriated, \$500,000,000,
20 to remain available until September 30, 2031, to be depos-
21 ited in the Federal Buildings Fund established under sec-
22 tion 592 of title 40, United States Code, for measures nec-
23 essary to convert facilities of the Administrator of General
24 Services to high-performance green buildings (as defined

1 in section 401 of the Energy Independence and Security
2 Act of 2007 (42 U.S.C. 17061)).

3 **SEC. 110011. CLIMATE RESILIENT COAST GUARD INFRA-**
4 **STRUCTURE.**

5 In addition to amounts otherwise available, there is
6 appropriated to the Coast Guard for fiscal year 2022, out
7 of any money in the Treasury not otherwise appropriated,
8 \$650,000,000, to remain available until September 30,
9 2031, for the acquisition, design, and construction of new,
10 or replacement of existing, climate resilient facilities, in-
11 cluding personnel readiness facilities such as family sup-
12 port services facilities, that are threatened by or have been
13 impacted by climate change, as authorized under sections
14 504(e) and 1101(b)(1) of title 14, United States Code.

15 **SEC. 110012. GREAT LAKES ICEBREAKER ACQUISITION.**

16 (a) IN GENERAL.—In addition to amounts otherwise
17 available, there is appropriated to the Coast Guard for fis-
18 cal year 2022, out of any money in the Treasury not other-
19 wise appropriated, \$350,000,000, to remain available until
20 September 30, 2031, for acquisition, design, and construc-
21 tion of a Great Lakes heavy icebreaker, as authorized
22 under section 8107 of the William M. (Mac) Thornberry
23 National Defense Authorization Act for Fiscal Year 2021
24 (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) APPROPRIATION.—In addition to amounts other-
17 wise available, there is appropriated for fiscal year 2022,
18 out of any funds in the Treasury not otherwise appro-
19 priated, \$2,000,000,000, to remain available until ex-
20 pended, for necessary administrative expenses of the So-
21 cial Security Administration.

22 “(d) AVAILABILITY OF EMERGENCY FUNDING.—In
23 addition to amounts otherwise available, there is appro-
24 priated for fiscal year 2022, out of any funds in the Treas-
25 ury not otherwise appropriated, \$500,000,000, to remain

1 available until expended, for administrative expenses de-
2 scribed in subsection (b)(1) during fiscal year 2024 or any
3 subsequent fiscal year, except that such amount shall not
4 be available in any fiscal year unless the Commissioner
5 determines that the number of applications filed during
6 such fiscal year for comprehensive paid leave benefits
7 under section 2202(a) will exceed the number that were
8 anticipated to be filed during such fiscal year (as deter-
9 mined by the Commissioner) by 20 percent or more.

10 **“SEC. 2208. FUNDING FOR STATE ADMINISTRATION OPTION**
11 **FOR LEGACY STATES.**

12 “(a) IN GENERAL.—In each calendar year beginning
13 with calendar year 2025, the Commissioner shall make a
14 grant to each State that, for the calendar year preceding
15 such calendar year, was a legacy State and that met the
16 data sharing requirements of subsection (e), in an amount
17 equal to the lesser of—

18 “(1) an amount, as estimated by the Commis-
19 sioner, equal to the total amount of comprehensive
20 paid leave benefits that would have been paid under
21 section 2202 (including the costs to the Commis-
22 sioner to administer such benefits, not to exceed (for
23 purposes of estimating such total amount under this
24 paragraph) 7 percent of the total amount of such
25 benefits paid) to individuals who received paid family

1 and medical leave benefits under a State law de-
2 scribed in paragraph (1) or (3) of subsection (b)
3 during the calendar year preceding such calendar
4 year if the State had not been a legacy State for
5 such preceding calendar year; or

6 “(2) an amount equal to the total cost of paid
7 family and medical leave benefits under a State law
8 described in paragraph (1) or (3) of subsection (b)
9 for the calendar year preceding such calendar year,
10 including—

11 “(A) any paid family and medical leave
12 benefits provided by an employer (whether di-
13 rectly, under a contract with an insurer, or pro-
14 vided through a multiemployer plan) as de-
15 scribed in subsection (d); and

16 “(B) the full cost to the State of admin-
17 istering such law (except that such cost may
18 not exceed 7 percent of the total amount of
19 paid family and medical leave benefits paid
20 under such State law).

21 In any case in which, during any calendar year, the Com-
22 missioner has reason to believe that a State will be a leg-
23 acy State and meet the data sharing requirements of sub-
24 section (e) for such calendar year, the Commissioner may
25 make estimated payments during such calendar year of

1 the grant which would be paid to such State in the suc-
2 ceeding calendar year, to be adjusted as appropriate in
3 the succeeding calendar year.

4 “(b) LEGACY STATE.—For purposes of this section,
5 the term ‘legacy State’ for a calendar year means a State
6 with respect to which the Commissioner determines that—

7 “(1) the State has enacted, not later than the
8 date of enactment of this title, a State law that pro-
9 vides paid family and medical leave benefits;

10 “(2) for any calendar year that begins before
11 the date that is 3 years after the date of enactment
12 of this title, the State certifies to the Commissioner
13 that the State intends to remain a legacy State and
14 meet the data sharing requirements of subsection (e)
15 at least through the first calendar year that begins
16 on or after such date; and

17 “(3) for any calendar year that begins on or
18 after such date, a State law of the State provides for
19 a State program to remain in effect throughout such
20 calendar year that provides comprehensive paid fam-
21 ily and medical leave benefits (which may be paid di-
22 rectly by the State or, if permitted under such State
23 law, by an employer pursuant to such State law)—

24 “(A) for at least 4 full workweeks of leave
25 during each 12-month period to at least all of

1 those individuals in the State who would be eli-
2 gible for comprehensive paid leave benefits
3 under section 2202 (without regard to section
4 2202(c)(2)(D)), except that the State shall pro-
5 vide such benefits for leave from employment by
6 the State or any political subdivision thereof,
7 and may elect to provide such benefits for leave
8 from any other governmental employment;

9 “(B) at a wage replacement rate that is at
10 least equivalent to the wage replacement rate
11 under the comprehensive paid leave benefit pro-
12 gram under section 2202 (without regard to
13 section 2202(c)(2)(D)).

14 “(c) COVERED EMPLOYMENT UNDER THE LAW OF
15 A LEGACY STATE.—For purposes of this title, the term
16 ‘covered employment under the law of a legacy State’
17 means employment (or self-employment) with respect to
18 which an individual would be eligible to receive paid family
19 and medical benefits under the State law of a State, as
20 described in paragraph (1) or (3) of subsection (b), during
21 any period during which such State is a legacy State.

22 “(d) EMPLOYER-PROVIDED BENEFITS IN A LEGACY
23 STATE.—

24 “(1) TREATMENT FOR PURPOSES OF THIS
25 TITLE.—Notwithstanding any provision of section

1 2209, in the case of a State that permits paid family
2 and medical leave benefits to be provided by an em-
3 ployer (whether directly, under a contract with an
4 insurer, or provided through a multiemployer plan)
5 pursuant to a State law described in paragraph (1)
6 or (3) of subsection (b)—

7 “(A) such benefits shall be considered, for
8 all purposes under this title, paid family and
9 medical leave benefits under the law of a legacy
10 State; and

11 “(B) leave for which such benefits are paid
12 shall be considered, for all such purposes, leave
13 from covered employment under the law of a
14 legacy State.

15 “(2) DISTRIBUTION OF GRANT FUNDS.—In any
16 case in which paid family and medical leave benefits
17 are provided by one or more employers (whether di-
18 rectly, under a contract with an insurer, or provided
19 through a multiemployer plan) in a legacy State pur-
20 suant to a State law described in paragraph (1) or
21 (3) of subsection (b), the State, upon the receipt of
22 any grant amount under subsection (a), may dis-
23 tribute an appropriate share of such grant to each
24 such employer.

1 “(e) DATA SHARING.—As a condition of receiving a
2 grant under subsection (a) in a calendar year, a State
3 shall enter into an agreement with the Commissioner
4 under which the State shall provide the Commissioner—

5 “(1) with information, to be provided periodically
6 cally as determined by the Commissioner, concerning
7 individuals who received a paid leave benefit under
8 a State law described in paragraph (1) or (3) of subsection
9 (b), including each individual’s name, information
10 to establish the individual’s identity, dates
11 for which such paid leave benefits were paid, the
12 amount of such paid leave benefit, and, to the extent
13 available, such other information concerning such individuals
14 as necessary for the purpose of carrying
15 out this section and section 2202(c)(2)(D);

16 “(2) not later than July 1 of such calendar
17 year, the amount described in subsection (a)(2) for
18 the calendar year preceding such calendar year; and

19 “(3) such other information as needed to determine
20 compliance with grant requirements.

21 “(f) GREATER BENEFITS PERMITTED.—Nothing in
22 this section shall be construed to prohibit a legacy State
23 or an employer providing benefits pursuant to a legacy
24 State law from providing paid family and medical leave

1 benefits that exceed the requirements described in this sec-
2 tion.

3 **“SEC. 2209. REIMBURSEMENT OPTION FOR EMPLOYER-**
4 **SPONSORED COMPREHENSIVE PAID LEAVE**
5 **BENEFITS.**

6 “(a) IN GENERAL.—For each calendar year begin-
7 ning with calendar year 2024, the Commissioner shall
8 make a grant to each employer that is an eligible employer
9 for such calendar year in an amount equal to—

10 “(1) in the case of an eligible employer spon-
11 soring a comprehensive paid leave benefit program
12 with respect to which benefits are awarded and paid
13 under a contract with an insurer (or through a mul-
14 tiemployer plan), an amount (not to exceed the em-
15 ployer’s expenditures for such program) equal to the
16 lesser of—

17 “(A) 90 percent of the product of—

18 “(i) the projected national average
19 cost per individual of providing comprehen-
20 sive paid leave benefits under section 2202
21 as determined by the Commissioner for
22 such calendar year under subsection (c)(3)
23 (or, in the case of a calendar year during
24 which the eligible employer sponsored such
25 comprehensive paid leave benefit program

1 for only a fraction of the year, an equal
2 fraction of such projected national average
3 cost); multiplied by

4 “(ii) the number of eligible employees
5 (within the meaning of subsection
6 (b)(1)(A) and pro-rated for part-time eligi-
7 ble employees) whose employment is cov-
8 ered employment under the employer-spon-
9 sored program (as defined in subsection
10 (g)) for such calendar year (or, in the case
11 of a calendar year during which the eligible
12 employer sponsored such comprehensive
13 paid leave benefit program for only a frac-
14 tion of the year, for such fraction of the
15 year); and

16 “(B) 90 percent of the total premiums
17 paid to the insurer (or contributions paid to the
18 multiemployer plan) by the eligible employer
19 under such contract (or such plan) for such cal-
20 endar year (or such fraction thereof) for the
21 coverage under such contract (or such plan) of
22 eligible employees of the employer; and

23 “(2) in the case of an eligible employer spon-
24 soring a self-insured comprehensive paid leave ben-
25 efit program with respect to which benefits are

1 awarded and paid directly by the employer (or by a
2 third party administrator on behalf of the employer),
3 an amount equal to 90 percent of—

4 “(A) the amount of benefits paid under the
5 program for such calendar year to eligible em-
6 ployees of the employer for up to 4 weeks of
7 leave per eligible employee; or

8 “(B) if lesser, the product of the national
9 average weekly benefit amount paid under sec-
10 tion 2203(a) during such calendar year multi-
11 plied by the number of weeks of leave (up to 4
12 per eligible employee) paid by the employer for
13 all eligible employees under the program for the
14 calendar year.

15 “(b) ELIGIBILITY.—

16 “(1) IN GENERAL.—For purposes of subsection
17 (a), an eligible employer for a calendar year is an
18 employer (other than the Federal Government or the
19 government of any State (or political subdivision
20 thereof) that is a legacy State for such calendar year
21 under section 2208) that satisfies all of the following
22 requirements:

23 “(A) NON-LEGACY STATE EMPLOYEES.—

24 The employer has one or more employees dur-
25 ing such calendar year whose employment with

1 such employer is not covered employment under
2 the law of a legacy State (as defined in section
3 2208(c)) (in this section referred to as ‘eligible
4 employees’).

5 “(B) GRANT CONDITIONS.—As a condition
6 of the grant, the employer agrees—

7 “(i) that, on return from leave under
8 the program described in subparagraph
9 (C)(ii), the eligible employee taking such
10 leave will—

11 “(I) be restored by the employer
12 to the position of employment held by
13 the eligible employee when the leave
14 commenced; or

15 “(II) be restored to an equivalent
16 position with equivalent employment
17 benefits, pay, and other terms and
18 conditions of employment;

19 “(ii) to maintain coverage for the eli-
20 gible employee under any ‘group health
21 plan’ (as defined in section 2210) for the
22 duration of such leave at the level and
23 under the conditions coverage would have
24 been provided if the eligible employee had

1 continued in employment continuously for
2 the duration of such leave;

3 “(iii) in any case in which an eligible
4 employee receives an adverse determination
5 from the employer (or administering enti-
6 ty) with respect to comprehensive paid
7 leave benefits under the program described
8 in subparagraph (C)(ii)—

9 “(I) to provide opportunity for
10 the eligible employee to appeal such
11 adverse determination to the employer
12 (or administering entity); and

13 “(II) in any case in which the eli-
14 gible employee elects to appeal the re-
15 sults of such initial appeal to the
16 Commissioner pursuant to section
17 2205(a)(1)(B) and the final decision
18 of the Commissioner is in the eligible
19 employee’s favor, to provide for the
20 payment of such comprehensive paid
21 leave benefits in addition to the costs
22 to the Commissioner of such sec-
23 ondary appeal;

24 “(iv) to provide annual notice to all el-
25 igible employees stating that their employ-

1 ment is covered employment under an em-
2 ployer-sponsored program (as defined in
3 subsection (g)) and informing them of the
4 right to appeal any adverse determination
5 with respect to comprehensive paid leave
6 benefits under the program described in
7 subparagraph (C)(ii); and

8 “(v) not to impose any fee on any eli-
9 gible employee related to ensuring cov-
10 erage, or to the receipt of comprehensive
11 paid leave benefits, under the program de-
12 scribed in subparagraph (C)(ii).

13 “(C) APPLICATION; SUBMISSION OF RE-
14 QUIRED INFORMATION.—Not later than the cer-
15 tification deadline specified in paragraph (2)(A)
16 for such calendar year, the employer—

17 “(i) notifies the Commissioner that
18 the employer intends to seek a grant under
19 this section for such calendar year;

20 “(ii) certifies to the Commissioner
21 that the employer will have in effect during
22 such calendar year a comprehensive paid
23 leave benefit program that meets the re-
24 quirements of subsection (c) and, not later
25 than the submission deadline specified in

1 paragraph (2)(B) for such calendar year,
2 provides all documentation relating to such
3 program as the Commissioner may request;
4 and

5 “(iii) pays an application fee to the
6 Commissioner in accordance with this sub-
7 paragraph, such amounts to remain avail-
8 able to the Commissioner without further
9 appropriation, in addition to amounts oth-
10 erwise available, to administer this section
11 and appeals described in section
12 2205(a)(1)(B).

13 In the case of an initial application, the applica-
14 tion fee under this subparagraph shall be \$500
15 for an employer with 50 or fewer employees,
16 \$1,000 for an employer with more than 50 but
17 fewer than 500 employees, and \$2,000 for an
18 employer with 500 or more employees. In the
19 case of a renewed application, the application
20 fee under this subparagraph shall be \$200.

21 “(D) APPROVAL BY THE COMMISSIONER.—
22 The comprehensive paid leave benefit program
23 referred to in subparagraph (C)(ii) is subse-
24 quently approved by the Commissioner as meet-
25 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 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 ers, including the names and address of workers.”;

2 and

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

4 “(c) ENFORCEMENT OF SUBPOENAS BY STATES.—

5 A State may enforce compliance with a subpoena issued

6 under subsection (a)—

7 “(1) as provided for under State law; and

8 “(2) by petitioning an appropriate United

9 States district court for an order requiring compli-

10 ance with the subpoena.”.

11 **PART 2—TRADE ADJUSTMENT ASSISTANCE FOR**

12 **FIRMS**

13 **SEC. 133201. PETITIONS AND DETERMINATIONS.**

14 Section 251 of the Trade Act of 1974 (19 U.S.C.

15 2341) is amended—

16 (1) in the second sentence of subsection (a), by

17 striking “Upon” and inserting “Not later than 15

18 days after”;

19 (2) by amending subsection (c) to read as fol-

20 lows:

21 “(c)(1) The Secretary shall certify a firm (including

22 any agricultural firm or service sector firm) as eligible to

23 apply for adjustment assistance under this chapter if the

24 Secretary determines—

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 **TIALY-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 **TIALY-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 redesi-
10 gnated 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 individuals 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 (c)(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 (c)(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 (c)(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.”.

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 priated 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 Financing**
4 **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 redesign-
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 serting “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 (2) CLARIFICATION.—The amendments made
2 by subsection (b) shall apply to agreements among
3 the owners of the project (including partners, mem-
4 bers, and their affiliated organizations) and persons
5 described in section 42(i)(7)(A) of the Internal Rev-
6 enue Code of 1986 entered into before, on, or after
7 the date of the enactment of this Act.

8 (3) NO EFFECT ON AGREEMENTS.—None of the
9 amendments made by this section is intended to su-
10 persede express language in any agreement with re-
11 spect to the terms of a right of first refusal or op-
12 tion permitted by section 42(i)(7) of the Internal
13 Revenue Code of 1986 in effect on the date of the
14 enactment of this Act.

15 **PART 2—NEIGHBORHOOD HOMES INVESTMENT**
16 **ACT**

17 **SEC. 135201. NEIGHBORHOOD HOMES CREDIT.**

18 (a) IN GENERAL.—Subpart D of part IV of sub-
19 chapter A of chapter 1 is amended by inserting after sec-
20 tion 42 the following new section:

21 **“SEC. 42A. NEIGHBORHOOD HOMES CREDIT.**

22 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
23 tion 38, the neighborhood homes credit determined under
24 this section for the taxable year is, with respect to each

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 kil-
4 owatt 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(e)(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 CONNec-**
8 **TION 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 subelause (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 appropriate 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 (c) GROSS-UP OF PAYMENTS IN CASE OF SEQUES-
5 TRATION.—In the case of any payment made as a refund
6 due to an overpayment as a result of section 6417 of the
7 Internal Revenue Code of 1986 after the date of the enact-
8 ment of this Act to which sequestration applies, the
9 amount of such payment shall be increased to an amount
10 equal to—

11 (1) such payment (determined before such se-
12 questration), multiplied by

13 (2) the quotient obtained by dividing 1 by the
14 amount by which 1 exceeds the percentage reduction
15 in such payment pursuant to such sequestration.

16 For purposes of this subsection, the term “sequestration”
17 means any reduction in direct spending ordered in accord-
18 ance with a sequestration report prepared by the Director
19 of the Office and Management and Budget pursuant to
20 the Balanced Budget and Emergency Deficit Control Act
21 of 1985 or the Statutory Pay-As-You-Go Act of 2010.

22 (d) CLERICAL AMENDMENT.—The table of sections
23 for subchapter B of chapter 65 is amended by inserting
24 after the item relating to section 6416 the following new
25 item:

“Sec. 6417. Elective payment of applicable credits.”.

1 (e) IN GENERAL.—The amendments made by this
2 section shall apply to taxable years beginning after De-
3 cember 31, 2021.

4 **SEC. 136105. INVESTMENT CREDIT FOR ELECTRIC TRANS-**
5 **MISSION PROPERTY.**

6 (a) IN GENERAL.—Subpart E of part IV of sub-
7 chapter A of chapter 1 is amended by inserting after sec-
8 tion 48C the following new section:

9 **“SEC. 48D. QUALIFYING ELECTRIC TRANSMISSION PROP-**
10 **ERTY.**

11 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
12 tion 46, the qualifying electric transmission property cred-
13 it for any taxable year is an amount equal to 6 percent
14 of the basis of qualifying electric transmission property
15 placed in service by the taxpayer during such taxable year.

16 “(b) QUALIFYING ELECTRIC TRANSMISSION PROP-
17 ERTY.—For purposes of this section—

18 “(1) IN GENERAL.—The term ‘qualifying elec-
19 tric transmission property’ means tangible prop-
20 erty—

21 “(A) which is a qualifying electric trans-
22 mission line or related transmission property,

23 “(B)(i) the construction, reconstruction, or
24 erection of which is completed by the taxpayer,
25 or

1 “(ii) which is acquired by the taxpayer if
2 the original use of such property commences
3 with the taxpayer, and

4 “(C) with respect to which depreciation (or
5 amortization in lieu of depreciation) is allow-
6 able.

7 “(2) QUALIFYING ELECTRIC TRANSMISSION
8 LINE.—

9 “(A) IN GENERAL.—The term ‘qualifying
10 electric transmission line’ means an electric
11 transmission line which—

12 “(i) is capable of transmitting elec-
13 tricity at a voltage of not less than 275
14 kilovolts or is a superconducting line, and

15 “(ii) has a transmission capacity of
16 not less than 500 megawatts.

17 “(B) SUPERCONDUCTING LINE.—For pur-
18 poses of subparagraph (A), the term ‘super-
19 conducting line’ means a transmission line that
20 conducts all of its current over a super-
21 conducting material.

22 “(3) RELATED TRANSMISSION PROPERTY.—

23 “(A) IN GENERAL.—The term ‘related
24 transmission property’ means, with respect to

1 any electric transmission line, any property
2 which—

3 “(i) is listed as a ‘transmission plant’
4 in the Uniform System of Accounts for the
5 Federal Energy Regulatory Commission
6 under part 101 of subchapter C of chapter
7 I of title 18, Code of Federal Regulations,
8 and

9 “(ii) is—

10 “(I) necessary for the operation
11 of such electric transmission line, or

12 “(II) conversion equipment along
13 such electric transmission line.

14 “(B) CREDIT NOT ALLOWED SEPARATELY
15 WITH RESPECT TO RELATED PROPERTY.—No
16 credit shall be allowed to any taxpayer under
17 this section with respect to any related trans-
18 mission property unless such taxpayer is al-
19 lowed a credit under this section with respect to
20 the qualifying electric transmission line to
21 which such related transmission property re-
22 lates.

23 “(c) APPLICATION TO REPLACEMENT AND UP-
24 GRADED SYSTEMS.—

1 “(1) IN GENERAL.—In the case of any quali-
2 fying electric transmission line (determined without
3 regard to this subsection) which replaces any exist-
4 ing electric transmission line—

5 “(A) the 500 megawatts referred to in sub-
6 section (b)(2)(A)(ii) shall be increased by the
7 transmission capacity of such existing electric
8 transmission line, and

9 “(B) in no event shall the basis of such ex-
10 isting electric transmission line (or related
11 transmission property with respect to such ex-
12 isting electric transmission line) be taken into
13 account in determining the credit allowed under
14 this section.

15 “(2) UPGRADES TREATED AS REPLACE-
16 MENTS.—For purposes of this subsection, any up-
17 grade of an existing electric transmission line shall
18 be treated as a replacement of such line.

19 “(d) EXCEPTION FOR CERTAIN PROPERTY AND
20 PROJECTS ALREADY IN PROCESS.—

21 “(1) IN GENERAL.—No credit shall be allowed
22 under this section with respect to—

23 “(A) any property that is selected for cost
24 allocation in a regional transmission plan ap-
25 proved by a transmission planning region that

1 was approved by the Federal Energy Regu-
2 latory Commission prior to January 1, 2022, or

3 “(B) any property if—

4 “(i) construction of such property be-
5 gins before January 1, 2022, or

6 “(ii) construction of any portion of
7 the qualifying electric transmission line to
8 which such property relates begins before
9 such date.

10 “(2) WHEN CONSTRUCTION BEGINS.—For pur-
11 poses of subparagraph (B) of paragraph (1), con-
12 struction of property begins when the taxpayer has
13 begun on-site physical work of a significant nature
14 with respect to such property.

15 “(e) CERTAIN QUALIFIED PROGRESS EXPENDITURES
16 RULES MADE APPLICABLE.—Rules similar to the rules of
17 subsections (c)(4) and (d) of section 46 (as in effect on
18 the day before the enactment of the Revenue Reconcili-
19 ation Act of 1990) shall apply for purposes of this section.

20 “(f) CREDIT ADJUSTMENTS; WAGE AND APPREN-
21 TICESHIP REQUIREMENTS.—

22 “(1) INCREASED CREDIT AMOUNT FOR APPLI-
23 CABLE FACILITIES.—

24 “(A) IN GENERAL.—

1 “(i) RULE.—In the case of any appli-
2 cable facility which satisfies the require-
3 ments of subparagraph (B), the amount of
4 the credit determined under subsection (a)
5 shall be such amount multiplied by 5 (de-
6 termined without regard to this sentence).

7 “(ii) APPLICABLE FACILITY DE-
8 FINED.—For purposes of this subsection,
9 the term ‘applicable facility’ means a quali-
10 fying electric transmission line and related
11 transmission property to which such quali-
12 fying electric transmission line relates.

13 “(B) APPLICABLE FACILITY REQUIRE-
14 MENTS.—An applicable facility meets the re-
15 quirements of this subparagraph if it is one of
16 the following:

17 “(i) An applicable facility the con-
18 struction of which begins prior to the date
19 that is 60 days after the Secretary pub-
20 lishes guidance with respect to the require-
21 ments of paragraphs (2) and (3).

22 “(ii) An applicable facility which satis-
23 fies the requirements of paragraphs (2)
24 and (3).

1 “(2) PREVAILING WAGE REQUIREMENTS.—
2 Rules similar to the rules of section 48(a)(10) shall
3 apply.

4 “(3) APPRENTICESHIP REQUIREMENTS.—Rules
5 similar to the rules of section 45(b)(8) shall apply.

6 “(4) DOMESTIC CONTENT BONUS CREDIT
7 AMOUNT.—Rules similar to the rules of section
8 48(a)(12) shall apply.

9 “(5) PHASEOUT FOR ELECTIVE PAYMENT.—
10 Rules similar to the rules of section 48(a)(13) shall
11 apply.

12 “(g) TERMINATION.—This section shall not apply to
13 any qualifying electric transmission property unless such
14 property is placed in service before January 1, 2032.

15 “(h) REGULATIONS AND GUIDANCE.—The Secretary
16 shall issue such regulations or other guidance as the Sec-
17 retary determines necessary or appropriate to carry out
18 the purposes of this subsection, including regulations or
19 other guidance which provides for requirements for record-
20 keeping or information reporting for purposes of estab-
21 lishing the requirements of this subsection.”.

22 (b) ELECTIVE PAYMENT OF CREDIT.—Section
23 6417(b), as amended by the preceding provisions of this
24 Act, is amended by adding at the end the following new
25 paragraph:

1 “(6) The qualifying electric transmission prop-
2 erty credit determined under section 48D.”.

3 (c) SPECIAL RULE FOR PROPERTY FINANCED BY
4 TAX-EXEMPT BONDS.—Section 48D, as added by sub-
5 section (a), is amended by redesignating subsection (h) as
6 subsection (i) and by inserting after subsection (g) the fol-
7 lowing new subsection:

8 “(h) SPECIAL RULE FOR PROPERTY FINANCED BY
9 TAX-EXEMPT BONDS.—Rules similar to the rules of sec-
10 tion 45(b)(3) shall apply.”.

11 (d) CONFORMING AMENDMENTS.—

12 (1) Section 46 is amended—

13 (A) by striking “and” at the end of para-
14 graph (5),

15 (B) by striking the period at the end of
16 paragraph (6) and inserting “, and”, and

17 (C) by adding at the end the following new
18 paragraph:

19 “(7) the qualifying electric transmission prop-
20 erty credit.”.

21 (2) Section 49(a)(1)(C) is amended—

22 (A) by striking “and” at the end of clause
23 (vii),

24 (B) by striking the period at the end of
25 clause (viii) and inserting “, and”, and

1 (C) by adding at the end the following new
2 clause:

3 “(ix) the basis of any qualifying elec-
4 tric transmission property under section
5 48D.”.

6 (3) Section 50(a)(2)(E) is amended by striking
7 “or 48C(b)(2)” and inserting “48C(b)(2), or
8 48D(e)”.

9 (4) The table of sections for subpart E of part
10 IV of subchapter A of chapter 1 of such Code is
11 amended by inserting after the item relating to sec-
12 tion 48C the following new item:

“Sec. 48D. Qualifying electric transmission property.”.

13 (e) EFFECTIVE DATE.—

14 (1) IN GENERAL.—The amendments made by
15 subsections (a), (b), and (d) of this section shall
16 apply to property placed in service after December
17 31, 2021.

18 (2) TAX-EXEMPT BONDS.—The amendment
19 made by subsection (c) shall apply to property the
20 construction of which begins after December 31,
21 2021.

22 (3) EXCEPTION FOR CERTAIN PROPERTY AND
23 PROJECTS ALREADY IN PROCESS.—For exclusion of
24 certain property and projects already in process, see

1 section 48D(d) of the Internal Revenue Code of
2 1986 (as added by this section).

3 **SEC. 136106. EXTENSION AND MODIFICATION OF CREDIT**
4 **FOR CARBON OXIDE SEQUESTRATION.**

5 (a) MODIFICATION OF CARBON OXIDE CAPTURE RE-
6 QUIREMENTS.—Section 45Q(d) is amended to read as fol-
7 lows:

8 “(d) QUALIFIED FACILITY.—

9 “(1) IN GENERAL.—For purposes of this sec-
10 tion, the term ‘qualified facility’ means a facility
11 which captures—

12 “(A) in the case of a direct air capture fa-
13 cility, not less than 1,000 metric tons of quali-
14 fied carbon oxide during the taxable year,

15 “(B) in the case of an electricity gener-
16 ating facility, not less than 18,750 metric tons
17 of qualified carbon oxide during the taxable
18 year and not less than 75 percent by mass of
19 the carbon oxide that would otherwise be re-
20 leased into the atmosphere by such facility dur-
21 ing such taxable year, and

22 “(C) in the case of any other facility, not
23 less than 12,500 metric tons of qualified carbon
24 oxide during the taxable year.

1 “(2) TERMINATION RULE.—The term ‘qualified
2 facility’ means any industrial facility or direct air
3 capture facility—

4 “(A) the construction of which begins be-
5 fore January 1, 2032, and

6 “(B) either—

7 “(i) the construction of carbon cap-
8 ture equipment of which begins before such
9 date, or

10 “(ii) the original planning and design
11 of which includes installation of carbon
12 capture equipment.”.

13 (b) DETERMINATION OF APPLICABLE DOLLAR
14 AMOUNT.—

15 (1) IN GENERAL.—Section 45Q(b)(1) is amend-
16 ed by striking subparagraph (B) and by inserting
17 after subparagraph (A) the following new subpara-
18 graphs:

19 “(B) SPECIAL RULE FOR DIRECT AIR CAP-
20 TURE FACILITIES.—For any qualified facility
21 described in subsection (d)(1)(A), the construc-
22 tion of which begins after December 31, 2021,
23 the applicable dollar amount shall be an amount
24 equal to the applicable dollar amount otherwise
25 determined with respect to such facility under

1 subparagraph (A), except that such subpara-
2 graph shall be applied—

3 “(i) in clause (i)(I) of such subpara-
4 graph, by substituting ‘\$36’ for ‘\$17’, and

5 “(ii) in clause (i)(II) of such subpara-
6 graph, by substituting ‘\$26’ for ‘\$12’.

7 “(C) APPLICABLE DOLLAR AMOUNT FOR
8 ADDITIONAL CARBON CAPTURE EQUIPMENT.—

9 In the case of any qualified facility the con-
10 struction of which begins before January 1,
11 2022, if any additional carbon capture equip-
12 ment is installed at such facility and construc-
13 tion of such equipment began after December
14 31, 2021, the applicable dollar amount shall be
15 an amount equal to the applicable dollar
16 amount otherwise determined under subpara-
17 graph (A), except that such subparagraph shall
18 be applied by substituting ‘carbon capture
19 equipment’ for ‘qualified facility’ each place it
20 appears.”.

21 (2) CONFORMING AMENDMENTS.—

22 (A) Section 45Q(b)(1)(A) is amended by
23 striking “The applicable dollar amount” and in-
24 serting “Except as provided in subparagraph
25 (B), the applicable dollar amount”.

1 (B) Section 45Q(b)(1)(D), as redesignated
2 by subparagraph (A), is amended by striking
3 “subparagraph (A)” and inserting “subpara-
4 graph (A), (B), or (C)”.

5 (C) Section 45Q(b)(2) is amended by in-
6 serting “Subject to paragraph (3)” before “in
7 the case”.

8 (c) WAGE AND APPRENTICESHIP REQUIREMENTS.—
9 Section 45Q is amended by redesignating subsection (h)
10 as subsection (i) and inserting after subsection (g) fol-
11 lowing new subsection:

12 “(h) INCREASED CREDIT AMOUNT FOR QUALIFIED
13 FACILITIES AND CARBON CAPTURE EQUIPMENT.—

14 “(1) IN GENERAL.—In the case of any qualified
15 facility and any carbon capture equipment which
16 satisfy the requirements of paragraph (2), the
17 amount of the credit determined under subsection
18 (a) shall be equal to such amount multiplied by 5
19 (determined without regard to this sentence).

20 “(2) REQUIREMENTS.—The requirements de-
21 scribed in this subparagraph are that—

22 “(A) with respect to any qualified facility
23 the construction of which begins on or after the
24 date that is 60 days after the Secretary pub-
25 lishes guidance with respect to the requirements

1 of paragraphs (3) and (4), as well as any car-
2 bon capture equipment placed in service at such
3 facility—

4 “(i) subject to subparagraph (B) of
5 paragraph (3), such facility and equipment
6 satisfy the requirements under subpara-
7 graph (A) of such paragraph, and

8 “(ii) the construction of such facility
9 and equipment satisfy the requirements
10 under paragraph (4),

11 “(B) with respect to any carbon capture
12 equipment the construction of which begins
13 after the date that is 60 days after the Sec-
14 retary publishes guidance with respect to the
15 requirements of paragraphs (3) and (4), and
16 which is installed at a qualified facility the con-
17 struction of which began prior to such date—

18 “(i) subject to subparagraph (B) of
19 paragraph (3), such equipment satisfies
20 the requirements of subparagraphs (A) of
21 such paragraph, and

22 “(ii) the construction of such facility
23 and equipment satisfy the requirements
24 under paragraph (4), and

1 “(C) the construction of carbon capture
2 equipment begins prior to the date that is 60
3 days after the Secretary publishes guidance
4 with respect to the requirements of paragraphs
5 (3) and (4), and such equipment is installed at
6 a qualified facility the construction of which be-
7 gins prior to such date.

8 “(3) PREVAILING WAGE REQUIREMENTS.—

9 “(A) IN GENERAL.—The requirements de-
10 scribed in this subparagraph with respect to
11 any qualified facility and any carbon capture
12 equipment placed in service at such facility are
13 that the taxpayer shall ensure that any laborers
14 and mechanics employed by contractors and
15 subcontractors in—

16 “(i) in the case of—

17 “(I) any qualified facility de-
18 scribed in subparagraph (A)(i) of
19 paragraph (2), the construction of
20 such facility and carbon capture
21 equipment placed in service at such
22 facility, or

23 “(II) any carbon capture equip-
24 ment described in subparagraph

1 (A)(ii) of paragraph (2), the construc-
2 tion of such equipment, and

3 “(ii) for the period of the taxable year
4 which is within the 12-year period begin-
5 ning on the date on which any carbon cap-
6 ture equipment is originally placed in serv-
7 ice at any qualified facility (as described in
8 paragraphs (3)(A) and (4)(A) of sub-
9 section (a)), the alteration or repair of
10 such facility or such equipment,

11 shall be paid wages at rates not less than the
12 prevailing rates for construction, alteration, or
13 repair of a similar character in the locality as
14 most recently determined by the Secretary of
15 Labor, in accordance with subchapter IV of
16 chapter 31 of title 40, United States Code. For
17 purposes of determining an increased credit
18 amount under paragraph (1) for a taxable year,
19 the requirement under clause (ii) of this para-
20 graph is applied to such taxable year in which
21 the alteration or repair of qualified facility oc-
22 curs.

23 “(B) CORRECTION AND PENALTY RELATED
24 TO FAILURE TO SATISFY WAGE REQUIRE-
25 MENTS.—Rules similar to the rules of clauses

1 (i) through (iv) of section 45(b)(7)(B) shall
2 apply.

3 “(4) APPRENTICESHIP REQUIREMENTS.—Rules
4 similar to the rules of section 45(b)(8) shall apply.

5 “(5) REGULATIONS AND GUIDANCE.—The Sec-
6 retary shall issue such regulations or other guidance
7 as the Secretary determines necessary or appropriate
8 to carry out the purposes of this subsection, includ-
9 ing regulations or other guidance which provides for
10 requirements for recordkeeping or information re-
11 porting for purposes of establishing the requirements
12 of this subsection.”.

13 (d) INCREASED APPLICABLE DOLLAR AMOUNT.—

14 (1) IN GENERAL.—Section 45Q(b)(1) is amend-
15 ed—

16 (A) by amending clause (i) of subpara-
17 graph (A) to read as follows:

18 “(i) for any taxable year beginning in
19 a calendar year after 2016 and before
20 2027—

21 “(I) for purposes of paragraph
22 (3) of subsection (a), \$17 for each
23 calendar year during such period, and

24 “(II) for purposes of paragraph
25 (4) of such subsection, \$12 for each

1 calendar year during such period,
2 and”, and

3 (B) in clause (ii)—

4 (i) in subclause (I), by striking “\$50”
5 and inserting “the amount determined
6 under clause (i)(I) with respect to the
7 qualified facility”, and

8 (ii) in subclause (II), by striking
9 “\$35” and inserting “the amount deter-
10 mined under clause (i)(II) with respect to
11 the qualified facility”.

12 (e) INSTALLATION OF ADDITIONAL CARBON CAP-
13 TURE EQUIPMENT ON CERTAIN FACILITIES.—Section
14 45Q(b) is amended by redesignating paragraph (3) as
15 paragraph (4) and by inserting after paragraph (2) the
16 following new paragraph:

17 “(3) INSTALLATION OF ADDITIONAL CARBON
18 CAPTURE EQUIPMENT ON CERTAIN FACILITIES.—In
19 the case of a qualified facility described in para-
20 graph (1)(C), for purposes of determining the
21 amount of qualified carbon oxide which is captured
22 by the taxpayer, rules similar to rules of paragraph
23 (2) shall apply for purposes of subsection (a).”.

1 (f) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—
2 Section 45Q(f) is amended by adding at the end the fol-
3 lowing new paragraph:

4 “(8) CREDIT REDUCED FOR TAX-EXEMPT
5 BONDS.—Rules similar to the rule under section
6 45(b)(3) shall apply for purposes of this section.”.

7 (g) APPLICATION OF SECTION FOR CERTAIN CARBON
8 CAPTURE EQUIPMENT.—Section 45Q(g) is amended by
9 inserting “the earlier of January 1, 2023 and” before “the
10 end of the calendar year”.

11 (h) ELECTION.—Section 45Q(f) is amended by add-
12 ing at the end the following new paragraph:

13 “(9) ELECTION.—For purposes of paragraphs
14 (3) and (4) of subsection (a), a person described in
15 paragraph (3)(A)(ii) may elect, at such time and in
16 such manner as the Secretary may prescribe, to have
17 the 12–year period begin on the first day of the first
18 taxable year in which a credit under this section is
19 claimed with respect to carbon capture equipment
20 which is originally placed in service at a qualified fa-
21 cility on or after the date of the enactment of the
22 Bipartisan Budget Act of 2018 (after application of
23 subsection (f)(6) where applicable) if—

1 “(A) no taxpayer claimed a credit under
2 this section with respect to such carbon capture
3 equipment for any prior taxable year,

4 “(B) the qualified facility at which such
5 carbon capture equipment is placed in service is
6 located in an area affected by a federally-de-
7 clared disaster (as defined by section 165(i)
8 (5)(A)) after the carbon capture equipment is
9 originally placed in service, and

10 “(C) such federally-declared disaster re-
11 sults in a cessation of the operation of the
12 qualified facility after the carbon capture equip-
13 ment is originally placed in service.”.

14 (i) **EFFECTIVE DATES.**—

15 (1) The amendments made by subsections (a),
16 (b), (c), (d), (e), (f), and (g) shall apply to facilities
17 or equipment the construction of which begins after
18 December 31, 2021.

19 (2) The amendments made by subsection (h)
20 shall apply to carbon oxide captured and disposed of
21 after December 31, 2021.

22 **SEC. 136107. GREEN ENERGY PUBLICLY TRADED PARTNER-**
23 **SHIPS.**

24 (a) **IN GENERAL.**—Section 7704(d)(1)(E) is amend-
25 ed—

1 (1) by striking “income and gains derived from
2 the exploration” and inserting “income and gains
3 derived from—

4 “(i) the exploration”,

5 (2) by inserting “or” before “industrial
6 source”, and

7 (3) by striking “, or the transportation or stor-
8 age” and all that follows and inserting the following:

9 “(ii) the generation of electric power
10 or thermal energy exclusively using any
11 qualified energy resource (as defined in
12 section 45(c)(1)),

13 “(iii) the operation of energy property
14 (as defined in section 48(a)(3), determined
15 without regard to any date by which the
16 construction of the facility is required to
17 begin),

18 “(iv) in the case of a facility described
19 in paragraph (3) or (7) of section 45(d)
20 (determined without regard to any placed
21 in service date or date by which construc-
22 tion of the facility is required to begin),
23 the accepting or processing of open-loop
24 biomass or municipal solid waste,

1 “(v) the transportation or storage of
2 any fuel described in subsection (b), (c),
3 (d), or (e) of section 6426,

4 “(vi) the conversion of renewable bio-
5 mass (as defined in subparagraph (I) of
6 section 211(o)(1) of the Clean Air Act (as
7 in effect on the date of the enactment of
8 this clause)) into renewable fuel (as de-
9 fined in subparagraph (J) of such section
10 as so in effect), or the storage or transpor-
11 tation of such fuel,

12 “(vii) the production, storage, or
13 transportation of any fuel which—

14 “(I) uses as its primary feedstock
15 carbon oxides captured from an an-
16 thropogenic source or the atmosphere,

17 “(II) does not use as its primary
18 feedstock carbon oxide which is delib-
19 erately released from naturally occur-
20 ring subsurface springs, and

21 “(III) is determined by the Sec-
22 retary to achieve a reduction of not
23 less than a 60 percent in lifecycle
24 greenhouse gas emissions (as defined
25 in section 211(o)(1)(H) of the Clean

1 Air Act, as in effect on the date of the
2 enactment of this clause) compared to
3 baseline lifecycle greenhouse gas emis-
4 sions (as defined in section
5 211(o)(1)(C) of such Act, as so in ef-
6 fect), or

7 “(viii) a qualified facility (as defined
8 in section 45Q(d), without regard to any
9 date by which construction of the facility is
10 required to begin).”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section apply to taxable years beginning after Decem-
13 ber 31, 2021.

14 **SEC. 136108. ZERO-EMISSION NUCLEAR POWER PRODUC-**
15 **TION CREDIT.**

16 (a) IN GENERAL.—Subpart D of part IV of sub-
17 chapter A of chapter 1 of the Internal Revenue Code of
18 1986 is amended by adding at the end the following new
19 section:

20 **“SEC. 45W. ZERO-EMISSION NUCLEAR POWER PRODUCTION**
21 **CREDIT.**

22 “(a) AMOUNT OF CREDIT.—For purposes of section
23 38, the zero-emission nuclear power production credit for
24 any taxable year is an amount equal to the amount by
25 which—

1 “(1) the product of—
2 “(A) 0.3 cents, multiplied by
3 “(B) the kilowatt hours of electricity—
4 “(i) produced by the taxpayer at a
5 qualified nuclear power facility, and
6 “(ii) sold by the taxpayer to an unre-
7 lated person during the taxable year, ex-
8 ceeds
9 “(2) the reduction amount for such taxable
10 year.

11 “(b) DEFINITIONS.—

12 “(1) QUALIFIED NUCLEAR POWER FACILITY.—
13 For purposes of this section, the term ‘qualified nu-
14 clear power facility’ means any nuclear facility—

15 “(A) which is owned by the taxpayer and
16 which uses nuclear energy to produce elec-
17 tricity,

18 “(B) which is not an advanced nuclear
19 power facility as defined in subsection (d)(1) of
20 section 45J, and

21 “(C) which is placed in service before the
22 date of the enactment of this section.

23 “(2) REDUCTION AMOUNT.—

24 “(A) IN GENERAL.—For purposes of this
25 section, the term ‘reduction amount’ means,

1 with respect to any qualified nuclear power fa-
2 cility for any taxable year, the amount equal to
3 the lesser of—

4 “(i) the amount determined under
5 subsection (a)(1), or

6 “(ii) the amount equal to 16 percent
7 of the excess of—

8 “(I) subject to subparagraph (B),
9 the gross receipts from any electricity
10 produced by such facility (including
11 any electricity services or products
12 provided in conjunction with the elec-
13 tricity produced by such facility) and
14 sold to an unrelated person during
15 such taxable year, over

16 “(II) the amount equal to the
17 product of—

18 “(aa) 2.5 cents, multiplied
19 by

20 “(bb) the amount deter-
21 mined under subsection
22 (a)(1)(B).

23 “(B) TREATMENT OF CERTAIN RE-
24 CEIPTS.—

1 “(i) IN GENERAL.—The amount de-
2 termined under subparagraph (A)(ii)(I)
3 shall include any amount received by the
4 taxpayer during the taxable year with re-
5 spect to the qualified nuclear power facility
6 from a zero-emission credit program unless
7 the amount received by the taxpayer is
8 subject to reduction—

9 “(I) by the full amount of the
10 credit determined under this section,
11 or

12 “(II) by any lesser amount if
13 such amount entirely offsets the
14 amount received from a zero-emission
15 credit program.

16 “(ii) ZERO-EMISSION CREDIT PRO-
17 GRAM.—For purposes of this subpara-
18 graph, the term ‘zero-emission credit pro-
19 gram’ means any payments to a qualified
20 nuclear power facility as a result of any
21 Federal, State or local government pro-
22 gram for, in whole or in part, the zero-
23 emission, zero-carbon, or air quality at-
24 tributes of any portion of the electricity
25 produced by such facility.

1 “(3) ELECTRICITY.—For purposes of this sec-
2 tion, the term ‘electricity’ means the energy pro-
3 duced by a qualified nuclear power facility from the
4 conversion of nuclear fuel into electric power.

5 “(c) OTHER RULES.—

6 “(1) INFLATION ADJUSTMENT.—The 0.3 cent
7 amount in subsection (a)(1)(A) and the 2.5 cent
8 amount in subsection (b)(2)(A)(ii)(II)(aa) shall each
9 be adjusted by multiplying such amount by the infla-
10 tion adjustment factor (as determined under section
11 45(e)(2), as applied by substituting ‘calendar year
12 2022’ for ‘calendar year 1992’ in subparagraph (B)
13 thereof) for the calendar year in which the sale oc-
14 curs. If the 0.3 cent amount as increased under this
15 paragraph is not a multiple of 0.05 cent, such
16 amount shall be rounded to the nearest multiple of
17 0.05 cent. If the 2.5 cent amount as increased under
18 this paragraph is not a multiple of 0.1 cent, such
19 amount shall be rounded to the nearest multiple of
20 0.1 cent.

21 “(2) SPECIAL RULES.—Rules similar to the
22 rules of paragraphs (1), (3), (4), and (5) of section
23 45(e) shall apply for purposes of this section.

24 “(3) ULTIMATE PURCHASER.—For purposes of
25 this section, electricity produced by the taxpayer

1 shall be treated as sold to an unrelated person if the
2 ultimate purchaser of such electricity is unrelated to
3 such taxpayer.

4 “(d) WAGE REQUIREMENTS.—

5 “(1) INCREASED CREDIT AMOUNT FOR QUALI-
6 FIED NUCLEAR POWER FACILITIES.—In the case of
7 any qualified nuclear power facility which satisfies
8 the requirements of paragraph (2), the amount of
9 the credit determined under subsection (a) shall be
10 equal to such amount multiplied by 5 (determined
11 without regard to this sentence).

12 “(2) PREVAILING WAGE REQUIREMENTS.—

13 “(A) IN GENERAL.—The taxpayer shall en-
14 sure that any laborers and mechanics employed
15 by contractors and subcontractors in the alter-
16 ation or repair of a facility shall be paid wages
17 at rates not less than the prevailing rates for
18 alteration or repair of a similar character in the
19 locality as most recently determined by the Sec-
20 retary of Labor, in accordance with subchapter
21 IV of chapter 31 of title 40, United States
22 Code.

23 “(B) CORRECTION AND PENALTY RELATED
24 TO FAILURE TO SATISFY WAGE REQUIRE-
25 MENTS.—Rules similar to the rules of clauses

1 (i) through (iv) of section 45(b)(7)(B) shall
2 apply.

3 “(3) REGULATIONS AND GUIDANCE.—The Sec-
4 retary shall issue such regulations or other guidance
5 as the Secretary determines necessary or appropriate
6 to carry out the purposes of this subsection, includ-
7 ing regulations or other guidance which provides for
8 requirements for recordkeeping or information re-
9 porting for purposes of establishing the requirements
10 of this subsection.

11 “(e) TERMINATION.—This section shall not apply to
12 taxable years beginning after December 31, 2027.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Section 38(b) of the Internal Revenue Code
15 of 1986 is amended—

16 (A) in paragraph (32), by striking “plus”
17 at the end,

18 (B) in paragraph (33), by striking the pe-
19 riod at the end and inserting “, plus”, and

20 (C) by adding at the end the following new
21 paragraph:

22 “(34) the zero-emission nuclear power produc-
23 tion credit determined under section 45W(a).”.

24 (2) The table of sections for subpart D of part
25 IV of subchapter A of chapter 1 of such Code is

1 amended by adding at the end the following new
2 item:

“Sec. 45W. Zero-emission nuclear power production credit.”.

3 (c) **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 “(7) The zero-emission nuclear power produc-
8 tion credit determined under section 45W.”.

9 (d) **EFFECTIVE DATE.**—This section shall apply to
10 electricity produced and sold after December 31, 2021, in
11 taxable years beginning after such date.

12 **PART 2—RENEWABLE FUELS**

13 **SEC. 136201. EXTENSION OF INCENTIVES FOR BIODIESEL,** 14 **RENEWABLE DIESEL AND ALTERNATIVE** 15 **FUELS.**

16 (a) **BIODIESEL AND RENEWABLE DIESEL CREDIT.**—
17 Section 40A(g) is amended by striking “December 31,
18 2022” and inserting “December 31, 2026”.

19 (b) **BIODIESEL MIXTURE CREDIT.**—

20 (1) **IN GENERAL.**—Section 6426(c)(6) is
21 amended by striking “December 31, 2022” and in-
22 serting “December 31, 2026”.

23 (2) **FUELS NOT USED FOR TAXABLE PUR-**
24 **POSES.**—Section 6427(e)(6)(B) is amended by strik-

1 ing “December 31, 2022” and inserting “December
2 31, 2026”.

3 (c) ALTERNATIVE FUEL CREDIT.—Section
4 6426(d)(5) is amended by striking “December 31, 2021”
5 and inserting “December 31, 2026”.

6 (d) ALTERNATIVE FUEL MIXTURE CREDIT.—Section
7 6426(e)(3) is amended by striking “December 31, 2021”
8 and inserting “December 31, 2026”.

9 (e) PAYMENTS FOR ALTERNATIVE FUELS.—Section
10 6427(e)(6)(C) is amended by striking “December 31,
11 2021” and inserting “December 31, 2026”.

12 (f) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to fuel sold or used after December
14 31, 2021.

15 **SEC. 136202. EXTENSION OF SECOND GENERATION**
16 **BIOFUEL INCENTIVES.**

17 (a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended
18 by striking “2022” and inserting “2027”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall apply to qualified second generation
21 biofuel production after December 31, 2021.

22 **SEC. 136203. SUSTAINABLE AVIATION FUEL CREDIT.**

23 (a) IN GENERAL.—Subpart D of part IV of sub-
24 chapter A of chapter 1 is amended by inserting after sec-
25 tion 40A the following new section:

1 **“SEC. 40B. SUSTAINABLE AVIATION FUEL CREDIT.**

2 “(a) IN GENERAL.—For purposes of section 38, the
3 sustainable aviation fuel credit for the taxable year is, with
4 respect to any sale or use of a qualified mixture which
5 occurs during such taxable year, an amount equal to the
6 product of—

7 “(1) the number of gallons of sustainable avia-
8 tion fuel in such mixture, multiplied by

9 “(2) the sum of—

10 “(A) \$1.25, plus

11 “(B) the applicable supplementary amount
12 with respect to such sustainable aviation fuel.

13 “(b) APPLICABLE SUPPLEMENTARY AMOUNT.—For
14 purposes of this section, the term ‘applicable supple-
15 mentary amount’ means, with respect to any sustainable
16 aviation fuel, an amount equal to \$0.01 for each percent-
17 age point by which the lifecycle greenhouse gas emissions
18 reduction percentage with respect to such fuel exceeds 50
19 percent. In no event shall the applicable supplementary
20 amount determined under this subsection exceed \$0.50.

21 “(c) QUALIFIED MIXTURE.—For purposes of this
22 section, the term ‘qualified mixture’ means a mixture of
23 sustainable aviation fuel and kerosene if—

24 “(1) such mixture is produced by the taxpayer
25 in the United States,

1 “(2) such mixture is used by the taxpayer (or
2 sold by the taxpayer for use) in an aircraft,

3 “(3) such sale or use is in the ordinary course
4 of a trade or business of the taxpayer, and

5 “(4) the transfer of such mixture to the fuel
6 tank of such aircraft occurs in the United States.

7 “(d) SUSTAINABLE AVIATION FUEL.—For purposes
8 of this section, the term ‘sustainable aviation fuel’ means
9 liquid fuel which—

10 “(1) meets the requirements of—

11 “(A) ASTM International Standard
12 D7566, or

13 “(B) the Fischer Tropsch provisions of
14 ASTM International Standard D1655, Annex
15 A1,

16 “(2) is not derived from palm fatty acid dis-
17 tillates or petroleum, and

18 “(3) has been certified in accordance with sub-
19 section (e) as having a lifecycle greenhouse gas emis-
20 sions reduction percentage of at least 50 percent.

21 “(e) LIFECYCLE GREENHOUSE GAS EMISSIONS RE-
22 DUCTION PERCENTAGE.—For purposes of this section, the
23 term ‘lifecycle greenhouse gas emissions reduction per-
24 centage’ means, with respect to any sustainable aviation

1 fuel, the percentage reduction in lifecycle greenhouse gas
2 emissions—

3 “(1) as defined in accordance with—

4 “(A) the most recent Carbon Offsetting
5 and Reduction Scheme for International Avia-
6 tion which has been adopted by the Inter-
7 national Civil Aviation Organization with the
8 agreement of the United States, or

9 “(B) any similar methodology which satis-
10 fies the criteria under section 211(o)(1)(H) of
11 the Clean Air Act (42 U.S.C. 7545(o)(1)(H)),
12 and

13 “(2) achieved by such fuel as compared with pe-
14 troleum-based jet fuel.

15 “(f) REGISTRATION OF SUSTAINABLE AVIATION
16 FUEL PRODUCERS.—No credit shall be allowed under this
17 section with respect to any sustainable aviation fuel unless
18 the producer of such fuel is registered with the Secretary
19 under section 4101 and has provided such other informa-
20 tion with respect to such fuel as the Secretary may require
21 for purposes of carrying out this section.

22 “(g) COORDINATION WITH CREDIT AGAINST EXCISE
23 TAX.—The amount of the credit determined under this
24 section with respect to any sustainable aviation fuel shall,
25 under rules prescribed by the Secretary, be properly re-

1 duced to take into account any benefit provided with re-
2 spect to such sustainable aviation fuel solely by reason of
3 the application of section 6426 or 6427(e).

4 “(h) TERMINATION.—This section shall not apply to
5 any sale or use after December 31, 2026.”.

6 (b) CREDIT MADE PART OF GENERAL BUSINESS
7 CREDIT.— Section 38(b) is amended by striking “plus”
8 at the end of paragraph (33), by striking the period at
9 the end of paragraph (34) and inserting “, plus”, and by
10 inserting after paragraph (34) the following new para-
11 graph:

12 “(35) the sustainable aviation fuel credit deter-
13 mined under section 40B.”.

14 (c) COORDINATION WITH BIODIESEL INCENTIVES.—

15 (1) IN GENERAL.—Section 40A(d)(1) is amend-
16 ed by inserting “or 40B” after “determined under
17 section 40”.

18 (2) CONFORMING AMENDMENT.—Section
19 40A(f) is amended by striking paragraph (4).

20 (d) SUSTAINABLE AVIATION FUEL ADDED TO CRED-
21 IT FOR ALCOHOL FUEL, BIODIESEL, AND ALTERNATIVE
22 FUEL MIXTURES.—

23 (1) IN GENERAL.—Section 6426 is amended by
24 adding at the end the following new subsection:

25 “(k) SUSTAINABLE AVIATION FUEL CREDIT.—

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion, the sustainable aviation fuel credit for the tax-
3 able year is, with respect to any sale or use of a
4 qualified mixture, an amount equal to the product
5 of—

6 “(A) the number of gallons of sustainable
7 aviation fuel in such mixture, multiplied by

8 “(B) the sum of—

9 “(i) \$1.25, plus

10 “(ii) the applicable supplementary
11 amount with respect to such sustainable
12 aviation fuel.

13 “(2) APPLICABLE SUPPLEMENTARY AMOUNT.—
14 For purposes of this subsection, the term ‘applicable
15 supplementary amount’ has the meaning given such
16 term in section 40B(b).

17 “(3) OTHER DEFINITIONS.—Any term used in
18 this subsection which is also used in section 40B
19 shall have the meaning given such term by section
20 40B.

21 “(4) REGISTRATION REQUIREMENT.—For pur-
22 poses of this subsection, rules similar to the rules of
23 section 40B(f) shall apply.”.

24 (2) CONFORMING AMENDMENTS.—

25 (A) Section 6426 is amended—

1 (i) in subsection (a)(1), by striking
2 “and (e)” and inserting “(e), and (k)”,
3 and

4 (ii) in subsection (h), by striking
5 “under section 40 or 40A” and inserting
6 “under section 40, 40A, or 40B”.

7 (B) Section 6427(e)(6) is amended by
8 striking the “and” at the end of subparagraph
9 (C), by striking the period at the end of sub-
10 paragraph (D) and inserting “, and”, and by
11 adding at the end the following new subpara-
12 graph:

13 “(E) any qualified mixture of sustainable
14 aviation fuel (as defined in section 6426(k)(3))
15 sold or used after December 31, 2026.”.

16 (C) Section 6427(e) is amended in the
17 heading by striking “OR ALTERNATIVE FUEL”
18 and inserting, “ALTERNATIVE FUEL, OR SUS-
19 TAINABLE AVIATION FUEL”.

20 (D) Section 6427(e)(1) is amended by in-
21 serting “or the sustainable aviation fuel mixture
22 credit” after “alternative fuel mixture credit”.

23 (E) Section 4101(a)(1) is amended by in-
24 serting “every person producing sustainable
25 aviation fuel (as defined in section 40B or sec-

1 tion 6426(k)(3)),” before “and every person
2 producing second generation biofuel”.

3 (e) GUIDANCE.—Under rules prescribed by the Sec-
4 retary of the Treasury (or the Secretary’s delegate), the
5 amount of the credit allowed under section 40B of the In-
6 ternal Revenue Code of 1986 (as added by this subsection)
7 shall be properly reduced to take into account any benefit
8 provided with respect to sustainable aviation fuel (as de-
9 fined in such section 40B) by reason of the application
10 of section 6426 or section 6427(e).

11 (f) AMOUNT OF CREDIT INCLUDED IN GROSS IN-
12 COME.—Section 87 is amended by striking “and” in para-
13 graph (1), by striking the period at the end of paragraph
14 (2) and inserting “, and”, and by adding at the end the
15 following new paragraph:

16 “(3) the sustainable aviation fuel credit deter-
17 mined with respect to the taxpayer for the taxable
18 year under section 40B(a).”.

19 (g) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to fuel sold or used after December
21 31, 2022.

22 **SEC. 136204. CLEAN HYDROGEN.**

23 (a) CREDIT FOR PRODUCTION OF CLEAN HYDRO-
24 GEN.—

1 (1) IN GENERAL.—Subpart D of part IV of
2 subchapter A of chapter 1 is amended by adding at
3 the end the following new section:

4 **“SEC. 45X. CREDIT FOR PRODUCTION OF CLEAN HYDRO-**
5 **GEN.**

6 “(a) AMOUNT OF CREDIT.—For purposes of section
7 38, the clean hydrogen production credit for any taxable
8 year is an amount equal to the product of—

9 “(1) the applicable amount, multiplied by

10 “(2) the kilograms of qualified clean hydrogen
11 produced by the taxpayer during such taxable year
12 at a qualified clean hydrogen production facility dur-
13 ing the 10-year period beginning on the date such
14 facility was originally placed in service.

15 “(b) APPLICABLE AMOUNT.—

16 “(1) IN GENERAL.—For purposes of subsection
17 (a)(1), the applicable amount shall be an amount
18 equal to the applicable percentage of \$0.60. If any
19 amount as determined under the preceding sentence
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) APPLICABLE PERCENTAGE.—For purposes
23 of paragraph (1), the term ‘applicable percentage’
24 shall be determined as follows:

1 “(A) In the case of any qualified clean hy-
2 drogen which is produced by a facility that is
3 placed in service before January 1, 2027
4 through a process that results in a lifecycle
5 greenhouse gas emissions rate of—

6 “(i) not greater than 6 kilograms of
7 CO₂e per kilogram of hydrogen, and

8 “(ii) not less than 4 kilograms of
9 CO₂e per kilogram of hydrogen,
10 the applicable percentage shall be 15 percent.

11 “(B) In the case of any qualified clean hy-
12 drogen which is produced through a process
13 that results in a lifecycle greenhouse gas emis-
14 sions rate of—

15 “(i) less than 4 kilograms of CO₂e
16 per kilogram of hydrogen, and

17 “(ii) not less than 2.5 kilograms of
18 CO₂e per kilogram of hydrogen,
19 the applicable percentage shall be 20 percent.

20 “(C) In the case of any qualified clean hy-
21 drogen which is produced through a process
22 that results in a lifecycle greenhouse gas emis-
23 sions rate of—

24 “(i) less than 2.5 kilograms of CO₂e
25 per kilogram of hydrogen, and

1 “(ii) not less than 1.5 kilograms of
2 CO₂e per kilogram of hydrogen,
3 the applicable percentage shall be 25 percent.

4 “(D) 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—

8 “(i) less than 1.5 kilograms of CO₂e
9 per kilogram of hydrogen, and

10 “(ii) not less than 0.45 kilograms of
11 CO₂e per kilogram of hydrogen,
12 the applicable percentage shall be 33.4 percent.

13 “(E) In the case of any qualified clean hy-
14 drogen which is produced through a process
15 that results in a lifecycle greenhouse gas emis-
16 sions rate of less than 0.45 kilograms of CO₂e
17 per kilogram of hydrogen, the applicable per-
18 centage shall be 100 percent.

19 “(3) INFLATION ADJUSTMENT.—The \$0.60
20 amount in paragraph (1) shall be adjusted by multi-
21 plying such amount by the inflation adjustment fac-
22 tor (as determined under section 45(e)(2), deter-
23 mined by substituting ‘2020’ for ‘1992’ in subpara-
24 graph (B) thereof) for the calendar year in which
25 the qualified clean hydrogen is produced. If any

1 amount as increased under the preceding sentence is
2 not a multiple of 0.1 cent, such amount shall be
3 rounded to the nearest multiple of 0.1 cent.

4 “(c) DEFINITIONS.—For purposes of this section—

5 “(1) LIFECYCLE GREENHOUSE GAS EMIS-
6 SIONS.—

7 “(A) IN GENERAL.—Subject to subpara-
8 graph (B), the term ‘lifecycle greenhouse gas
9 emissions’ has the same meaning given such
10 term under subparagraph (H) of section
11 211(o)(1) of the Clean Air Act (42 U.S.C.
12 7545(o)(1)), as in effect on the date of enact-
13 ment of this section.

14 “(B) GREET MODEL.—The term ‘lifecycle
15 greenhouse gas emissions’ shall only include
16 emissions through the point of production (well-
17 to-gate), as determined under the most recent
18 Greenhouse gases, Regulated Emissions, and
19 Energy use in Transportation model (commonly
20 referred to as the ‘GREET model’) developed
21 by Argonne National Laboratory, or a successor
22 model (as determined by the Secretary).

23 “(2) QUALIFIED CLEAN HYDROGEN.—

24 “(A) IN GENERAL.—The term ‘qualified
25 clean hydrogen’ means hydrogen which is pro-

1 duced through a process that results in a
2 lifecycle greenhouse gas emissions rate of not
3 greater than 6 kilograms of CO₂e per kilogram
4 of hydrogen.

5 “(B) ADDITIONAL REQUIREMENTS.—Such
6 term shall not include any hydrogen unless such
7 hydrogen is produced—

8 “(i) in the United States (as defined
9 in section 638(1) or a possession of the
10 United States (as defined in section
11 638(2)),

12 “(ii) in the ordinary course of a trade
13 or business of the taxpayer, and

14 “(iii) for sale or use, as verified by an
15 unrelated third party of such production
16 and sale or use in such form or manner as
17 the Secretary may prescribe under sub-
18 section (f)(2).

19 “(3) QUALIFIED CLEAN HYDROGEN PRODUC-
20 TION FACILITY.—

21 “(A) IN GENERAL.—The term ‘qualified
22 clean hydrogen production facility’ means a fa-
23 cility owned by the taxpayer which produces
24 qualified clean hydrogen and which meets the
25 requirements of subparagraph (B).

1 “(B) TERMINATION.—The term ‘qualified
2 clean hydrogen production facility’ shall not in-
3 clude any facility the construction of which be-
4 gins after December 31, 2028.

5 “(d) SPECIAL RULES.—

6 “(1) TREATMENT OF FACILITIES OWNED BY
7 MORE THAN 1 TAXPAYER.—Rules similar to the
8 rules section 45(e)(3) shall apply for purposes of
9 this section.

10 “(2) COORDINATION WITH CREDIT FOR CARBON
11 OXIDE SEQUESTRATION.—No credit shall be allowed
12 under this section with respect to any qualified clean
13 hydrogen produced at a facility which includes car-
14 bon capture equipment for which a credit is allowed
15 to any taxpayer under section 45Q for the taxable
16 year or any prior taxable year.

17 “(e) INCREASED CREDIT AMOUNT FOR QUALIFIED
18 CLEAN HYDROGEN PRODUCTION FACILITIES.—

19 “(1) IN GENERAL.—In the case of any qualified
20 clean hydrogen production facility which satisfies the
21 requirements of paragraph (2), the amount of the
22 credit determined under subsection (a) with respect
23 to qualified clean hydrogen described in subsection
24 (b)(2) shall be equal to such amount multiplied by
25 5 (determined without regard to this sentence).

1 “(2) REQUIREMENTS.—A facility meets the re-
2 quirements of this subparagraph if it is one of the
3 following:

4 “(A) A facility—

5 “(i) the construction of which begins
6 prior to the date that is 60 days after the
7 Secretary publishes guidance with respect
8 to the requirements of paragraphs (3) and
9 (4), and

10 “(ii) which meets the requirements of
11 paragraph (3) with respect to construction,
12 alteration, or repair of facilities which oc-
13 curs after such date.

14 “(B) A facility which satisfies the require-
15 ments of paragraphs (3) and (4).

16 “(3) PREVAILING WAGE REQUIREMENTS.—

17 “(A) IN GENERAL.—The requirements de-
18 scribed in this subparagraph with respect to
19 any qualified clean hydrogen production facility
20 are that the taxpayer shall ensure that any la-
21 borers and mechanics employed by contractors
22 and subcontractors in—

23 “(i) the construction of such facility,
24 and

1 “(ii) for the period of the taxable year
2 which is within the 10-year period begin-
3 ning on the date the facility was originally
4 placed in service, the alteration or repair of
5 such facility,
6 shall be paid wages at rates not less than the
7 prevailing rates for construction, alteration, or
8 repair of a similar character in the locality as
9 most recently determined by the Secretary of
10 Labor, in accordance with subchapter IV of
11 chapter 31 of title 40, United States Code. For
12 purposes of determining an increased credit
13 amount under paragraph (1) for a taxable year,
14 the requirement under clause (ii) of this para-
15 graph is applied to such taxable year in which
16 the alteration or repair of qualified facility oc-
17 curs.

18 “(B) CORRECTION AND PENALTY RELATED
19 TO FAILURE TO SATISFY WAGE REQUIRE-
20 MENTS.—Rules similar to the rules of clauses
21 (i) through (iv) of section 45(b)(7)(B) shall
22 apply.

23 “(4) APPRENTICESHIP REQUIREMENTS.—Rules
24 similar to the rules of section 45(b)(8) shall apply.

1 “(5) REGULATIONS AND GUIDANCE.—The Sec-
2 retary shall issue such regulations or other guidance
3 as the Secretary determines necessary or appropriate
4 to carry out the purposes of this subsection, includ-
5 ing regulations or other guidance which provides for
6 requirements for recordkeeping or information re-
7 porting for purposes of establishing the requirements
8 of this subsection.

9 “(f) REGULATIONS.—Not later than 1 year after the
10 date of enactment of this section, the Secretary shall issue
11 regulations or other guidance to carry out the purposes
12 of this section, including regulations or other guidance—

13 “(1) for determining lifecycle greenhouse gas
14 emissions, and

15 “(2) which require verification by unrelated
16 third parties of the production and sale or use of
17 qualified clean hydrogen with respect to which credit
18 is otherwise allowed under this section.”.

19 (2) ELECTIVE PAYMENT OF CREDIT.—

20 (A) IN GENERAL.—Section 6417(b), as
21 amended by the preceding provisions of this
22 Act, is amended by adding at the end the fol-
23 lowing new paragraph:

24 “(8) So much of the the credit for production
25 of clean hydrogen determined under section 45X as

1 is attributable to qualified clean hydrogen produc-
2 tion facilities which are originally placed in service
3 after December 31, 2011, and with respect to which
4 an election is made under subsection (c)(3).”.

5 (B) ELECTION.—Section 6417(c)(3), as
6 amended by the preceding provisions of this
7 Act, is amended by adding at the end the fol-
8 lowing new subparagraph:

9 “(D) CREDIT FOR PRODUCTION OF CLEAN
10 HYDROGEN.—In the case of the credit described
11 in subsection (b)(8), any election under this
12 subsection shall—

13 “(i) apply separately with respect to
14 each qualified clean hydrogen production
15 facility,

16 “(ii) be made for the taxable year in
17 which the facility is placed in service (or
18 within 90 days of date of enactment in the
19 case of facilities placed in service before
20 December 31, 2021),

21 “(iii) shall apply to such taxable year
22 and all subsequent taxable years with re-
23 spect to such facility.”.

24 (3) CREDIT REDUCED FOR TAX-EXEMPT
25 BONDS.—Section 45X(d), as added by this section,

1 is amended by adding at the end the following new
2 paragraph:

3 “(3) CREDIT REDUCED FOR TAX-EXEMPT
4 BONDS.—Rules similar to the rule under section
5 45(b)(3) shall apply for purposes of this section.”.

6 (4) CONFORMING AMENDMENTS.—

7 (A) Section 38(b) is amended—

8 (i) in paragraph (34), by striking
9 “plus” at the end,

10 (ii) in paragraph (35), by striking the
11 period at the end and inserting “, plus”,
12 and

13 (iii) by adding at the end the fol-
14 lowing new paragraph:

15 “(36) the clean hydrogen production credit de-
16 termined under section 45X(a).”.

17 (B) The table of sections for subpart D of
18 part IV of subchapter A of chapter 1 amended
19 by adding at the end the following new item:

“Sec. 45X. Credit for production of clean hydrogen.”.

20 (5) EFFECTIVE DATES.—

21 (A) The amendments made by paragraphs
22 (1), (2), and (4) of this subsection shall apply
23 to hydrogen produced after December 31, 2021.

1 (B) The amendment made by paragraph
2 (3) shall apply to facilities the construction of
3 which begins after December 31, 2021.

4 (b) CREDIT FOR ELECTRICITY PRODUCED FROM RE-
5 NEWABLE RESOURCES ALLOWED IF ELECTRICITY IS
6 USED TO PRODUCE CLEAN HYDROGEN.—

7 (1) IN GENERAL.—Section 45(e) is amended by
8 adding at the end the following new paragraph:

9 “(13) SPECIAL RULE FOR ELECTRICITY USED
10 AT A QUALIFIED CLEAN HYDROGEN PRODUCTION
11 FACILITY.—Electricity produced by the taxpayer
12 shall be treated as sold by such taxpayer to an unre-
13 lated person during the taxable year if such elec-
14 tricity is used during such taxable year by the tax-
15 payer or a person related to the taxpayer at a quali-
16 fied clean hydrogen production facility (as defined in
17 section 45X(c)(3)) to produce qualified clean hydro-
18 gen (as defined in section 45X(c)(2)) during the 10
19 year period after such facility is placed in service.
20 The Secretary shall issue such regulations or other
21 guidance as the Secretary determines appropriate to
22 carry out the purposes of this paragraph, including
23 regulations or other guidance to require verification
24 by unrelated third parties of the production and use
25 of electricity to which this paragraph applies.”.

1 (2) EFFECTIVE DATE.—The amendment made
2 by this subsection shall apply to electricity produced
3 after December 31, 2021.

4 (c) ELECTION TO TREAT CLEAN HYDROGEN PRO-
5 DUCTION FACILITIES AS ENERGY PROPERTY.—

6 (1) IN GENERAL.—Section 48(a) is amended by
7 adding at the end the following new paragraph:

8 “(16) ELECTION TO TREAT CLEAN HYDROGEN
9 PRODUCTION FACILITIES AS ENERGY PROPERTY.—

10 “(A) IN GENERAL.—In the case of any
11 qualified property (as defined in paragraph
12 (5)(D)) which is part of a specified clean hydro-
13 gen production facility—

14 “(i) such property shall be treated as
15 energy property for purposes of this sec-
16 tion, and

17 “(ii) the energy percentage with re-
18 spect to such property is—

19 “(I) in the case of a facility
20 which is designed and reasonably ex-
21 pected to produce qualified clean hy-
22 drogen which is described in a sub-
23 paragraph (A) of section 45X(b)(2),
24 0.9 percent,

1 “(II) 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 (B) of such section, 1.2
6 percent,

7 “(III) 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 a sub-
11 paragraph (C) of such section, 1.5
12 percent,

13 “(IV) in the case of a facility
14 which is designed and reasonably ex-
15 pected to produce qualified clean hy-
16 drogen which is described in a sub-
17 paragraph (D) of such section, 2 per-
18 cent, and

19 “(V) in the case of a facility
20 which is designed and reasonably ex-
21 pected to produce qualified clean hy-
22 drogen which is described in subpara-
23 graph (E) of such section, 6 percent.

24 “(B) DENIAL OF PRODUCTION CREDIT.—
25 No credit shall be allowed under section 45X or

1 section 45Q for any taxable year with respect to
2 any specified clean hydrogen production facility
3 or any carbon capture equipment included at
4 such facility.

5 “(C) SPECIFIED CLEAN HYDROGEN PRO-
6 Duction FACILITY.—For purposes of this para-
7 graph, the term ‘specified clean hydrogen pro-
8 duction facility’ means any qualified clean hy-
9 drogen production facility (as defined in section
10 45X(c)(3)) or any portion of such facility—

11 “(i) which is placed in service after
12 December 31, 2021, and

13 “(ii) with respect to which—

14 “(I) no credit has been allowed
15 under section 45X or 45Q, and

16 “(II) the taxpayer makes an ir-
17 revocable election to have this para-
18 graph apply.

19 “(D) QUALIFIED CLEAN HYDROGEN.—For
20 purposes of this paragraph, the term ‘qualified
21 clean hydrogen’ has the meaning given such
22 term by section 45X(c)(2).

23 “(E) REGULATIONS.—The Secretary shall
24 issue such regulations or other guidance as the
25 Secretary determines necessary or appropriate

1 to carry out the purposes of this section, includ-
2 ing regulations or other guidance which—

3 “(i) requires verification by one or
4 more unrelated third parties that the facil-
5 ity produces hydrogen which is consistent
6 with the hydrogen that such facility was
7 designed and expected to produce under
8 subparagraph (A)(ii), and

9 “(ii) recaptures so much of any credit
10 allowed under this section as exceeds the
11 amount of the credit which would have
12 been allowed if the expected production
13 were consistent with the actual verified
14 production (or all of the credit so allowed
15 in the absence of such verification).”.

16 (2) EFFECTIVE DATE.—The amendments made
17 by this subsection shall apply to property placed in
18 service after December 31, 2021 and, for any prop-
19 erty the construction of which begins prior to Janu-
20 ary 1, 2022, only to the extent of the basis thereof
21 attributable to the construction, reconstruction, or
22 erection after December 31, 2021.

23 (d) TERMINATION OF EXCISE TAX CREDIT FOR HY-
24 DROGEN.—

1 (1) IN GENERAL.—Section 6426(d)(2) is
2 amended by striking subparagraph (D) and by re-
3 designating subparagraphs (E), (F), and (G) as sub-
4 paragraphs (D), (E), and (F), respectively.

5 (2) CONFORMING AMENDMENT.—Section
6 6426(e)(2) is amended by striking “(F)” and insert-
7 ing “(E)”.

8 (3) EFFECTIVE DATE.—The amendments made
9 by this subsection shall apply to fuel sold or used
10 after December 31, 2021.

11 **PART 3—GREEN ENERGY AND EFFICIENCY**

12 **INCENTIVES FOR INDIVIDUALS**

13 **SEC. 136301. EXTENSION, INCREASE, AND MODIFICATIONS**

14 **OF NONBUSINESS ENERGY PROPERTY CRED-**

15 **IT.**

16 (a) EXTENSION OF CREDIT.—Section 25C(g)(2) is
17 amended by striking “December 31, 2021” and inserting
18 “December 31, 2031”.

19 (b) ALLOWANCE OF CREDIT.—Section 25C(a) is
20 amended to read as follows:

21 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
22 dividual, there shall be allowed as a credit against the tax
23 imposed by this chapter for the taxable year an amount
24 equal to 30 percent of the sum of—

1 “(1) the amount paid or incurred by the tax-
2 payer for qualified energy efficiency improvements
3 installed during such taxable year, and

4 “(2) the amount of the residential energy prop-
5 erty expenditures paid or incurred by the taxpayer
6 during such taxable year.”.

7 (c) APPLICATION OF ANNUAL LIMITATION IN LIEU
8 OF LIFETIME LIMITATION.—Section 25C(b) is amended
9 to read as follows:

10 “(b) LIMITATIONS.—

11 “(1) IN GENERAL.—The credit allowed under
12 this section with respect to any taxpayer for any tax-
13 able year shall not exceed \$1,200.

14 “(2) ENERGY PROPERTY.—The credit allowed
15 under this subsection by reason of subsection (a)(1)
16 with respect to any taxpayer for any taxable year
17 shall not exceed, with respect to any item of quali-
18 fied energy property, \$600.

19 “(3) WINDOWS.—The credit allowed under this
20 section by reason of subsection (a)(1) with respect to
21 any taxpayer for any taxable year shall not exceed,
22 in the aggregate with respect to all exterior windows
23 and skylights, \$600.

1 “(4) DOORS.—The credit allowed under this
2 section by reason of subsection (a)(1) with respect to
3 any taxpayer for any taxable year shall not exceed—

4 “(A) \$250 in the case of any exterior door,
5 and

6 “(B) \$500 in the aggregate with respect to
7 all exterior doors.

8 “(5) CERTAIN PROPERTY EXCLUDED FROM
9 LIMITATION.—Amounts paid or incurred for prop-
10 erty described in clause (i) or (ii) of subsection
11 (d)(2)(A) or subsection (d)(2)(B) shall not be sub-
12 ject to the limitations in paragraphs (1) and (2) or
13 factored in for purposes of calculating the limitation
14 under such paragraph.”.

15 (d) MODIFICATIONS RELATED TO QUALIFIED EN-
16 ERGY EFFICIENCY IMPROVEMENTS.—

17 (1) STANDARDS FOR ENERGY EFFICIENT
18 BUILDING ENVELOPE COMPONENTS.—Section
19 25C(e)(2) is amended by striking “meets—” and all
20 that follows through the period at the end and in-
21 serting the following: “meets—

22 “(A) in the case of an exterior window or
23 skylight, Energy Star most efficient certifi-
24 cation requirements

1 “(B) in the case of any other component,
2 the prescriptive criteria for such component es-
3 tablished by the most recent International En-
4 ergy Conservation Code standard in effect as of
5 the beginning of the calendar year which is 2
6 years prior to the calendar year in which such
7 component is placed in service.”.

8 (2) ROOFS NOT TREATED AS BUILDING ENVE-
9 LOPE COMPONENTS.—Section 25C(c)(3) is amended
10 by adding “and” at the end of subparagraph (B), by
11 striking “, and” at the end of subparagraph (C) and
12 inserting a period, and by striking subparagraph
13 (D).

14 (3) AIR SEALING INSULATION ADDED TO DEFINI-
15 TION OF BUILDING ENVELOPE COMPONENT.—Sec-
16 tion 25C(c)(3)(A) is amended by striking “material
17 or system” and inserting “material or system, in-
18 cluding air sealing material or system,”.

19 (e) MODIFICATION OF RESIDENTIAL ENERGY PROP-
20 ERTY EXPENDITURES.—Section 25C(d) is amended to
21 read as follows:

22 “(d) RESIDENTIAL ENERGY PROPERTY EXPENDI-
23 TURES.—For purposes of this section—

24 “(1) IN GENERAL.—The term ‘residential en-
25 ergy property expenditures’ means expenditures

1 made by the taxpayer for qualified energy property
2 which is—

3 “(A) installed on or in connection with a
4 dwelling unit located in the United States and
5 used as a residence by the taxpayer, and

6 “(B) originally placed in service by the tax-
7 payer.

8 Such term includes expenditures for labor costs
9 properly allocable to the onsite preparation, assem-
10 bly, or original installation of the property.

11 “(2) QUALIFIED ENERGY PROPERTY.—The
12 term ‘qualified energy property’ means:

13 “(A) Any of the following which meet or
14 exceed the highest efficiency tier (not including
15 any advanced tier) established by the Consor-
16 tium for Energy Efficiency which is in effect as
17 of the beginning of the calendar year in which
18 the property is placed in service:

19 “(i) An electric heat pump water heat-
20 er.

21 “(ii) An electric heat pump.

22 “(iii) A central air conditioner.

23 “(iv) A natural gas, propane, or oil
24 water heater.

1 “(v) A natural gas, propane, or oil
2 furnace or hot water boiler.

3 “(B) A biomass stove—

4 “(i) which uses the burning of bio-
5 mass fuel to heat a dwelling unit located in
6 the United States and used as a residence
7 by the taxpayer, or to heat water for use
8 in such a dwelling unit, and

9 “(ii) which has a thermal efficiency
10 rating of at least 75 percent (measured by
11 the higher heating value of the fuel).

12 “(C) Any oil furnace or hot water boiler
13 which—

14 “(i) is placed in service after Decem-
15 ber 31, 2021 and before January 1, 2027
16 and meets or exceeds 2021 Energy Star ef-
17 ficiency criteria and is rated by the manu-
18 facturer for use with eligible fuel blends of
19 20 percent or more, or

20 “(ii) is placed in service after Decem-
21 ber 31, 2026 and achieves an annual fuel
22 utilization efficiency rate of not less than
23 90 and is rated by the manufacturer for
24 use with eligible fuel blends of 50 percent
25 or more.

1 “(3) ELIGIBLE FUEL.—For purposes of para-
2 graph (2), the term ‘eligible fuel’ means biodiesel
3 and renewable diesel (within the meaning of section
4 40A) and second generation biofuel (within the
5 meaning of section 40).”.

6 (f) HOME ENERGY AUDITS.—

7 (1) IN GENERAL.—Section 25C(a) is amended
8 by striking “and” at the end of paragraph (1), by
9 striking the period at the end of paragraph (2) and
10 inserting “, and”, and by adding at the end the fol-
11 lowing new paragraph:

12 “(3) 30 percent of the amount paid or incurred
13 by the taxpayer during the taxable year for home en-
14 ergy audits.”.

15 (2) LIMITATION.—Section 25C(b), as amended
16 by subsection (c), is amended adding at the end the
17 following new paragraph:

18 “(5) HOME ENERGY AUDITS.—

19 “(A) DOLLAR LIMITATION.—The amount
20 of the credit allowed under this section by rea-
21 son of subsection (a)(3) shall not exceed \$150.

22 “(B) SUBSTANTIATION REQUIREMENT.—
23 No credit shall be allowed under this section by
24 reason of subsection (a)(3) unless the taxpayer
25 includes with the taxpayer’s return of tax such

1 information or documentation as the Secretary
2 may require.”.

3 (3) HOME ENERGY AUDITS.—

4 (A) IN GENERAL.—Section 25C, as amend-
5 ed by subsection (a), is amended by redesign-
6 ating subsections (e), (f), and (g), as sub-
7 sections (f), (g), and (h), respectively, and by
8 inserting after subsection (d) the following new
9 subsection:

10 “(e) HOME ENERGY AUDITS.—For purposes of this
11 section, the term ‘home energy audit’ means an inspection
12 and written report with respect to a dwelling unit located
13 in the United States and owned or used by the taxpayer
14 as the taxpayer’s principal residence (within the meaning
15 of section 121) which—

16 “(1) identifies the most significant and cost-ef-
17 fective energy efficiency improvements with respect
18 to such dwelling unit, including an estimate of the
19 energy and cost savings with respect to each such
20 improvement, and

21 “(2) is conducted and prepared by a home en-
22 ergy auditor that meets the certification or other re-
23 quirements specified by the Secretary (not later than
24 365 days after the date of the enactment of this
25 subsection) in regulations or other guidance.”.

1 (B) CONFORMING AMENDMENT.—Section
2 1016(a)(33) is amended by striking “section
3 25C(f)” and inserting “section 25C(g)”.

4 (4) LACK OF SUBSTANTIATION TREATED AS
5 MATHEMATICAL OR CLERICAL ERROR.—Section
6 6213(g)(2) is amended—

7 (A) in subparagraph (P), by striking
8 “and” at the end,

9 (B) in subparagraph (Q), by striking the
10 period at the end and inserting “, and”, and

11 (C) by adding at the end the following:

12 “(R) an omission of correct information or
13 documentation required under section
14 25C(b)(5)(B) (relating to home energy audits)
15 to be included on a return.”.

16 (g) IDENTIFICATION NUMBER REQUIREMENT.—

17 (1) IN GENERAL.—Section 25C, as amended by
18 subsections (a) and (f), is amended by redesignating
19 subsection (h) as subsection (i) and by inserting
20 after subsection (g) the following new subsection:

21 “(h) PRODUCT IDENTIFICATION NUMBER REQUIRE-
22 MENT.—

23 “(1) IN GENERAL.—No credit shall be allowed
24 under subsection (a) with respect to any item of

1 specified property placed in service after December
2 31, 2023, unless—

3 “(A) such item is produced by a qualified
4 manufacturer, and

5 “(B) the taxpayer includes the qualified
6 product identification number of such item on
7 the return of tax for the taxable year.

8 “(2) QUALIFIED PRODUCT IDENTIFICATION
9 NUMBER.—For purposes of this section, the term
10 ‘qualified product identification number’ means, with
11 respect to any item of specified property, the prod-
12 uct identification number assigned to such item by
13 the qualified manufacturer pursuant to the method-
14 ology referred to in paragraph (3).

15 “(3) QUALIFIED MANUFACTURER.—For pur-
16 poses of this section, the term ‘qualified manufac-
17 turer’ means any manufacturer of specified property
18 which enters into an agreement with the Secretary
19 which provides that such manufacturer will—

20 “(A) assign a product identification num-
21 ber to each item of specified property produced
22 by such manufacturer utilizing a methodology
23 that will ensure that such number (including
24 any alphanumeric) is unique to each such item
25 (by utilizing numbers or letters which are

1 unique to such manufacturer or by such other
2 method as the Secretary may provide),

3 “(B) label such item with such number in
4 such manner as the Secretary may provide, and

5 “(C) make periodic written reports to the
6 Secretary (at such times and in such manner as
7 the Secretary may provide) of the product iden-
8 tification numbers so assigned and including
9 such information as the Secretary may require
10 with respect to the item of specified property to
11 which such number was so assigned.

12 “(4) SPECIFIED PROPERTY.—For purposes of
13 this subsection, the term ‘specified property’ means
14 any qualified energy property and any property de-
15 scribed in subparagraph (B) or (C) of subsection
16 (c)(3).”.

17 (2) OMISSION OF CORRECT PRODUCT IDENTI-
18 FICATION NUMBER TREATED AS MATHEMATICAL OR
19 CLERICAL ERROR.—Section 6213(g)(2), as amended
20 by the preceding provisions of this Act, is amend-
21 ed—

22 (A) in subparagraph (Q), by striking
23 “and” at the end,

24 (B) in subparagraph (R), by striking the
25 period at the end and inserting “, and”, and

1 (C) by adding at the end the following:

2 “(S) an omission of a correct product iden-
3 tification number required under section 25C(h)
4 (relating to credit for nonbusiness energy prop-
5 erty) to be included on a return.”.

6 (h) EFFECTIVE DATES.—

7 (1) IN GENERAL.—Except as otherwise pro-
8 vided by this subsection, the amendments made by
9 this section shall apply to property placed in service
10 after December 31, 2021.

11 (2) HOME ENERGY AUDITS.—The amendments
12 made by subsection (f) shall apply to amounts paid
13 or incurred after December 31, 2021.

14 (3) IDENTIFICATION NUMBER REQUIREMENT.—
15 The amendments made subsection (g) shall apply to
16 property placed in service after December 31, 2023.

17 **SEC. 136302. RESIDENTIAL ENERGY EFFICIENT PROPERTY.**

18 (a) EXTENSION OF CREDIT.—

19 (1) IN GENERAL.—Section 25D(h) is amended
20 by striking “December 31, 2023” and inserting
21 “December 31, 2033”.

22 (2) APPLICATION OF PHASEOUT.—Section
23 25D(g) is amended—

1 (A) by striking “before January 1, 2023”
2 in paragraph (2) and inserting “before January
3 1, 2022”,

4 (B) by striking “and” at the end of para-
5 graph (2),

6 (C) by redesignating paragraph (3) as
7 paragraph (5) and by inserting after paragraph
8 (2) the following new paragraphs:

9 “(3) in the case of property placed in service
10 after December 31, 2021, and before January 1,
11 2032, 30 percent,

12 “(4) in the case of property placed in service
13 after December 31, 2031, and before January 1,
14 2033, 26 percent, and”, and

15 (D) by striking “December 31, 2022, and
16 before January 1, 2024” in paragraph (5) (as
17 so redesignated) and inserting “December 31,
18 2032, and before January 1, 2034”.

19 (b) RESIDENTIAL ENERGY EFFICIENT PROPERTY
20 CREDIT FOR BATTERY STORAGE TECHNOLOGY.—

21 (1) IN GENERAL.—Section 25D(a) is amended
22 by striking “and” at the end of paragraph (5) and
23 by inserting after paragraph (6) the following new
24 paragraph:

1 “(7) the qualified battery storage technology ex-
2 penditures,”.

3 (2) QUALIFIED BATTERY STORAGE TECH-
4 NOLOGY EXPENDITURE.—Section 25D(d) is amend-
5 ed by adding at the end the following new para-
6 graph:

7 “(7) QUALIFIED BATTERY STORAGE TECH-
8 NOLOGY EXPENDITURE.—The term ‘qualified bat-
9 tery storage technology expenditure’ means an ex-
10 penditure for battery storage technology which—

11 “(A) is installed in connection with a
12 dwelling unit located in the United States and
13 used as a residence by the taxpayer, and

14 “(B) has a capacity of not less than 3 kilo-
15 watt hours.”.

16 (c) CREDIT MADE REFUNDABLE; INSTALLER RE-
17 QUIREMENTS; TREATMENT OF CERTAIN POSSESSIONS.—
18 Section 25D is amended by redesignating subsection (h)
19 as subsection (k) and by inserting after subsection (g) the
20 following new subsections:

21 “(h) CREDIT MADE REFUNDABLE FOR TAXABLE
22 YEARS AFTER 2023.—In the case of any taxable year be-
23 ginning after December 31, 2023, the credit allowed under
24 subsection (a) (excluding any credit carried forward from
25 a previous taxable year) shall be treated as a credit al-

1 lowed under subpart C (and not allowed under this sub-
2 part).

3 “(i) REQUIREMENT FOR QUALIFIED INSTALLER.—

4 “(1) IN GENERAL.—No credit shall be allowed
5 under this section with respect to any property de-
6 scribed in subsection (a) placed in service after De-
7 cember 31, 2023 unless—

8 “(A) such property is installed by a quali-
9 fied installer, and

10 “(B) the taxpayer includes the qualified in-
11 stallation identification number described in
12 paragraph (3) on the return of tax for the tax-
13 able year.

14 “(2) QUALIFIED INSTALLER.—

15 “(A) IN GENERAL.—For purposes of this
16 section, the term ‘qualified installer’ means an
17 installer who enters into an agreement with the
18 Secretary which provides that such installer
19 will, with respect to expenditures described in
20 subsection (a) in connection with the residence
21 of a taxpayer—

22 “(i) provide the taxpayer with a quali-
23 fied installation identification number and
24 a written receipt of the purchase and in-

1 stallation of such property in a manner
2 prescribed by the Secretary, and

3 “(ii) make periodic written reports to
4 the Secretary (in such manner as the Sec-
5 retary may provide) of installation identi-
6 fication numbers assigned by the installer
7 corresponding to such expenditures, includ-
8 ing such information as the Secretary may
9 require with respect to such expenditures.

10 “(B) INSTALLER DEEMED TO MEET RE-
11 QUIREMENT.—For purposes of subparagraph
12 (A), to the extent provided by the Secretary, an
13 installer may be deemed to meet the require-
14 ment under clause (ii) of such subparagraph on
15 the basis of information available to the Sec-
16 retary which the Secretary determines is rea-
17 sonably reliable for purposes of determining the
18 amount of qualified expenditures under sub-
19 section (a) made by a taxpayer in connection
20 with a residence of such taxpayer.

21 “(3) QUALIFIED INSTALLATION IDENTIFICA-
22 TION NUMBER.—For purposes of this section, the
23 term ‘qualified installation identification number’
24 means a unique identification number with respect
25 to expenditures described in subsection (a) in con-

1 nection with a residence of a taxpayer that is in-
2 stalled by a qualified installer.

3 “(4) REGISTRATION.—The Secretary may re-
4 quire such information or registration of a qualified
5 installer as the Secretary deems necessary or appro-
6 priate for purposes of preventing duplication, fraud,
7 or improper claims with respect to property de-
8 scribed in subsection (a). Under regulations or other
9 guidance prescribed by the Secretary, the registra-
10 tion of any person under this section may be denied,
11 revoked, or suspended if the Secretary determines
12 that such denial, revocation, or suspension is nec-
13 essary to prevent duplication, fraud, or improper
14 claims with respect to property described in sub-
15 section (a).

16 “(j) TREATMENT OF CERTAIN POSSESSIONS.—

17 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR
18 CODE TAX SYSTEMS.—The Secretary shall pay to
19 each possession of the United States which has a
20 mirror code tax system amounts equal to the loss (if
21 any) to that possession by reason of the application
22 of the provisions of this section. Such amounts shall
23 be 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 (d) CERTAIN EXPENDITURES DISALLOWED.—Sec-
19 tion 25D is amended—

20 (1) in subsection (a), by adding “and” at the
21 end of paragraph (4), by striking the comma at the
22 end of paragraph (5) and inserting a period, and by
23 striking paragraph (6), and

24 (2) in subsection (d), by striking paragraph (6).

1 (e) CARRYFORWARD OF UNUSED CREDIT DIS-
2 ALLOWED.—Section 25D is amended by striking sub-
3 section (c).

4 (f) CONFORMING AMENDMENT.—Section 6213(g)(2),
5 as amended by the preceding provisions of this Act, is
6 amended—

7 (1) in subparagraph (T), by striking “and” at
8 the end,

9 (2) in subparagraph (U), by striking the period
10 at the end and inserting “, and”, and

11 (3) by adding at the end the following:

12 “(V) an omission of a correct qualified in-
13 stallation identification number required under
14 section 25D (relating to credit for residential
15 energy efficient property) to be included on a
16 return.”.

17 (g) EFFECTIVE DATES.—

18 (1) The amendments made by subsections (a),
19 (b), (d), and (f) shall apply to expenditures made
20 after December 31, 2021.

21 (2) The amendments made by subsections (c)
22 and (e) shall apply to expenditures made after De-
23 cember 31, 2022.

1 **SEC. 136303. ENERGY EFFICIENT COMMERCIAL BUILDINGS**
2 **DEDUCTION.**

3 (a) **PLACED IN SERVICE REQUIREMENT.**—Section
4 179D(c)(2) is amended to read as follows:

5 “(2) **REFERENCE STANDARD 90.1.**—The term
6 ‘Reference Standard 90.1’ means, with respect to
7 any property, the more recent of—

8 “(A) Standard 90.1-2007 published by the
9 American Society of Heating, Refrigerating,
10 and Air Conditioning Engineers and the Illu-
11 minating Engineering Society of North Amer-
12 ica, or

13 “(B) the most recent Standard 90.1 pub-
14 lished by the American Society of Heating, Re-
15 frigerating, and Air Conditioning Engineers and
16 the Illuminating Engineering Society of North
17 America for which the Department of Energy
18 has issued a final determination and which has
19 been affirmed by the Secretary for purposes of
20 this section not later than the date that is 4
21 years before the date such property is placed in
22 service.”.

23 (b) **TEMPORARY INCREASE IN DEDUCTION, ETC.**—
24 Section 179D is amended by adding at the end the fol-
25 lowing:

26 “(i) **TEMPORARY RULES.**—

1 “(1) PERIOD OF APPLICATION.—The provisions
2 of this subsection shall apply only to taxable years
3 beginning after December 31, 2021, and before Jan-
4 uary 1, 2032.

5 “(2) MODIFICATION OF EFFICIENCY STAND-
6 ARD.—Subsection (c)(1)(D) shall be applied by sub-
7 stituting ‘25’ for ‘50’.

8 “(3) MAXIMUM AMOUNT OF DEDUCTION.—

9 “(A) IN GENERAL.—The deduction under
10 subsection (a) with respect to any building for
11 any taxable year shall not exceed the excess (if
12 any) of—

13 “(i) the product of—

14 “(I) the applicable dollar value,
15 and

16 “(II) the square footage of the
17 building, over

18 “(ii) the aggregate amount of the de-
19 ductions under subsection (a) and para-
20 graph (6) with respect to the building for
21 the 3 taxable years immediately preceding
22 such taxable year (or, in the case of any
23 such deduction allowable to a person other
24 than the taxpayer, for any taxable year

1 ending during the 4-taxable-year period
2 ending with such taxable year).

3 “(B) APPLICABLE DOLLAR VALUE.—For
4 purposes of paragraph (3)(A)(i), the applicable
5 dollar value shall be an amount equal to \$0.50
6 increased (but not above \$1.00) by \$0.02 for
7 each percentage point by which the total annual
8 energy and power costs for the building are cer-
9 tified to be reduced by a percentage greater
10 than 25 percent.

11 “(C) APPLICATION OF INFLATION ADJUST-
12 MENT.—Subsection (g) shall be applied—

13 “(i) by substituting ‘2022’ for ‘2020’,

14 “(ii) by substituting ‘subsection
15 (i)(3)(B)’ for ‘subsection (b) or subsection
16 (d)(1)(A)’, and

17 “(iii) by substituting ‘2021’ for
18 ‘2019’.

19 “(D) LIMITATION TO APPLY IN LIEU OF
20 CURRENT LIMITATION AND PARTIAL ALLOW-
21 ANCE.—Subsections (b) and (d)(1) shall not
22 apply.

23 “(4) INCREASED CREDIT AMOUNT FOR CERTAIN
24 PROPERTY.—

1 “(A) IN GENERAL.—In the case of any
2 property which satisfies the requirements of
3 subparagraph (B), paragraph (3)(B) shall be
4 applied by substituting ‘\$2.50’ for ‘\$0.50’,
5 ‘\$.10’ for ‘\$.02’, and ‘\$5.00’ for ‘\$1.00’.

6 “(B) PROJECT REQUIREMENTS.—A project
7 meets the requirements of this subparagraph if
8 it is one of the following:

9 “(i) A building or qualified retrofit
10 plan the construction of which begins prior
11 to 60 days after the Secretary publishes
12 guidance with respect to the requirements
13 of paragraphs (5) and (6).

14 “(ii) A building or qualified retrofit
15 plan the construction of which satisfies the
16 requirements of paragraphs (5) and (6).

17 “(5) PREVAILING WAGE REQUIREMENTS.—

18 “(A) IN GENERAL.—The requirements de-
19 scribed in this subparagraph with respect to
20 any project are that the taxpayer shall ensure
21 that any laborers and mechanics employed by
22 contractors and subcontractors in the construc-
23 tion of any property or with respect to building
24 modifications made as part of a qualified ret-
25 rofit plan shall be paid wages at rates not less

1 than the prevailing rates for construction, alter-
2 ation, or repair of a similar character in the lo-
3 cality as most recently determined by the Sec-
4 retary of Labor, in accordance with subchapter
5 IV of chapter 31 of title 40, United States
6 Code.

7 “(B) CORRECTION AND PENALTY RELATED
8 TO FAILURE TO SATISFY WAGE REQUIRE-
9 MENTS.—Rules similar to the rules of clauses
10 (i) through (iv) of section 45(b)(7)(B) shall
11 apply.

12 “(6) APPRENTICESHIP REQUIREMENTS.—Rules
13 similar to the rules of section 45(b)(8) shall apply.

14 “(7) ALLOCATION OF DEDUCTION BY CERTAIN
15 TAX-EXEMPT ENTITIES.—

16 “(A) IN GENERAL.—A specified tax-ex-
17 empt entity shall be treated in the same manner
18 as a Federal, State, or local government for
19 purposes of applying subsection (d)(4).

20 “(B) SPECIFIED TAX-EXEMPT ENTITY.—
21 For purposes of this paragraph, the term ‘spec-
22 ified tax-exempt entity’ means—

23 “(i) the United States, any State or
24 political subdivision thereof, any possession

1 of the United States, or any agency or in-
2 strumentality of any of the foregoing,

3 “(ii) an Indian tribal government (as
4 defined in section 48(e)(4)(F)(ii)) or Alas-
5 ka Native Corporation (as defined in sec-
6 tion 3 of the Alaska Native Claims Settle-
7 ment Act (43 U.S.C. 1602(m)), and

8 “(iii) any organization exempt from
9 tax imposed by this chapter.

10 “(8) ALTERNATIVE DEDUCTION FOR ENERGY
11 EFFICIENT RETROFIT BUILDING PROPERTY.—

12 “(A) IN GENERAL.—In the case of a tax-
13 payer which elects (at such time and in such
14 manner as the Secretary may provide) the ap-
15 plication of this paragraph with respect to any
16 qualified building, there shall be allowed as a
17 deduction for the taxable year which includes
18 the date of the qualifying final certification with
19 respect to the qualified retrofit plan of such
20 building, an amount equal to the lesser of—

21 “(i) the excess described in paragraph
22 (3) (determined by substituting ‘energy
23 usage intensity’ for ‘total annual energy
24 and power costs’ in subparagraph (B)
25 thereof), or

1 “(ii) the aggregate adjusted basis (de-
2 termined after taking into account all ad-
3 justments with respect to such taxable year
4 other than the reduction under subsection
5 (e)) of energy efficient retrofit building
6 property placed in service by the taxpayer
7 pursuant to such qualified retrofit plan.

8 “(B) QUALIFIED RETROFIT PLAN.—For
9 purposes of this paragraph, the term ‘qualified
10 retrofit plan’ means a written plan prepared by
11 a qualified professional which specifies modi-
12 fications to a building which, in the aggregate,
13 are expected to reduce such building’s energy
14 usage intensity by 25 percent or more in com-
15 parison to the baseline energy usage intensity of
16 such building. Such plan shall provide for a
17 qualified professional to—

18 “(i) as of any date during the 1-year
19 period ending on the date of the first cer-
20 tification described in clause (ii), certify
21 the energy usage intensity of such building
22 as of such date,

23 “(ii) certify the status of property in-
24 stalled pursuant to such plan as meeting

1 the requirements of clauses (ii) and (iii)
2 subparagraph (C), and

3 “(iii) as of any date that is more than
4 1 year after completion of the plan, certify
5 the energy usage intensity of such building
6 as of such date.

7 “(C) ENERGY EFFICIENT RETROFIT
8 BUILDING PROPERTY.—For purposes of this
9 paragraph, the term ‘energy efficient retrofit
10 building property’ means property—

11 “(i) with respect to which depreciation
12 (or amortization in lieu of depreciation) is
13 allowable,

14 “(ii) which is installed on or in any
15 qualified building,

16 “(iii) which is installed as part of—

17 “(I) the interior lighting systems,

18 “(II) the heating, cooling, ven-
19 tilation, and hot water systems, or

20 “(III) the building envelope, and

21 “(iv) which is certified in accordance
22 with subparagraph (B)(ii) as meeting the
23 requirements of clauses (ii) and (iii).

1 “(D) QUALIFIED BUILDING.—For pur-
2 poses of this paragraph, the term ‘qualified
3 building’ means any building which—

4 “(i) is located in the United States,
5 and

6 “(ii) was originally placed in service
7 not less than 5 years before the establish-
8 ment of the qualified retrofit plan with re-
9 spect to such building.

10 “(E) QUALIFYING FINAL CERTIFI-
11 CATION.—For purposes of this paragraph, the
12 term ‘qualifying final certification’ means, with
13 respect to any qualified retrofit plan, the certifi-
14 cation described in subparagraph (B)(iii) if the
15 energy usage intensity certified in such certifi-
16 cation is not more than 75 percent of the base-
17 line energy usage intensity of the building.

18 “(F) BASELINE ENERGY USAGE INTEN-
19 SITY.—

20 “(i) IN GENERAL.—The term ‘baseline
21 energy usage intensity’ means the energy
22 usage intensity certified under subpara-
23 graph (B)(i), as adjusted to take into ac-
24 count weather as compared to the energy

1 usage intensity determined under subpara-
2 graph (B)(iii).

3 “(ii) DETERMINATION OF ADJUST-
4 MENT.—For purposes of clause (i), the ad-
5 justments described in such clause shall be
6 determined in such manner as the Sec-
7 retary may provide.

8 “(G) OTHER DEFINITIONS.—For purposes
9 of this paragraph—

10 “(i) ENERGY USAGE INTENSITY.—The
11 term ‘energy usage intensity’ means the
12 annualized, measured site energy usage in-
13 tensity determined in accordance with such
14 regulations or other guidance as the Sec-
15 retary may provide and measured in Brit-
16 ish thermal units.

17 “(ii) QUALIFIED PROFESSIONAL.—
18 The term ‘qualified professional’ means an
19 individual who is a licensed architect or a
20 licenced engineer and meets such other re-
21 quirements as the Secretary may provide.

22 “(H) COORDINATION WITH DEDUCTION
23 OTHERWISE ALLOWED UNDER SUBSECTION
24 (a).—

1 “(i) IN GENERAL.—In the case of any
2 building with respect to which an election
3 is made under subparagraph (A), the term
4 ‘energy efficient commercial building prop-
5 erty’ shall not include any energy efficient
6 retrofit building property with respect to
7 which a deduction is allowable under this
8 paragraph.

9 “(ii) CERTAIN RULES NOT APPLICA-
10 BLE.—

11 “(I) IN GENERAL.—Except as
12 provided in subclause (II), subsection
13 (d) shall not apply for purposes of
14 this paragraph.

15 “(II) ALLOCATION OF DEDUC-
16 TION BY CERTAIN TAX-EXEMPT ENTI-
17 TIES.—Rules similar to subsection
18 (d)(4) (determined after application of
19 paragraph (5)) shall apply for pur-
20 poses of this paragraph.”.

21 (c) APPLICATION TO REAL ESTATE INVESTMENT
22 TRUST EARNINGS AND PROFITS.—Section 312(k)(3)(B)
23 is amended—

1 (1) by striking “for purposes of computing the
2 earnings and profits of a corporation” and inserting
3 the following:

4 “(i) IN GENERAL.—For purposes of
5 computing the earnings and profits of a
6 corporation, except as provided in clause
7 (ii)”, and

8 (2) by adding at the end the following new
9 clause:

10 “(ii) SPECIAL RULE.—In the case of a
11 corporation that is a real estate investment
12 trust, any amount deductible under section
13 179D shall be allowed in the year in which
14 the property giving rise to such deduction
15 is placed in service.”.

16 (d) CONFORMING AMENDMENT.—Section
17 179D(d)(2) is amended by striking “not later than the
18 date that is 2 years before the date that construction of
19 such property begins” and inserting “not later than the
20 date that is 4 years before the date such property is placed
21 in service”.

22 (e) EFFECTIVE DATE.—

23 (1) IN GENERAL.—Except as otherwise pro-
24 vided in this subsection, the amendment made by

1 this section shall apply to taxable years beginning
2 after December 31, 2021.

3 (2) ALTERNATIVE DEDUCTION FOR ENERGY EF-
4 FICIENT RETROFIT BUILDING PROPERTY.—Para-
5 graph (8) of section 179D(i) of the Internal Revenue
6 Code of 1986 (as added by this section), and any
7 other provision of such section solely for purposes of
8 applying such paragraph, shall apply to property
9 placed in service after December 31, 2021 (in tax-
10 able years ending after such date) if such property
11 is placed in service pursuant to qualified retrofit
12 plan (within the meaning of such section) estab-
13 lished after such date.

14 **SEC. 136304. EXTENSION, INCREASE, AND MODIFICATIONS**
15 **OF NEW ENERGY EFFICIENT HOME CREDIT.**

16 (a) EXTENSION OF CREDIT.—Section 45L(g) is
17 amended by striking “December 31, 2021” and inserting
18 “December 31, 2031”.

19 (b) INCREASE IN CREDIT AMOUNTS.—Section
20 45L(a)(2) is amended to read as follows:

21 “(2) APPLICABLE AMOUNT.—For purposes of
22 paragraph (1), the applicable amount is an amount
23 equal to—

24 “(A) in the case of a dwelling unit which
25 is eligible to participate in the Energy Star

1 Residential New Construction Program or the
2 Energy Star Manufactured New Homes pro-
3 gram—

4 “(i) that is described in subsection
5 (c)(1)(A) (and not described in subsection
6 (c)(1)(B)), \$2,500, and

7 “(ii) that is described in subsection
8 (c)(1)(B), \$5000, and

9 “(B) in the case of a dwelling unit which
10 is part of a building eligible to participate in
11 the Energy Star Multifamily New Construction
12 Program—

13 “(i) that is described in subsection
14 (c)(1)(A) (and not described in subsection
15 (c)(1)(B)), \$500, and

16 “(ii) that is described in subsection
17 (c)(1)(B), \$1000.”.

18 (c) MODIFICATION OF ENERGY SAVING REQUIRE-
19 MENTS.—Section 45L(c) is amended to read as follows:

20 “(c) ENERGY SAVING REQUIREMENTS.—

21 “(1) IN GENERAL.—A dwelling unit meets the
22 energy saving requirements of this subsection if—

23 “(A) such dwelling unit meets the require-
24 ments of paragraph (2) or (3) (whichever is ap-
25 plicable), or

1 “(B) such dwelling unit is certified as a
2 zero energy ready home under the zero energy
3 ready home program of the Department of En-
4 ergy (or any successor program determined by
5 the Secretary) as in effect on January 1, 2022.

6 “(2) SINGLE-FAMILY HOME REQUIREMENTS.—
7 A dwelling unit meets the requirements of this para-
8 graph if—

9 “(A) such dwelling unit meets—

10 “(i) in the case of a dwelling unit ac-
11 quired before January 1, 2025, the Energy
12 Star Single-Family New Homes National
13 Program Requirements 3.1, and

14 “(ii) in the case of a dwelling unit ac-
15 quired after December 31, 2024, the En-
16 ergy Star Single-Family New Homes Na-
17 tional Program Requirements 3.2,

18 “(B) such dwelling unit meets the most re-
19 cent Energy Star Single-Family New Homes
20 Program Requirements applicable to the loca-
21 tion of such dwelling unit (as in effect on the
22 latter of January 1, 2022 or January 1 of two
23 calendar years prior to the date the dwelling
24 unit was acquired), or

1 “(C) such dwelling unit meets the most re-
2 cent Energy Star Manufactured Home National
3 program requirements as in effect on the latter
4 of January 1, 2022 or January 1 of two cal-
5 endar years prior to the date such dwelling unit
6 is acquired.

7 “(3) MULTI-FAMILY HOME REQUIREMENTS.—A
8 dwelling unit meets the requirements of this para-
9 graph if—

10 “(A) such dwelling unit meets the most re-
11 cent Energy Star Multifamily New Construction
12 National Program Requirements (as in effect
13 on either January 1, 2022 or January 1 of
14 three calendar years prior to the date the dwell-
15 ing was acquired, whichever is later), and

16 “(B) such dwelling unit meets the most re-
17 cent Energy Star Multifamily New Construction
18 Regional Program Requirements applicable to
19 the location of such dwelling unit (as in effect
20 on either January 1, 2022 or January 1 of
21 three calendar years prior to the date the dwell-
22 ing was acquired, whichever is later).”.

23 (d) PREVAILING WAGE REQUIREMENT.—Section
24 45L is amended by redesignating subsection (g) as sub-

1 section (h) and by inserting after subsection (f) the fol-
2 lowing new subsection:

3 “(g) PREVAILING WAGE REQUIREMENT.—

4 “(1) IN GENERAL.—In the case of a qualifying
5 residence described in subsection (b)(2)(B) meeting
6 the prevailing wage requirements of paragraph (2),
7 the credit amount allowed with respect to such resi-
8 dence shall be—

9 “(A) \$2,500 in the case of a residence de-
10 scribed in subparagraph (A) of subsection
11 (c)(1) (and not described in subparagraph (B)
12 of such subsection), and

13 “(B) \$5,000 in the case of a residence de-
14 scribed in (c)(1)(B).

15 “(2) PREVAILING WAGE REQUIREMENTS.—

16 “(A) IN GENERAL.—The requirements de-
17 scribed in this paragraph with respect to any
18 qualified residence are that the taxpayer shall
19 ensure that any laborers and mechanics em-
20 ployed by contractors and subcontractors in the
21 construction of such residence shall be paid
22 wages at rates not less than the prevailing rates
23 for construction, alteration, or repair of a simi-
24 lar character in the locality as most recently de-
25 termined by the Secretary of Labor, in accord-

1 (2) by striking the period at the end and insert-
2 ing a comma, and

3 (3) by adding at the end the following new
4 paragraphs:

5 “(2) provided (directly or indirectly) by a public
6 utility to a customer, or by a State or local govern-
7 ment to a resident of such State or locality, for the
8 purchase or installation of any water conservation or
9 efficiency measure,

10 “(3) provided (directly or indirectly) by a storm
11 water management provider to a customer, or by a
12 State or local government to a resident of such State
13 or locality, for the purchase or installation of any
14 storm water management measure, or

15 “(4) provided (directly or indirectly) by a State
16 or local government to a resident of such State or
17 locality for the purchase or installation of any waste-
18 water management measure, but only if such meas-
19 ure is with respect to the taxpayer’s principal resi-
20 dence.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) DEFINITION OF WATER CONSERVATION OR
23 EFFICIENCY MEASURE AND STORM WATER MANAGE-
24 MENT MEASURE.—Section 136(c) is amended—

1 (A) by striking “ENERGY CONSERVATION
2 MEASURE” in the heading thereof and inserting
3 “DEFINITIONS”,

4 (B) by striking “IN GENERAL” in the
5 heading of paragraph (1) and inserting “EN-
6 ERGY CONSERVATION MEASURE”, and

7 (C) by redesignating paragraph (2) as
8 paragraph (5) and by inserting after paragraph
9 (1) the following:

10 “(2) WATER CONSERVATION OR EFFICIENCY
11 MEASURE.—For purposes of this section, the term
12 ‘water conservation or efficiency measure’ means any
13 evaluation of water use, or any installation or modi-
14 fication of property, the primary purpose of which is
15 to reduce consumption of water or to improve the
16 management of water demand with respect to one or
17 more dwelling units.

18 “(3) STORM WATER MANAGEMENT MEASURE.—
19 For purposes of this section, the term ‘storm water
20 management measure’ means any installation or
21 modification of property primarily designed to re-
22 duce or manage amounts of storm water with re-
23 spect to one or more dwelling units.

24 “(4) WASTEWATER MANAGEMENT MEASURE.—
25 For purposes of this section, the term ‘wastewater

1 management measure’ means any installation or
2 modification of property primarily designed to man-
3 age wastewater (including septic tanks and cess-
4 pools) with respect to one or more dwelling units.”.

5 (2) DEFINITION OF PUBLIC UTILITY.—Section
6 136(c)(5) (as redesignated by paragraph (1)(C)) is
7 amended by striking subparagraph (B) and inserting
8 the following:

9 “(B) PUBLIC UTILITY.—The term ‘public
10 utility’ means a person engaged in the sale of
11 electricity, natural gas, or water to residential,
12 commercial, or industrial customers for use by
13 such customers.

14 “(C) STORM WATER MANAGEMENT PRO-
15 VIDER.—The term ‘storm water management
16 provider’ means a person engaged in the provi-
17 sion of storm water management measures to
18 the public.

19 “(D) PERSON.—For purposes of subpara-
20 graphs (B) and (C), the term ‘person’ includes
21 the Federal Government, a State or local gov-
22 ernment or any political subdivision thereof, or
23 any instrumentality of any of the foregoing.”.

24 (3) CLERICAL AMENDMENTS.—

1 (A) The heading for section 136 is amend-
2 ed—

3 (i) by inserting “**AND WATER**” after
4 “**ENERGY**”, and

5 (ii) by striking “**PROVIDED BY PUB-
6 LIC UTILITIES**”.

7 (B) The item relating to section 136 in the
8 table of sections of part III of subchapter B of
9 chapter 1 is amended—

10 (i) by inserting “and water” after
11 “energy”, and

12 (ii) by striking “provided by public
13 utilities”.

14 (c) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply to amounts received after Decem-
16 ber 31, 2018.

17 (d) **NO INFERENCE.**—Nothing in this Act or the
18 amendments made by this Act shall be construed to create
19 any inference with respect to the proper tax treatment of
20 any subsidy received directly or indirectly from a public
21 utility, a storm water management provider, or a State
22 or local government for any water conservation measure
23 or storm water management measure before January 1,
24 2019.

1 **SEC. 136306. CREDIT FOR QUALIFIED WILDFIRE MITIGA-**
2 **TION EXPENDITURES.**

3 (a) IN GENERAL.—Subpart B of part IV of sub-
4 chapter A of chapter 1 is amended by inserting after sec-
5 tion 27 the following new section:

6 **“SEC. 28. QUALIFIED WILDFIRE MITIGATION EXPENDI-**
7 **TURES.**

8 “(a) IN GENERAL.—There shall be allowed as a cred-
9 it against the tax imposed by this chapter for the taxable
10 year an amount equal to 30 percent of the qualified wild-
11 fire mitigation expenditures paid or incurred by the tax-
12 payer during such taxable year with respect to real prop-
13 erty owned or leased by the taxpayer.

14 “(b) QUALIFIED WILDFIRE MITIGATION EXPENDI-
15 TURES.—For purposes of this section—

16 “(1) IN GENERAL.—The term ‘qualified wildfire
17 mitigation expenditures’ means any specified wildfire
18 mitigation expenditure made pursuant to a qualified
19 State wildfire mitigation program of a State which
20 requires expenditures for wildfire mitigation to be
21 paid both by the taxpayer and such State. Such
22 term shall not include any item of expenditure un-
23 less the ratio of the State’s expenditure for such
24 item to the sum of the State’s and taxpayer’s ex-
25 penditures for such item is not less than 25 percent.

1 “(2) SPECIFIED WILDFIRE MITIGATION EX-
2 PENDITURE.—The term ‘specified wildfire mitigation
3 expenditure’ means, with respect to any real prop-
4 erty owned or leased by the taxpayer, any amount
5 paid or incurred to reduce the risk of wildfire by re-
6 moving accumulations of vegetation (including estab-
7 lishing, expanding, or maintaining fuel breaks to
8 serve as fire breaks) on such real property.

9 “(3) QUALIFIED STATE WILDFIRE MITIGATION
10 PROGRAM.—The term ‘qualified State wildfire miti-
11 gation program’ means any program of a State the
12 primary purpose of which is to mitigate the risk of
13 wildfires in such State.

14 “(4) TREATMENT OF REIMBURSEMENTS.—Any
15 amount originally paid or incurred by the taxpayer
16 which is reimbursed by a State under a qualified
17 wildfire mitigation program of such State shall be
18 treated as paid by such State (and not by such tax-
19 payer).

20 “(c) APPLICATION WITH OTHER CREDITS.—

21 “(1) BUSINESS CREDIT TREATED AS PART OF
22 GENERAL BUSINESS CREDIT.—So much of the credit
23 which would be allowed under subsection (a) for any
24 taxable year (determined without regard to this sub-
25 section) that is attributable to expenditures made in

1 the ordinary course of the taxpayer's trade or busi-
2 ness (or, in the case of expenditures made by a
3 State, would have been expenditures made in the or-
4 dinary course of the taxpayer's trade or business if
5 made by the taxpayer) shall be treated as a credit
6 listed in section 38(b) for taxable year (and not al-
7 lowed under subsection (a)).

8 “(2) PERSONAL CREDIT.—For purposes of this
9 title, the credit allowed under subsection (a) for any
10 taxable year (determined after application of para-
11 graph (1)) shall be treated as a credit allowable
12 under subpart A for such taxable year.

13 “(d) REDUCTION OF CREDIT PERCENTAGE WHERE
14 TAXPAYER EXPENDITURES LESS THAN 30 PERCENT.—

15 “(1) IN GENERAL.—If the expenditure percent-
16 age with respect to any item of qualified wildfire
17 mitigation expenditure is less than 30 percent, sub-
18 section (a) shall be applied by substituting ‘the ex-
19 penditure percentage’ for ‘30 percent’ with respect
20 to such item of expenditure.

21 “(2) EXPENDITURE PERCENTAGE.—For pur-
22 poses of this section, the term ‘expenditure percent-
23 age’ means, with respect to any item of qualified
24 wildfire mitigation expenditure any portion of which

1 is paid or incurred by a State, the ratio (expressed
2 as a percentage) of—

3 “(A) the taxpayer’s expenditure for such
4 item, divided by

5 “(B) the sum of the taxpayer’s and such
6 State’s expenditures for such item.

7 “(e) SPECIAL RULES.—

8 “(1) TREATMENT OF EXPENDITURES RELATED
9 TO MARKETABLE TIMBER.—An expenditure shall not
10 be taken into account for purposes of this section
11 (whether made by the taxpayer or a State pursuant
12 to a qualified State wildfire mitigation program of
13 such State) if such expenditure is properly allocable
14 to timber which is sold or exchanged by the tax-
15 payer. The preceding sentence shall not apply to the
16 extent that such amount exceeds the gain on such
17 sale or exchange.

18 “(2) BASIS REDUCTION.—For purposes of this
19 subtitle, if the basis of any property would (but for
20 this paragraph) be determined by taking into ac-
21 count any qualified wildfire mitigation expenditure,
22 the basis of such property shall be reduced by the
23 amount of the credit allowed under subsection (a)
24 with respect to such expenditure (determined with-
25 out regard to subsection (c)).

1 “(3) DENIAL OF DOUBLE BENEFIT.—The
2 amount of any deduction or other credit allowable
3 under this chapter for any expenditure for which a
4 credit is allowable under subsection (a) shall be re-
5 duced by the amount of credit allowed under such
6 subsection for such expenditure (determined without
7 regard to subsection (c)).”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 38(b), as amended by the preceding
10 provisions of this Act, is amended by striking “plus”
11 at the end of paragraph (35), by striking the period
12 at the end of paragraph (36) and inserting “, plus”,
13 and by adding at the end the following new para-
14 graph:

15 “(37) the portion of the qualified wildfire miti-
16 gation expenditures credit to which section 28(e)(1)
17 applies.”.

18 (2) Section 1016(a) is amended by redesignig-
19 nating paragraphs (35) through (38) as paragraphs
20 (36) through (39), respectively, and by inserting
21 after paragraph (34) the following new paragraph:

22 “(35) to the extent provided in section
23 28(e)(2),”.

24 (3) The table of sections for subpart B of part
25 IV of subchapter A of chapter 1 is amended by in-

1 serting after the item relating to section 27 the fol-
2 lowing new item:

“Sec. 28. Qualified wildfire mitigation expenditures.”.

3 (c) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to expenditures paid or incurred
5 after the date of the enactment of this Act, in taxable
6 years ending after such date.

7 **PART 4—GREENING THE FLEET AND**
8 **ALTERNATIVE VEHICLES**

9 **SEC. 136401. REFUNDABLE NEW QUALIFIED PLUG-IN ELEC-**
10 **TRIC DRIVE MOTOR VEHICLE CREDIT FOR IN-**
11 **DIVIDUALS.**

12 (a) **IN GENERAL.**—Subpart C of part IV of sub-
13 chapter A of chapter 1 is amended by inserting after sec-
14 tion 36B the following new section:

15 **“SEC. 36C. NEW QUALIFIED PLUG-IN ELECTRIC DRIVE**
16 **MOTOR VEHICLES.**

17 “(a) **ALLOWANCE OF CREDIT.**—In the case of an in-
18 dividual, there shall be allowed as a credit against the tax
19 imposed by this subtitle for the taxable year an amount
20 equal to the credit amount determined under subsection
21 (b) with respect to a new qualified plug-in electric drive
22 motor vehicle placed in service by the taxpayer during the
23 taxable year.

24 “(b) **CREDIT AMOUNT.**—

1 “(1) IN GENERAL.—The amount determined
2 under this subsection with respect to any new quali-
3 fied plug-in electric drive motor vehicle is the sum
4 of the amounts determined under paragraphs (2)
5 through (5) with respect to such vehicle (not to ex-
6 ceed 50 percent of the purchase price of such vehi-
7 cle).

8 “(2) BASE AMOUNT.—The amount determined
9 under this paragraph is \$4,000.

10 “(3) BATTERY CAPACITY.—In the case of a new
11 qualified plug-in electric drive motor vehicle, the
12 amount determined under this paragraph is \$3,500
13 if—

14 “(A) in the case of a vehicle placed in serv-
15 vice before January 1, 2027, such vehicle draws
16 propulsion energy from a battery with not less
17 than 40 kilowatt hours of capacity and has a
18 gasoline tank capacity not greater than 2.5 gal-
19 lons, and

20 “(B) in the case of a vehicle placed in serv-
21 vice after December 31, 2026, such vehicle
22 draws propulsion energy from a battery with
23 not less than 50 kilowatt hours of capacity and
24 has a gasoline tank capacity not greater than
25 2.5 gallons.

1 “(4) DOMESTIC ASSEMBLY.—In the case of a
2 new qualified plug-in electric drive motor vehicle
3 which satisfies the domestic assembly qualifications,
4 the amount determined under this paragraph is
5 \$4,500.

6 “(5) DOMESTIC CONTENT.—In the case of a
7 new qualified plug-in electric drive motor vehicle
8 which satisfies domestic content qualifications, the
9 amount determined under this paragraph is \$500.

10 “(c) VEHICLE LIMITATION.—The number of new
11 qualified plug-in electric drive motor vehicles taken in ac-
12 count under subsection (a) shall not exceed 1 per taxpayer
13 per taxable year.

14 “(d) LIMITATION BASED ON MODIFIED ADJUSTED
15 GROSS INCOME.—

16 “(1) IN GENERAL.—The amount of the credit
17 allowable under subsection (a) for any taxable year
18 shall be reduced (but not below zero) by \$200 for
19 each \$1,000 (or fraction thereof) by which—

20 “(A) the lesser of—

21 “(i) the taxpayer’s modified adjusted
22 gross income for such taxable year, or

23 “(ii) the taxpayer’s modified adjusted
24 gross income for the preceding taxable
25 year, exceeds

1 “(B) the threshold amount.

2 For purposes of the preceding sentence, the term
3 ‘modified adjusted gross income’ means adjusted
4 gross income increased by any amount excluded
5 from gross income under section 911, 931, or 933.

6 “(2) THRESHOLD AMOUNT.—For purposes of
7 paragraph (1), the term ‘threshold amount’ means—

8 “(A) \$500,000 in the case of a joint return
9 or surviving spouse (half such amount in the
10 case of a married individual filing a separate re-
11 turn),

12 “(B) \$375,000 in the case of a head of
13 household, and

14 “(C) \$250,000 in any other case.

15 “(e) MANUFACTURER’S SUGGESTED RETAIL PRICE
16 LIMITATION.—

17 “(1) IN GENERAL.—No credit shall be allowed
18 under subsection (a) for a vehicle with a manufac-
19 turer’s suggested retail price in excess of the appli-
20 cable limitation.

21 “(2) APPLICABLE LIMITATION.—For purposes
22 of paragraph (1), the applicable limitation for each
23 vehicle classification is as follows:

24 “(A) VANS.—In the case of a van,
25 \$80,000.

1 “(B) SPORT UTILITY VEHICLES.—In the
2 case of a sport utility vehicle, \$80,000.

3 “(C) PICKUP TRUCKS.—In the case of a
4 pickup truck, \$80,000.

5 “(D) OTHER.—In the case of any other ve-
6 hicle, \$55,000.

7 “(3) REGULATIONS AND GUIDANCE.—For pur-
8 poses of this subsection, the Secretary shall pre-
9 scribe such regulations or other guidance as the Sec-
10 retary determines necessary or appropriate for deter-
11 mining vehicle classifications using criteria similar to
12 that employed by the Environmental Protection
13 Agency and the Department of the Energy to deter-
14 mine size and class of vehicles.”

15 “(f) NEW QUALIFIED PLUG-IN ELECTRIC DRIVE
16 MOTOR VEHICLE.—For purposes of this section—

17 “(1) IN GENERAL.—The term ‘new qualified
18 plug-in electric drive motor vehicle’ means a motor
19 vehicle—

20 “(A) the original use of which commences
21 with the taxpayer,

22 “(B) which is acquired for use by the tax-
23 payer and not for resale,

24 “(C) which is made by a qualified manu-
25 facturer,

1 “(D) which is treated as a motor vehicle
2 for purposes of title II of the Clean Air Act,

3 “(E) which has a gross vehicle weight rat-
4 ing of less than 14,000 pounds,

5 “(F) which is propelled to a significant ex-
6 tent by an electric motor which draws electricity
7 from a battery which—

8 “(i) has a capacity of not less than 10
9 kilowatt hours, and

10 “(ii) is capable of being recharged
11 from an external source of electricity,

12 “(G) with respect to which, in the case of
13 a vehicle placed in service after December 31,
14 2026, final assembly is within the United
15 States,

16 “(H) is not of a character subject to an al-
17 lowance for depreciation, and

18 “(I) for which the person who sells or
19 leases any new qualified plug-in electric drive
20 motor vehicle to the taxpayer furnishes a report
21 to the taxpayer and to the Secretary, at such
22 time and in such manner as the Secretary shall
23 provide, containing—

24 “(i) the name and taxpayer identifica-
25 tion number of the taxpayer,

1 “(ii) the vehicle identification number
2 of the vehicle, unless, in accordance with
3 any applicable rules promulgated by the
4 Secretary of Transportation, the vehicle is
5 not assigned such a number,

6 “(iii) the battery capacity of the vehi-
7 cle,

8 “(iv) in the case of any new qualified
9 plug-in electric drive motor vehicle,
10 verification that original use of the vehicle
11 commences with the taxpayer,

12 “(v) the maximum credit under this
13 section allowable to the taxpayer with re-
14 spect to the vehicle, and

15 “(vi) in the case of a taxpayer who
16 makes an election under subsection
17 (k)(1)—

18 “(I) the modified adjusted gross
19 income of such taxpayer in the pre-
20 vious taxable year, as described in
21 subsection (k)(6)(A), and

22 “(II) any amount described in
23 subsection (k)(2)(C) which has been
24 provided to such taxpayer.

1 “(2) MOTOR VEHICLE.—The term ‘motor vehi-
2 cle’ means any vehicle which is manufactured pri-
3 marily for use on public streets, roads, and highways
4 (not including a vehicle operated exclusively on a rail
5 or rails) and which has at least 4 wheels.

6 “(3) QUALIFIED MANUFACTURER.—The term
7 ‘qualified manufacturer’ means any manufacturer
8 (within the meaning of the regulations prescribed by
9 the Administrator of the Environmental Protection
10 Agency for purposes of the administration of title II
11 of the Clean Air Act (42 U.S.C. 7521 et seq.)) which
12 enters into a written agreement with the Secretary
13 under which such manufacturer agrees—

14 “(A) to ensure that each vehicle manufac-
15 tured by such manufacturer after the later of
16 the date on which such agreement takes effect
17 or December 31, 2021, and that meets the re-
18 quirements of subsection (d), subparagraphs
19 (D), (E), and (F) of paragraph (1), and para-
20 graph (6) of subsection (f) is labeled with a
21 unique vehicle identification number, and

22 “(B) to make periodic written reports to
23 the Secretary (at such times and in such man-
24 ner as the Secretary may provide) providing
25 such vehicle identification numbers and such

1 other information related to such vehicle as the
2 Secretary may require.

3 “(4) BATTERY CAPACITY.—The term ‘capacity’
4 means, with respect to any battery, the quantity of
5 electricity which the battery is capable of storing, ex-
6 pressed in kilowatt hours, as measured from a 100
7 percent state of charge to a 0 percent state of
8 charge.

9 “(g) SPECIAL RULES.—

10 “(1) BASIS REDUCTION.—For purposes of this
11 subtitle, the basis of any property for which a credit
12 is allowable under subsection (a) shall be reduced by
13 the amount of such credit so allowed.

14 “(2) NO DOUBLE BENEFIT.—The amount of
15 any deduction or other credit allowable under this
16 chapter for a vehicle for which a credit is allowable
17 under subsection (a) shall be reduced by the amount
18 of credit allowed under such subsection for such ve-
19 hicle.

20 “(3) PROPERTY USED OUTSIDE UNITED STATES
21 NOT QUALIFIED.—No credit shall be allowable under
22 subsection (a) with respect to any property referred
23 to in section 50(b)(1).

24 “(4) RECAPTURE.—The Secretary shall, by reg-
25 ulations or other guidance, provide for recapturing

1 the benefit of any credit allowable under subsection
2 (a) with respect to any property which ceases to be
3 property eligible for such credit.

4 “(5) ELECTION NOT TO TAKE CREDIT.—No
5 credit shall be allowed under subsection (a) for any
6 vehicle if the taxpayer elects to not have this section
7 apply to such vehicle.

8 “(6) INTERACTION WITH AIR QUALITY AND
9 MOTOR VEHICLE SAFETY STANDARDS.—A vehicle
10 shall not be considered eligible for a credit under
11 this section unless such vehicle is in compliance
12 with—

13 “(A) the applicable provisions of the Clean
14 Air Act for the applicable make and model year
15 of the vehicle (or applicable air quality provi-
16 sions of State law in the case of a State which
17 has adopted such provision under a waiver
18 under section 209(b) of the Clean Air Act), and

19 “(B) the motor vehicle safety provisions of
20 sections 30101 through 30169 of title 49,
21 United States Code.

22 “(h) CREDIT ALLOWED FOR 2 AND 3-WHEELED
23 PLUG-IN ELECTRIC VEHICLES.—

24 “(1) IN GENERAL.—In the case of a qualified
25 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 (3) Paragraph (2) of section 1324(b) of title
2 31, United States Code, as amended by the pre-
3 ceding provisions of this Act, is amended by insert-
4 ing “36D,” after “36C.”

5 (c) CLERICAL AMENDMENT.—The table of sections
6 for subpart C of part IV of subchapter A of chapter 1,
7 as amended by the preceding provisions of this Act, is
8 amended by inserting after the item relating to section
9 36C the following new item:

“Sec. 36D. Previously-owned qualified plug-in electric drive motor vehicles.”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to vehicles acquired after Decem-
12 ber 31, 2021.

13 **SEC. 136403. QUALIFIED COMMERCIAL ELECTRIC VEHI-**
14 **CLES.**

15 (a) IN GENERAL.—Subpart D of part IV of sub-
16 chapter A of chapter 1 is amended by adding at the end
17 the following new section:

18 **“SEC. 45Y. CREDIT FOR QUALIFIED COMMERCIAL ELEC-**
19 **TRIC VEHICLES.**

20 “(a) IN GENERAL.—For purposes of section 38, the
21 qualified commercial electric vehicle credit for any taxable
22 year is an amount equal to the sum of the credit amounts
23 determined under subsection (b) with respect to each
24 qualified commercial electric vehicle placed in service by
25 the taxpayer during the taxable year.

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 miler 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 periencing, 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 (b) GROSS-UP OF PAYMENTS IN CASE OF SEQUES-
22 TRATION.—In the case of any payment made as a refund
23 due to an overpayment as a result of section 36G of the
24 Internal Revenue Code of 1986 made after the date of
25 the enactment of this Act to which sequestration applies,

1 the amount of such payment shall be increased to an
2 amount equal to—

3 (1) such payment (determined before such se-
4 questration), multiplied by

5 (2) the quotient obtained by dividing 1 by the
6 amount by which 1 exceeds the percentage reduction
7 in such payment pursuant to such sequestration.

8 For purposes of this subsection, the term “sequestration”
9 means any reduction in direct spending ordered in accord-
10 ance with a sequestration report prepared by the Director
11 of the Office and Management and Budget pursuant to
12 the Balanced Budget and Emergency Deficit Control Act
13 of 1985 or the Statutory Pay-As-You-Go Act of 2010.

14 (c) CONFORMING AMENDMENTS.—

15 (1) Section 6211(b)(4)(A), as amended by the
16 preceding provisions of this Act, is amended by in-
17 serting “36G,” after “36F,”.

18 (2) Paragraph (2) of section 1324(b) of title
19 31, United States Code, as amended by the pre-
20 ceding provisions of this Act, is amended by insert-
21 ing “36G,” after “36F,”.

22 (d) CLERICAL AMENDMENT.—The table of sections
23 for subpart C of part IV of subchapter A of chapter 1,
24 as amended by the preceding provisions of this Act, is

1 amended by inserting after the item relating to section
2 36F the following new item:

“Sec. 36G. Qualified environmental justice programs.”.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect on January 1, 2022.

5 **PART 7—SUPERFUND**

6 **SEC. 136701. REINSTATEMENT OF SUPERFUND.**

7 (a) HAZARDOUS SUBSTANCE SUPERFUND FINANC-
8 ING RATE.—

9 (1) EXTENSION.—Section 4611(e) is amended
10 to read as follows:

11 “(e) APPLICATION OF HAZARDOUS SUBSTANCE
12 SUPERFUND FINANCING RATE.—The Hazardous Sub-
13 stance Superfund financing rate under this section shall
14 apply after June 30, 2022.”.

15 (2) ADJUSTMENT FOR INFLATION.—

16 (A) Section 4611(c)(2)(A) is amended by
17 striking “9.7 cents” and inserting “16.4 cents”.

18 (B) Section 4611(c) is amended by adding
19 at the end the following:

20 “(3) ADJUSTMENT FOR INFLATION.—

21 “(A) IN GENERAL.—In the case of a year
22 beginning after 2022, the amount in paragraph
23 (2)(A) shall be increased by an amount equal
24 to—

25 “(i) such amount, multiplied by

1 “(ii) the cost-of-living adjustment de-
2 termined under section 1(f)(3) for the cal-
3 endar year, determined by substituting
4 ‘calendar year 2021’ for ‘calendar year
5 2016’ in subparagraph (A)(ii) thereof.

6 “(B) ROUNDING.—If any amount as ad-
7 justed under subparagraph (A) is not a multiple
8 of \$0.01, such amount shall be rounded to the
9 next lowest multiple of \$0.01.”.

10 (b) AUTHORITY FOR ADVANCES.—Section
11 9507(d)(3)(B) is amended by striking “December 31,
12 1995” and inserting “December 31, 2031”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall take effect on July 1, 2022.

15 **PART 8—INCENTIVES FOR CLEAN ELECTRICITY**
16 **AND CLEAN TRANSPORTATION**

17 **SEC. 136801. CLEAN ELECTRICITY PRODUCTION CREDIT.**

18 (a) IN GENERAL.—Subpart D of part IV of sub-
19 chapter A of chapter 1 is amended by adding at the end
20 the following new section:

21 **“SEC. 45BB. CLEAN ELECTRICITY PRODUCTION CREDIT.**

22 “(a) AMOUNT OF CREDIT.—

23 “(1) IN GENERAL.—For purposes of section 38,
24 the clean electricity production credit for any taxable
25 year is an amount equal to the product of—

1 “(A) the kilowatt hours of electricity—

2 “(i) produced by the taxpayer at a
3 qualified facility, and

4 “(ii)(I) sold by the taxpayer to an un-
5 related person during the taxable year, or

6 “(II) in the case of a qualified facility
7 which is equipped with a metering device
8 which is owned and operated by an unre-
9 lated person, sold, consumed, or stored by
10 the taxpayer during the taxable year, mul-
11 tiplied by

12 “(B) the applicable amount with respect to
13 such qualified facility.

14 “(2) APPLICABLE AMOUNT.—

15 “(A) BASE AMOUNT.—Subject to sub-
16 section (g)(7), in the case of any qualified facil-
17 ity which is not described in clause (i) of sub-
18 paragraph (B) and does not satisfy the require-
19 ments described in clause (ii) of such subpara-
20 graph, the applicable amount shall be 0.3 cents.

21 “(B) ALTERNATIVE AMOUNT.—Subject to
22 subsection (g)(7), in the case of any qualified
23 facility—

24 “(i) with a maximum net output of
25 less than 1 megawatt, or

1 “(ii) which—

2 “(I) satisfies the requirements
3 under paragraph (9) of subsection (g),
4 and

5 “(II) with respect to the con-
6 struction of such facility, satisfies the
7 requirements under paragraph (10) of
8 subsection (g),

9 the applicable amount shall be 1.5 cents.

10 “(b) QUALIFIED FACILITY.—

11 “(1) IN GENERAL.—

12 “(A) DEFINITION.—Subject to subpara-
13 graphs (B), (C), and (D), the term ‘qualified
14 facility’ means a facility owned by the tax-
15 payer—

16 “(i) which is used for the generation
17 of electricity,

18 “(ii) the construction of which begins
19 after December 31, 2026, and

20 “(iii) for which the greenhouse gas
21 emissions rate (as determined under para-
22 graph (2)) is not greater than zero.

23 “(B) 10-YEAR PRODUCTION CREDIT.—For
24 purposes of this section, a facility shall only be
25 treated as a qualified facility during the 10-year

1 period beginning on the date the facility was
2 originally placed in service.

3 “(C) EXPANSION OF FACILITY; INCRE-
4 MENTAL PRODUCTION.—The term ‘qualified fa-
5 cility’ shall include either of the following in
6 connection with a facility described in subpara-
7 graph (A) (without regard to clause (ii) of such
8 subparagraph) the construction of which begins
9 before January 1, 2027, but only to the extent
10 of the increased amount of electricity produced
11 at the facility by reason of the following:

12 “(i) A new unit the construction of
13 which begins after December 31, 2026.

14 “(ii) Any additions of capacity the
15 construction of which begins after Decem-
16 ber 31, 2026.

17 “(D) COORDINATION WITH OTHER CRED-
18 ITS.—The term ‘qualified facility’ shall not in-
19 clude any facility for which a credit determined
20 under section 45, 45J, 45Q, 48, 48A, or 48F
21 is allowed under section 38 for the taxable year
22 or any prior taxable year.

23 “(2) GREENHOUSE GAS EMISSIONS RATE.—

24 “(A) IN GENERAL.—For purposes of this
25 section, the term ‘greenhouse gas emissions

1 rate' means the amount of greenhouse gases
2 emitted into the atmosphere by a facility in the
3 production of electricity, expressed as grams of
4 CO₂e per KWh.

5 “(B) FUEL COMBUSTION AND GASIFI-
6 CATION.—In the case of a facility which pro-
7 duces electricity through combustion or gasifi-
8 cation, the greenhouse gas emissions rate for
9 such facility shall be equal to the net rate of
10 greenhouse gases emitted into the atmosphere
11 by such facility (taking into account lifecycle
12 greenhouse gas emissions, as described in sec-
13 tion 211(o)(1)(H) of the Clean Air Act (42
14 U.S.C. 7545(o)(1)(H))) in the production of
15 electricity, expressed as grams of CO₂e per
16 KWh.

17 “(C) ESTABLISHMENT OF EMISSIONS
18 RATES FOR FACILITIES.—

19 “(i) PUBLISHING EMISSIONS RATES.—
20 The Secretary shall annually publish a
21 table that sets forth the greenhouse gas
22 emissions rates for types or categories of
23 facilities, which a taxpayer shall use for
24 purposes of this section.

1 “(ii) PROVISIONAL EMISSIONS
2 RATE.—In the case of any facility for
3 which an emissions rate has not been es-
4 tablished by the Secretary, a taxpayer
5 which owns such facility may file a petition
6 with the Secretary for determination of the
7 emissions rate with respect to such facility.

8 “(D) CARBON CAPTURE AND SEQUESTRA-
9 TION EQUIPMENT.—For purposes of this sub-
10 section, the amount of greenhouse gases emit-
11 ted into the atmosphere by a facility in the pro-
12 duction of electricity shall not include any quali-
13 fied carbon dioxide that is captured by the tax-
14 payer and—

15 “(i) pursuant to any regulations es-
16 tablished under paragraph (2) of section
17 45Q(f), disposed of by the taxpayer in se-
18 cure geological storage, or

19 “(ii) utilized by the taxpayer in a
20 manner described in paragraph (5) of such
21 section.

22 “(c) INFLATION ADJUSTMENT.—

23 “(1) IN GENERAL.—In the case of a calendar
24 year beginning after 2021, the 0.3 cent amount in
25 paragraph (2)(A) of subsection (a) and the 1.5 cent

1 amount in paragraph (2)(B) of such subsection shall
2 each be adjusted by multiplying such amount by the
3 inflation adjustment factor for the calendar year in
4 which the sale or use of the electricity occurs. If the
5 0.3 cent amount as increased under this paragraph
6 is not a multiple of 0.05 cent, such amount shall be
7 rounded to the nearest multiple of 0.05 cent. If the
8 1.5 cent amount as increased under this paragraph
9 is not a multiple of 0.1 cent, such amount shall be
10 rounded to the nearest multiple of 0.1 cent.

11 “(2) ANNUAL COMPUTATION.—The Secretary
12 shall, not later than April 1 of each calendar year,
13 determine and publish in the Federal Register the
14 inflation adjustment factor for such calendar year in
15 accordance with this subsection.

16 “(3) INFLATION ADJUSTMENT FACTOR.—The
17 term ‘inflation adjustment factor’ means, with re-
18 spect to a calendar year, a fraction the numerator
19 of which is the GDP implicit price deflator for the
20 preceding calendar year and the denominator of
21 which is the GDP implicit price deflator for the cal-
22 endar year 1992. The term ‘GDP implicit price
23 deflator’ means the most recent revision of the im-
24 plicit price deflator for the gross domestic product

1 as computed and published by the Department of
2 Commerce before March 15 of the calendar year.

3 “(d) CREDIT PHASE-OUT.—

4 “(1) IN GENERAL.—The amount of the clean
5 electricity production credit under subsection (a) for
6 any qualified facility the construction of which be-
7 gins during a calendar year described in paragraph
8 (2) shall be equal to the product of—

9 “(A) the amount of the credit determined
10 under subsection (a) without regard to this sub-
11 section, multiplied by

12 “(B) the phase-out percentage under para-
13 graph (2).

14 “(2) PHASE-OUT PERCENTAGE.—The phase-out
15 percentage under this paragraph is equal to—

16 “(A) for a facility the construction of
17 which begins during the first calendar year fol-
18 lowing the applicable year, 100 percent,

19 “(B) for a facility the construction of
20 which begins during the second calendar year
21 following the applicable year, 75 percent,

22 “(C) for a facility the construction of
23 which begins during the third calendar year fol-
24 lowing the applicable year, 50 percent, and

1 “(D) for a facility the construction of
2 which begins during any calendar year subse-
3 quent to the calendar year described in sub-
4 paragraph (C), 0 percent.

5 “(3) APPLICABLE YEAR.—For purposes of this
6 subsection, the term ‘applicable year’ means the
7 later of—

8 “(A) the calendar year in which the Sec-
9 retary determines that the annual greenhouse
10 gas emissions from the production of electricity
11 in the United States are equal to or less than
12 25 percent of the annual greenhouse gas emis-
13 sions from the production of electricity in the
14 United States for calendar year 2021, or

15 “(B) 2031.

16 “(e) DEFINITIONS.—For purposes of this section:

17 “(1) CO₂e PER KWh.—The term ‘CO₂e per
18 KWh’ means, with respect to any greenhouse gas,
19 the equivalent carbon dioxide (as determined based
20 on global warming potential) per kilowatt hour of
21 electricity produced.

22 “(2) GREENHOUSE GAS.—The term ‘greenhouse
23 gas’ has the same meaning given such term under
24 section 211(o)(1)(G) of the Clean Air Act (42

1 U.S.C. 7545(o)(1)(G)), as in effect on the date of
2 the enactment of this section.

3 “(3) QUALIFIED CARBON DIOXIDE.—The term
4 ‘qualified carbon dioxide’ means carbon dioxide cap-
5 tured from an industrial source which—

6 “(A) would otherwise be released into the
7 atmosphere as industrial emission of green-
8 house gas,

9 “(B) is measured at the source of capture
10 and verified at the point of disposal or utiliza-
11 tion, and

12 “(C) is captured and disposed or utilized
13 within the United States (within the meaning of
14 section 638(1)) or a possession of the United
15 States (within the meaning of section 638(2)).

16 “(f) GUIDANCE.—Not later than January 1, 2027,
17 the Secretary shall issue guidance regarding implementa-
18 tion of this section, including calculation of greenhouse
19 gas emission rates for qualified facilities and determina-
20 tion of clean electricity production credits under this sec-
21 tion.

22 “(g) SPECIAL RULES.—

23 “(1) ONLY PRODUCTION IN THE UNITED
24 STATES TAKEN INTO ACCOUNT.—Consumption or
25 sales shall be taken into account under this section

1 only with respect to electricity the production of
2 which 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 “(2) COMBINED HEAT AND POWER SYSTEM
8 PROPERTY.—

9 “(A) IN GENERAL.—For purposes of sub-
10 section (a)—

11 “(i) the kilowatt hours of electricity
12 produced by a taxpayer at a qualified facil-
13 ity shall include any production in the
14 form of useful thermal energy by any com-
15 bined heat and power system property
16 within such facility, and

17 “(ii) the amount of greenhouse gases
18 emitted into the atmosphere by such facil-
19 ity in the production of such useful ther-
20 mal energy shall be included for purposes
21 of determining the greenhouse gas emis-
22 sions rate for such facility.

23 “(B) COMBINED HEAT AND POWER SYS-
24 TEM PROPERTY.—For purposes of this para-
25 graph, the term ‘combined heat and power sys-

1 tem property’ has the same meaning given such
2 term by section 48(c)(3) (without regard to
3 subparagraphs (A)(iv), (B), and (D) thereof).

4 “(C) CONVERSION FROM BTU TO KWH.—

5 “(i) IN GENERAL.—For purposes of
6 subparagraph (A)(i), the amount of kilo-
7 watt hours of electricity produced in the
8 form of useful thermal energy shall be
9 equal to the quotient of—

10 “(I) the total useful thermal en-
11 ergy produced by the combined heat
12 and power system property within the
13 qualified facility, divided by

14 “(II) the heat rate for such facil-
15 ity.

16 “(ii) HEAT RATE.—For purposes of
17 this subparagraph, the term ‘heat rate’
18 means the amount of energy used by the
19 qualified facility to generate 1 kilowatt
20 hour of electricity, expressed as British
21 thermal units per net kilowatt hour gen-
22 erated.

23 “(3) PRODUCTION ATTRIBUTABLE TO THE TAX-
24 PAYER.—In the case of a qualified facility in which
25 more than 1 person has an ownership interest, ex-

1 cept to the extent provided in regulations prescribed
2 by the Secretary, production from the facility shall
3 be allocated among such persons in proportion to
4 their respective ownership interests in the gross
5 sales from such facility.

6 “(4) RELATED PERSONS.—Persons shall be
7 treated as related to each other if such persons
8 would be treated as a single employer under the reg-
9 ulations prescribed under section 52(b). In the case
10 of a corporation which is a member of an affiliated
11 group of corporations filing a consolidated return,
12 such corporation shall be treated as selling electricity
13 to an unrelated person if such electricity is sold to
14 such a person by another member of such group.

15 “(5) PASS-THRU IN THE CASE OF ESTATES AND
16 TRUSTS.—Under regulations prescribed by the Sec-
17 retary, rules similar to the rules of subsection (d) of
18 section 52 shall apply.

19 “(6) ALLOCATION OF CREDIT TO PATRONS OF
20 AGRICULTURAL COOPERATIVE.—

21 “(A) ELECTION TO ALLOCATE.—

22 “(i) IN GENERAL.—In the case of an
23 eligible cooperative organization, any por-
24 tion of the credit determined under sub-
25 section (a) for the taxable year may, at the

1 election of the organization, be apportioned
2 among patrons of the organization on the
3 basis of the amount of business done by
4 the patrons during the taxable year.

5 “(ii) FORM AND EFFECT OF ELEC-
6 TION.—An election under clause (i) for any
7 taxable year shall be made on a timely
8 filed return for such year. Such election,
9 once made, shall be irrevocable for such
10 taxable year. Such election shall not take
11 effect unless the organization designates
12 the apportionment as such in a written no-
13 tice mailed to its patrons during the pay-
14 ment period described in section 1382(d).

15 “(B) TREATMENT OF ORGANIZATIONS AND
16 PATRONS.—The amount of the credit appor-
17 tioned to any patrons under subparagraph
18 (A)—

19 “(i) shall not be included in the
20 amount determined under subsection (a)
21 with respect to the organization for the
22 taxable year, and

23 “(ii) shall be included in the amount
24 determined under subsection (a) for the
25 first taxable year of each patron ending on

1 or after the last day of the payment period
2 (as defined in section 1382(d)) for the tax-
3 able year of the organization or, if earlier,
4 for the taxable year of each patron ending
5 on or after the date on which the patron
6 receives notice from the cooperative of the
7 apportionment.

8 “(C) SPECIAL RULES FOR DECREASE IN
9 CREDITS FOR TAXABLE YEAR.—If the amount
10 of the credit of a cooperative organization de-
11 termined under subsection (a) for a taxable
12 year is less than the amount of such credit
13 shown on the return of the cooperative organi-
14 zation for such year, an amount equal to the
15 excess of—

16 “(i) such reduction, over

17 “(ii) the amount not apportioned to
18 such patrons under subparagraph (A) for
19 the taxable year,

20 shall be treated as an increase in tax imposed
21 by this chapter on the organization. Such in-
22 crease shall not be treated as tax imposed by
23 this chapter for purposes of determining the
24 amount of any credit under this chapter.

1 “(D) ELIGIBLE COOPERATIVE DEFINED.—
2 For purposes of this section, the term ‘eligible
3 cooperative’ means a cooperative organization
4 described in section 1381(a) which is owned
5 more than 50 percent by agricultural producers
6 or by entities owned by agricultural producers.
7 For this purpose an entity owned by an agricul-
8 tural producer is one that is more than 50 per-
9 cent owned by agricultural producers.

10 “(7) INCREASE IN CREDIT IN CERTAIN
11 CASES.—

12 “(A) ENERGY COMMUNITIES.—In the case
13 of any qualified facility which is located in an
14 energy community (as defined in section
15 45(b)(11)(B)), for purposes of determining the
16 amount of the credit under subsection (a) with
17 respect to any electricity produced by the tax-
18 payer at such facility during the taxable year,
19 the applicable amount under paragraph (2) of
20 such subsection shall be increased by an
21 amount equal to 10 percent of the amount oth-
22 erwise in effect under such paragraph (without
23 application of subparagraph (B)).

24 “(B) DOMESTIC CONTENT.—Rules similar
25 to the rules of section 45(b)(9) shall apply.

1 “(8) CREDIT REDUCED FOR TAX-EXEMPT
2 BONDS.—Rules similar to the rules of section
3 45(b)(3) shall apply.

4 “(9) WAGE REQUIREMENTS.—Rules similar to
5 the rules of section 45(b)(7)(A) and clauses (i)
6 through (iv) of section 45(b)(7)(B) shall apply.

7 “(10) APPRENTICESHIP REQUIREMENTS.—
8 Rules similar to the rules of section 45(b)(8) shall
9 apply.

10 “(11) DOMESTIC CONTENT REQUIREMENT FOR
11 ELECTIVE PAYMENT.—Rules similar to the rules of
12 section 45(b)(10) shall apply.”.

13 (b) ELECTIVE PAYMENT OF CREDIT.—Section
14 6417(b), as amended by preceding provisions of this Act,
15 is amended by adding at the end the following new para-
16 graph:

17 “(12) The clean electricity production credit de-
18 termined under section 45BB(a).”.

19 (c) ELECTION.—Section 6417(c)(3), as amended by
20 the preceding provisions of this Act, is amended by adding
21 at the end the following new subparagraph:

22 “(D) CLEAN ELECTRICITY PRODUCTION
23 CREDIT.—In the case of the credit described in
24 subsection (b)(10), any election under this sub-
25 section shall—

1 “(i) apply separately with respect to
2 each qualified facility,

3 “(ii) be made for the taxable year in
4 which the facility is placed in service, and

5 “(iii) shall apply to such taxable year
6 and all subsequent taxable years with re-
7 spect to such facility.”.

8 (d) CONFORMING AMENDMENTS.—

9 (1) Section 38(b) is amended—

10 (A) in paragraph (38), by striking “plus”
11 at the end,

12 (B) in paragraph (39), by striking the pe-
13 riod at the end and inserting “, plus”, and

14 (C) by adding at the end the following new
15 paragraph:

16 “(40) the clean electricity production credit de-
17 termined under section 45BB(a).”.

18 (2) The table of sections for subpart D of part
19 IV of subchapter A of chapter 1 is amended by add-
20 ing at the end the following new item:

“Sec. 45BB. Clean electricity production credit.”.

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to facilities placed in service after
23 December 31, 2022.

1 **SEC. 136802. CLEAN ELECTRICITY INVESTMENT CREDIT.**

2 (a) IN GENERAL.—Subpart E of part IV of sub-
3 chapter A of chapter 1 is amended by inserting after sec-
4 tion 48E the following new section:

5 **“SEC. 48F. CLEAN ELECTRICITY INVESTMENT CREDIT.**

6 “(a) INVESTMENT CREDIT FOR QUALIFIED PROP-
7 ERTY.—

8 “(1) IN GENERAL.—For purposes of section 46,
9 the clean electricity investment credit for any taxable
10 year is an amount equal to the applicable percentage
11 of the qualified investment for such taxable year
12 with respect to—

13 “(A) any qualified facility, and

14 “(B) any grid improvement property.

15 “(2) APPLICABLE PERCENTAGE.—

16 “(A) QUALIFIED FACILITIES.—Subject to
17 paragraph (3)—

18 “(i) BASE RATE.—In the case of any
19 qualified facility which is not described in
20 subclause (I) of clause (ii) and does not
21 satisfy the requirements described in sub-
22 clause (II) of such clause, the applicable
23 percentage shall be 6 percent.

24 “(ii) ALTERNATIVE RATE.—In the
25 case of any qualified facility—

1 “(I) with a maximum net output
2 of less than 1 megawatt, or

3 “(II) which—

4 “(aa) satisfies the require-
5 ments of subsection (d)(3), and

6 “(bb) with respect to the
7 construction of such facility, sat-
8 isfies the requirements of sub-
9 section (d)(4),

10 the applicable percentage shall be 30 per-
11 cent.

12 “(B) GRID IMPROVEMENT PROPERTY.—

13 Subject to paragraph (3)—

14 “(i) BASE RATE.—In the case of any
15 grid improvement property which is not de-
16 scribed in subclause (I) of clause (ii) and
17 does not satisfy the requirements described
18 in subclause (II) of such clause, the appli-
19 cable percentage shall be 6 percent.

20 “(ii) ALTERNATIVE RATE.—In the
21 case of any grid improvement property—

22 “(I) which is energy storage
23 property with a capacity of less than
24 1 megawatt, or

25 “(II) which—

1 “(aa) satisfies the require-
2 ments of subsection (d)(3), and

3 “(bb) with respect to the
4 construction of such property,
5 satisfies rules similar to the rules
6 of section 45(b)(8),

7 the applicable percentage shall be 30 per-
8 cent.

9 “(3) INCREASE IN CREDIT RATE IN CERTAIN
10 CASES.—

11 “(A) ENERGY COMMUNITIES.—

12 “(i) IN GENERAL.—In the case of any
13 qualified investment with respect to a
14 qualified facility or with respect to grid im-
15 provement property which is placed in
16 service within an energy community (as de-
17 fined in section 45(b)(11)(B)), for pur-
18 poses applying paragraph (2) with respect
19 to such property or investment, the appli-
20 cable percentage shall be increased by the
21 applicable credit rate increase.

22 “(ii) APPLICABLE CREDIT RATE IN-
23 CREASE.—For purposes of clause (i), the
24 applicable credit rate increase shall be an
25 amount equal to—

1 “(I) in the case of any qualified
2 investment with respect to a qualified
3 facility described in paragraph
4 (2)(A)(i) or with respect to grid im-
5 provement property described in para-
6 graph (2)(B)(i), 2 percentage points,
7 and

8 “(II) in the case of any qualified
9 investment with respect to a qualified
10 facility described in paragraph
11 (2)(A)(ii) or with respect to grid im-
12 provement property described in para-
13 graph (2)(B)(ii), 10 percentage
14 points.

15 “(B) DOMESTIC CONTENT.—Rules similar
16 to the rules of section 48(a)(12) shall apply.

17 “(b) QUALIFIED INVESTMENT WITH RESPECT TO A
18 QUALIFIED FACILITY.—

19 “(1) IN GENERAL.—For purposes of subsection
20 (a), the qualified investment with respect to any
21 qualified facility for any taxable year is the sum
22 of—

23 “(A) the basis of any qualified property
24 placed in service by the taxpayer during such

1 taxable year which is part of a qualified facility,
2 plus

3 “(B) the amount of any expenditures
4 which are—

5 “(i) paid or incurred by the taxpayer
6 for qualified interconnection property—

7 “(I) in connection with a quali-
8 fied facility which has a maximum net
9 output of not greater than 5
10 megawatts, and

11 “(II) placed in service during the
12 taxable year of the taxpayer, and

13 “(ii) properly chargeable to capital ac-
14 count of the taxpayer.

15 “(2) QUALIFIED PROPERTY.—The term ‘quali-
16 fied property’ means property—

17 “(A) which is—

18 “(i) tangible personal property, or

19 “(ii) other tangible property (not in-
20 cluding a building or its structural compo-
21 nents), but only if such property is used as
22 an integral part of the qualified facility,

23 “(B) with respect to which depreciation (or
24 amortization in lieu of depreciation) is allow-
25 able, and

1 “(C)(i) the construction, reconstruction, or
2 erection of which is completed by the taxpayer,
3 or

4 “(ii) which is acquired by the taxpayer if
5 the original use of such property commences
6 with the taxpayer.

7 “(3) QUALIFIED FACILITY.—

8 “(A) IN GENERAL.—For purposes of this
9 section, the term ‘qualified facility’ means a fa-
10 cility—

11 “(i) which is used for the generation
12 of electricity,

13 “(ii) the construction of which begins
14 after December 31, 2026, and

15 “(iii) for which the anticipated green-
16 house gas emissions rate (as determined
17 under subparagraph (B)(ii)) is not greater
18 than zero.

19 “(B) ADDITIONAL RULES.—

20 “(i) EXPANSION OF FACILITY; INCRE-
21 MENTAL PRODUCTION.—Rules similar to
22 the rules of section 45BB(b)(1)(C) shall
23 apply for purposes of this paragraph.

24 “(ii) GREENHOUSE GAS EMISSIONS
25 RATE.—Rules similar to the rules of sec-

1 tion 45BB(b)(2) shall apply for purposes
2 of this paragraph.

3 “(C) EXCLUSION.—The term ‘qualified fa-
4 cility’ shall not include any facility for which—

5 “(i) a renewable electricity production
6 credit determined under section 45,

7 “(ii) an advanced nuclear power facil-
8 ity production credit determined under sec-
9 tion 45J,

10 “(iii) a carbon oxide sequestration
11 credit determined under section 45Q,

12 “(iv) a clean electricity production
13 credit determined under section 45BB,

14 “(v) an energy credit determined
15 under section 48,

16 “(vi) a qualifying advanced coal
17 project credit under section 48A, or

18 “(vii) a qualifying electric trans-
19 mission property credit under section 48D,
20 is allowed under section 38 for the taxable year
21 or any prior taxable year.

22 “(4) QUALIFIED INTERCONNECTION PROP-
23 ERTY.—For purposes of this paragraph, the term
24 ‘qualified interconnection property’ has the meaning
25 given such term in section 48(a)(8)(B).

1 “(5) COORDINATION WITH REHABILITATION
2 CREDIT.—The qualified investment with respect to
3 any qualified facility for any taxable year shall not
4 include that portion of the basis of any property
5 which is attributable to qualified rehabilitation ex-
6 penditures (as defined in section 47(c)(2)).

7 “(6) DEFINITIONS.—For purposes of this sub-
8 section, the terms ‘CO₂e per KWh’ and ‘greenhouse
9 gas emissions rate’ have the same meaning given
10 such terms under section 45BB(b).

11 “(c) QUALIFIED INVESTMENT WITH RESPECT TO
12 GRID IMPROVEMENT PROPERTY.—

13 “(1) IN GENERAL.—

14 “(A) QUALIFIED INVESTMENT.—For pur-
15 poses of subsection (a), the qualified investment
16 with respect to grid improvement property for
17 any taxable year is the basis of any grid im-
18 provement property placed in service by the tax-
19 payer during such taxable year.

20 “(B) GRID IMPROVEMENT PROPERTY.—
21 For purposes of this section, the term ‘grid im-
22 provement property’ means any energy storage
23 property.

24 “(2) ENERGY STORAGE PROPERTY.—For pur-
25 poses of this section, the term ‘energy storage prop-

1 erty' has the meaning given such term in section
2 48(c)(6).

3 “(d) 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) SPECIAL RULE FOR PROPERTY FINANCED
11 BY SUBSIDIZED ENERGY FINANCING OR PRIVATE AC-
12 TIVITY BONDS.—Rules similar to the rules of section
13 45(b)(3) shall apply.

14 “(3) PREVAILING WAGE REQUIREMENTS.—
15 Rules similar to the rules of section 48(a)(10) shall
16 apply.

17 “(4) APPRENTICESHIP REQUIREMENTS.—Rules
18 similar to the rules of section 45(b)(8) shall apply.

19 “(5) DOMESTIC CONTENT REQUIREMENT FOR
20 ELECTIVE PAYMENT.—Rules similar to the rules of
21 section 45(b)(10) shall apply.

22 “(e) CREDIT PHASE-OUT.—

23 “(1) IN GENERAL.—The amount of the clean
24 electricity investment credit under subsection (a) for
25 any qualified investment with respect to any quali-

1 fied facility or grid improvement property the con-
2 struction of which begins during a calendar year de-
3 scribed in paragraph (2) shall be equal to the prod-
4 uct of—

5 “(A) the amount of the credit determined
6 under subsection (a) without regard to this sub-
7 section, multiplied by

8 “(B) the phase-out percentage under para-
9 graph (2).

10 “(2) PHASE-OUT PERCENTAGE.—The phase-out
11 percentage under this paragraph is equal to—

12 “(A) for any qualified investment with re-
13 spect to any qualified facility or grid improve-
14 ment property the construction of which begins
15 during the first calendar year following the ap-
16 plicable year, 100 percent,

17 “(B) for any qualified investment with re-
18 spect to any qualified facility or grid improve-
19 ment property the construction of which begins
20 during the second calendar year following the
21 applicable year, 75 percent,

22 “(C) for any qualified investment with re-
23 spect to any qualified facility or grid improve-
24 ment property the construction of which begins

1 during the third calendar year following the ap-
2 plicable year, 50 percent, and

3 “(D) 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 any calendar year subsequent to the cal-
7 endar year described in subparagraph (C), 0
8 percent.

9 “(3) APPLICABLE YEAR.—For purposes of this
10 subsection, the term ‘applicable year’ has the same
11 meaning given such term in section 45BB(d)(3).

12 “(f) GREENHOUSE GAS.—In this section, the term
13 ‘greenhouse gas’ has the same meaning given such term
14 under section 45BB(e)(2).

15 “(g) RECAPTURE OF CREDIT.—For purposes of sec-
16 tion 50, if the Secretary determines that the greenhouse
17 gas emissions rate for a qualified facility is greater than
18 10 grams of CO₂e per KWh, any property for which a
19 credit was allowed under this section with respect to such
20 facility shall cease to be investment credit property in the
21 taxable year in which the determination is made.

22 “(h) GUIDANCE.—Not later than January 1, 2027,
23 the Secretary shall issue guidance regarding implementa-
24 tion of this section.”.

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 “(13) The clean electricity investment credit de-
6 termined under section 48F.”.

7 (c) CONFORMING AMENDMENTS.—

8 (1) Section 46 is amended—

9 (A) by striking “and” at the end of para-
10 graph (5),

11 (B) by striking the period at the end of
12 paragraph (6) and inserting “, and”, and

13 (C) by adding at the end the following new
14 paragraph:

15 “(7) the clean electricity investment credit.”.

16 (2) Section 49(a)(1)(C) is amended—

17 (A) by striking “and” at the end of clause
18 (iv),

19 (B) by striking the period at the end of
20 clause (v) and inserting a comma, and

21 (C) by adding at the end the following new
22 clauses:

23 “(vi) the basis of any qualified prop-
24 erty which is part of a qualified facility
25 under section 48F, and

1 “(i) SPECIAL RULES FOR CERTAIN FACILITIES
2 PLACED IN SERVICE IN CONNECTION WITH LOW-INCOME
3 COMMUNITIES.—

4 “(1) IN GENERAL.—In the case of any qualified
5 facility with respect to which the Secretary makes an
6 allocation of environmental justice capacity limita-
7 tion under paragraph (4)—

8 “(A) the applicable percentage otherwise
9 determined under subsection (a)(2) with respect
10 to any eligible property which is part of such
11 facility shall be increased by—

12 “(i) in the case of a facility described
13 in subclause (I) of paragraph (2)(A)(iii)
14 and not described in subclause (II) of such
15 paragraph, 10 percentage points, and

16 “(ii) in the case of a facility described
17 in subclause (II) of paragraph (2)(A)(iii),
18 20 percentage points, and

19 “(B) the increase in the credit determined
20 under subsection (a) by reason of this sub-
21 section for any taxable year with respect to all
22 property which is part of such facility shall not
23 exceed the amount which bears the same ratio
24 to the amount of such increase (determined
25 without regard to this subparagraph) as—

1 “(i) the environmental justice capacity
2 limitation allocated to such facility, bears
3 to

4 “(ii) the total megawatt nameplate ca-
5 pacity of such facility, as measured in di-
6 rect current.

7 “(2) QUALIFIED FACILITY.—For purposes of
8 this subsection—

9 “(A) IN GENERAL.—The term ‘qualified
10 facility’ means any facility—

11 “(i) which is described in subsection
12 (b)(3)(A) and not described in section
13 45BB(b)(2)(B),

14 “(ii) which has a maximum net output
15 of less than 5 megawatts, and

16 “(iii) which—

17 “(I) is located in a low-income
18 community (as defined in section
19 45D(e)) or on Indian land (as defined
20 in section 2601(2) of the Energy Pol-
21 icy Act of 1992 (25 U.S.C. 3501(2))),
22 or

23 “(II) is part of a qualified low-in-
24 come residential building project or a

1 qualified low-income economic benefit
2 project.

3 “(B) QUALIFIED LOW-INCOME RESIDEN-
4 TIAL BUILDING PROJECT.—A facility shall be
5 treated as part of a qualified low-income resi-
6 dential building project if—

7 “(i) such facility is installed on a resi-
8 dential rental building which participates
9 in a covered housing program (as defined
10 in section 41411(a) of the Violence Against
11 Women Act of 1994 (34 U.S.C.
12 12491(a)(3)), a Housing Development
13 Fund Corporation cooperative under Arti-
14 cle XI of the New York State Private
15 Housing Finance Law, a housing assist-
16 ance program administered by the Depart-
17 ment of Agriculture under title V of the
18 Housing Act of 1949, a housing program
19 administered by a tribally designated hous-
20 ing entity (as defined in section 4(22) of
21 the Native American Housing Assistance
22 and Self-Determination Act of 1996 (25
23 U.S.C. 4103(22))) or such other affordable
24 housing programs as the Secretary may
25 provide, and

1 “(ii) the financial benefits of the elec-
2 tricity produced by such facility are allo-
3 cated equitably among the occupants of the
4 dwelling units of such building.

5 “(C) QUALIFIED LOW-INCOME ECONOMIC
6 BENEFIT PROJECT.—A facility shall be treated
7 as part of a qualified low-income economic ben-
8 efit project if at least 50 percent of the finan-
9 cial benefits of the electricity produced by such
10 facility are provided to households with income
11 of—

12 “(i) less than 200 percent of the pov-
13 erty line applicable to a family of the size
14 involved, or

15 “(ii) less than 80 percent of area me-
16 dian gross income (as determined under
17 section 142(d)(2)(B)).

18 “(D) FINANCIAL BENEFIT.—For purposes
19 of subparagraphs (B) and (C), electricity ac-
20 quired at a below-market rate shall not fail to
21 be taken into account as a financial benefit.

22 “(3) ELIGIBLE PROPERTY.—For purposes of
23 this section, the term ‘eligible property’ means a
24 qualified investment with respect to any qualified fa-
25 cility which is described in subsection (b).

1 “(4) ALLOCATIONS.—

2 “(A) IN GENERAL.—Not later than Janu-
3 ary 1, 2027, the Secretary shall establish a pro-
4 gram to allocate amounts of environmental jus-
5 tice capacity limitation to qualified facilities.

6 “(B) LIMITATION.—The amount of envi-
7 ronmental justice capacity limitation allocated
8 by the Secretary under subparagraph (A) dur-
9 ing any calendar year shall not exceed the an-
10 nual capacity limitation with respect to such
11 year.

12 “(C) ANNUAL CAPACITY LIMITATION.—For
13 purposes of this paragraph, the term ‘annual
14 capacity limitation’ means 1.8 gigawatts of di-
15 rect current capacity for each of calendar years
16 2027 through 2031, and zero thereafter.

17 “(D) CARRYOVER OF UNUSED LIMITA-
18 TION.—

19 “(i) IN GENERAL.—If the annual ca-
20 pacity limitation for any calendar year ex-
21 ceeds the aggregate amount allocated for
22 such year under this paragraph, such limi-
23 tation for the succeeding calendar year
24 shall be increased by the amount of such
25 excess. No amount may be carried under

1 the preceding sentence to any calendar
2 year after 2033.

3 “(ii) CARRYOVER FROM SECTION 48
4 FOR CALENDAR YEAR 2027.—If the annual
5 capacity limitation for calendar year 2026
6 under section 48(e)(4)(D) exceeds the ag-
7 gregate amount allocated for such year
8 under section 48(e)(4)(D), such excess
9 amount may be carried over and applied to
10 the annual capacity limitation under this
11 subsection for calendar year 2027. Such
12 limitation shall be increased by the amount
13 of such excess.

14 “(E) PLACED IN SERVICE DEADLINE.—

15 “(i) IN GENERAL.—Paragraph (1)
16 shall not apply with respect to any prop-
17 erty which is placed in service after the
18 date that is 4 years after the date of the
19 allocation with respect to the facility of
20 which such property is a part.

21 “(ii) APPLICATION OF CARRYOVER.—
22 Any amount of environmental justice ca-
23 pacity limitation which expires under
24 clause (i) during any calendar year shall be
25 taken into account as an excess described

1 in subparagraph (D) (or as an increase in
2 such excess) for such calendar year, sub-
3 ject to the limitation imposed by the last
4 sentence of such subparagraph.

5 “(F) SELECTION CRITERIA.—In deter-
6 mining to which qualified facilities to allocate
7 environmental justice capacity limitation under
8 this paragraph, the Secretary shall take into
9 consideration which facilities will result in—

10 “(i) the greatest health and economic
11 benefits, including the ability to withstand
12 extreme weather events, for individuals de-
13 scribed in section 45D(e)(2),

14 “(ii) the greatest employment and
15 wages for such individuals, and

16 “(iii) the greatest engagement with,
17 outreach to, or ownership by, such individ-
18 uals, including through partnerships with
19 local governments, community-based orga-
20 nizations, an Indian tribal government (as
21 defined in section 48(e)(4)(F)(ii)), or any
22 Alaska Native Corporation (as defined in
23 section 3 of the Alaska Native Claims Set-
24 tlement Act (43 U.S.C. 1602(m)).

1 “(G) DISCLOSURE OF ALLOCATIONS.—The
2 Secretary shall, upon making an allocation of
3 environmental justice capacity limitation under
4 this paragraph, publicly disclose the identity of
5 the applicant, the amount of the environmental
6 justice capacity limitation allocated to such ap-
7 plicant, and the location of the facility for
8 which such allocation is made.

9 “(5) RECAPTURE.—The Secretary shall, by reg-
10 ulations or other guidance, provide for recapturing
11 the benefit of any increase in the credit allowed
12 under subsection (a) by reason of this subsection
13 with respect to any property which ceases to be
14 property eligible for such increase (but which does
15 not cease to be investment credit property within the
16 meaning of section 50(a)). The period and percent-
17 age of such recapture shall be determined under
18 rules similar to the rules of section 50(a). To the ex-
19 tent provided by the Secretary, such recapture may
20 not apply with respect to any property if, within 12
21 months after the date the taxpayer becomes aware
22 (or reasonably should have become aware) of such
23 property ceasing to be property eligible for such in-
24 crease, the eligibility of such property for such in-

1 crease is restored. The preceding sentence shall not
2 apply more than once with respect to any facility.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
4 this section shall take effect on January 1, 2027.

5 **SEC. 136804. COST RECOVERY FOR QUALIFIED FACILITIES,**
6 **QUALIFIED PROPERTY, AND GRID IMPROVE-**
7 **MENT PROPERTY.**

8 (a) **IN GENERAL.**—Section 168(e)(3)(B) is amend-
9 ed—

10 (1) in clause (vi)(III), by striking “and” at the
11 end,

12 (2) in clause (vii), by striking the period at the
13 end and inserting “, and”, and

14 (3) by inserting after clause (vii) the following:

15 “(viii) any qualified facility (as de-
16 fined in section 45BB(b)(1)(A)), any quali-
17 fied property (as defined in subsection
18 (b)(2) of section 48F) which is a qualified
19 investment (as defined in subsection (b)(1)
20 of such section), or any grid improvement
21 property (as defined in subsection
22 (c)(1)(B) of such section).”.

23 (b) **EFFECTIVE DATE.**—The amendments made by
24 this section shall apply to facilities and property placed
25 in service after December 31, 2026.

1 **SEC. 136805. CLEAN FUEL PRODUCTION CREDIT.**

2 (a) IN GENERAL.—Subpart D of part IV of sub-
3 chapter A of chapter 1 is amended by adding at the end
4 the following new section:

5 **“SEC. 45CC. CLEAN FUEL PRODUCTION CREDIT.**

6 “(a) AMOUNT OF CREDIT.—

7 “(1) IN GENERAL.—For purposes of section 38,
8 the clean fuel production credit for any taxable year
9 is an amount equal to the product of—

10 “(A) the applicable amount per gallon (or
11 gallon equivalent) with respect to any transpor-
12 tation fuel which is—

13 “(i) produced by the taxpayer at a
14 qualified facility, and

15 “(ii) sold by the taxpayer in a manner
16 described in paragraph (4) during the tax-
17 able year, and

18 “(B) the emissions factor for such fuel (as
19 determined under subsection (b)).

20 “(2) APPLICABLE AMOUNT.—

21 “(A) BASE AMOUNT.—In the case of any
22 transportation fuel produced at a qualified facil-
23 ity which does not satisfy the requirements de-
24 scribed in subparagraph (B), the applicable
25 amount shall be 20 cents.

1 “(B) ALTERNATIVE AMOUNT.—In the case
2 of any transportation fuel produced at a quali-
3 fied facility which satisfies the requirements
4 under paragraphs (6) and (7) of subsection (g),
5 the applicable amount shall be \$1.00.

6 “(3) SPECIAL RATE FOR SUSTAINABLE AVIA-
7 TION FUEL.—

8 “(A) IN GENERAL.—In the case of a trans-
9 portation fuel which is sustainable aviation fuel,
10 paragraph (2) shall be applied—

11 “(i) in the case of a transportation
12 fuel produced at a qualified facility de-
13 scribed in paragraph (2)(A), by sub-
14 stituting ‘35 cents’ for ‘20 cents’, and

15 “(ii) in the case of a transportation
16 fuel produced at a qualified facility de-
17 scribed in paragraph (2)(B), by sub-
18 stituting ‘\$1.75’ for ‘\$1.00’.

19 “(B) SUSTAINABLE AVIATION FUEL.—For
20 purposes of this subparagraph (A), the term
21 ‘sustainable aviation fuel’ means liquid fuel
22 which is sold for use in an aircraft and which—

23 “(i) meets the requirements of—

24 “(I) ASTM International Stand-
25 ard D7566, or

1 “(II) the Fischer Tropsch provi-
2 sions of ASTM International Stand-
3 ard D1655, Annex A1, and

4 “(ii) is not derived from palm fatty
5 acid distillates or petroleum.

6 “(4) SALE.—For purposes of paragraph (1),
7 the transportation fuel is sold in a manner described
8 in this paragraph if such fuel is sold by the taxpayer
9 to an unrelated person—

10 “(A) for use by such person in the produc-
11 tion of a fuel mixture,

12 “(B) for use by such person in a trade or
13 business, or

14 “(C) who sells such fuel at retail to an-
15 other person and places such fuel in the fuel
16 tank of such other person.

17 “(5) ROUNDING.—If any amount determined
18 under paragraph (1) is not a multiple of 0.1 cent,
19 such amount shall be rounded to the nearest mul-
20 tiple of 0.1 cent.

21 “(b) EMISSIONS FACTORS.—

22 “(1) EMISSIONS FACTOR.—

23 “(A) CALCULATION.—

1 “(i) IN GENERAL.—The emissions fac-
2 tor of a transportation fuel shall be an
3 amount equal to the quotient of—

4 “(I) an amount equal to—

5 “(aa) 50 kilograms of CO₂e
6 per mmBTU, minus

7 “(bb) the emissions rate for
8 such fuel, divided by

9 “(II) 50 kilograms of CO₂e per
10 mmBTU.

11 “(B) ESTABLISHMENT OF EMISSIONS
12 RATE.—

13 “(i) IN GENERAL.—Subject to clauses
14 (ii) and (iii), the Secretary shall annually
15 publish a table which sets forth the emis-
16 sions rate for similar types and categories
17 of transportation fuels based on the
18 amount of lifecycle greenhouse gas emis-
19 sions (as described in section 211(o)(1)(H)
20 of the Clean Air Act (42 U.S.C.
21 7545(o)(1)(H)), as in effect on the date of
22 the enactment of this section) for such
23 fuels, expressed as kilograms of CO₂e per
24 mmBTU, which a taxpayer shall use for
25 purposes of this section.

1 “(ii) NON-AVIATION FUEL.—In the
2 case of any transportation fuel which is
3 not a sustainable aviation fuel, the lifecycle
4 greenhouse gas emissions of such fuel shall
5 be based on the most recent determina-
6 tions under the Greenhouse gases, Regu-
7 lated Emissions, and Energy use in Trans-
8 portation model developed by Argonne Na-
9 tional Laboratory, or a successor model (as
10 determined by the Secretary).

11 “(iii) AVIATION FUEL.—In the case of
12 any transportation fuel which is a sustain-
13 able aviation fuel, the lifecycle greenhouse
14 gas emissions of such fuel shall be deter-
15 mined in accordance with—

16 “(I) the most recent Carbon Off-
17 setting and Reduction Scheme for
18 International Aviation which has been
19 adopted by the International Civil
20 Aviation Organization with the agree-
21 ment of the United States, or

22 “(II) any similar methodology
23 which satisfies the criteria under sec-
24 tion 211(o)(1)(H) of the Clean Air
25 Act (42 U.S.C. 7545(o)(1)(H)).

1 “(C) ROUNDING OF EMISSIONS RATE.—

2 The Secretary may round the emissions rates
3 under subparagraph (B) to the nearest multiple
4 of 5 kilograms of CO₂e per mmBTU, except
5 that, in the case of an emissions rate that is
6 less than 2.5 kilograms of CO₂e per mmBTU,
7 the Secretary may round such rate to zero.

8 “(D) PROVISIONAL EMISSIONS RATE.—In

9 the case of any transportation fuel for which an
10 emissions rate has not been established under
11 subparagraph (B), a taxpayer producing such
12 fuel may file a petition with the Secretary for
13 determination of the emissions rate with respect
14 to such fuel.

15 “(2) ROUNDING.—If any amount determined
16 under paragraph (1)(A) is not a multiple of 0.1,
17 such amount shall be rounded to the nearest mul-
18 tiple of 0.1.

19 “(c) INFLATION ADJUSTMENT.—

20 “(1) IN GENERAL.—In the case of calendar
21 years beginning after 2026, the 20 cent amount in
22 subsection (a)(2)(A), the \$1.00 amount in sub-
23 section (a)(2)(B), the 35 cent amount in subsection
24 (a)(3)(A)(i), and the \$1.75 amount in subsection
25 (a)(3)(A)(ii) shall each be adjusted by multiplying

1 such amount by the inflation adjustment factor for
2 the calendar year in which the sale of the transpor-
3 tation fuel occurs. If any amount as increased under
4 the preceding sentence is not a multiple of 1 cent,
5 such amount shall be rounded to the nearest mul-
6 tiple of 1 cent.

7 “(2) INFLATION ADJUSTMENT FACTOR.—For
8 purposes of paragraph (1), the inflation adjustment
9 factor shall be the inflation adjustment factor deter-
10 mined and published by the Secretary pursuant to
11 section 45BB(c), determined by substituting ‘cal-
12 endar year 2021’ for ‘calendar year 1992’ in para-
13 graph (3) thereof.

14 “(d) CREDIT PHASE-OUT.—

15 “(1) IN GENERAL.—The amount of the clean
16 fuel production credit under subsection (a) for any
17 transportation fuel sold during a taxable year de-
18 scribed in paragraph (2) shall be equal to the prod-
19 uct 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 any taxable year beginning in the
4 first calendar year following the applicable year,
5 100 percent,

6 “(B) for any taxable year beginning in the
7 second calendar year following the applicable
8 year, 75 percent,

9 “(C) for any taxable year beginning in the
10 third calendar year following the applicable
11 year, 50 percent, and

12 “(D) for any taxable year beginning in any
13 calendar year subsequent to the calendar year
14 described in subparagraph (C), 0 percent.

15 “(3) APPLICABLE YEAR.—For purposes of this
16 subsection, the term ‘applicable year’ means the
17 later of—

18 “(A) the calendar year in which the Sec-
19 retary determines that the greenhouse gas emis-
20 sions from the transportation of persons and
21 goods annually in the United States are equal
22 to or less than 25 percent of the greenhouse gas
23 emissions from the transportation of persons
24 and goods in the United States during calendar
25 year 2021, or

1 “(B) 2031.

2 “(e) DEFINITIONS.—In this section:

3 “(1) mmBTU.—The term ‘mmBTU’ means
4 1,000,000 British thermal units.

5 “(2) CO₂e.—The term ‘CO₂e’ means, with re-
6 spect to any greenhouse gas, the equivalent carbon
7 dioxide (as determined based on relative global
8 warming potential).

9 “(3) GREENHOUSE GAS.—The term ‘greenhouse
10 gas’ has the same meaning given that term under
11 section 211(o)(1)(G) of the Clean Air Act (42
12 U.S.C. 7545(o)(1)(G)), as in effect on the date of
13 the enactment of this section.

14 “(4) QUALIFIED FACILITY.—The term ‘quali-
15 fied facility’—

16 “(A) means a facility used for the produc-
17 tion of transportation fuels, and

18 “(B) does not include any facility for
19 which one of the following credits is allowed
20 under section 38 for the taxable year:

21 “(i) The credit for production of clean
22 hydrogen under section 45X.

23 “(ii) The credit for clean hydrogen
24 production facilities under section
25 48(a)(16).

1 “(iii) The credit for carbon oxide se-
2 questration under section 45Q.

3 “(5) TRANSPORTATION FUEL.—The term
4 ‘transportation fuel’ means a fuel which—

5 “(A) is suitable for use as a fuel in a high-
6 way vehicle or aircraft,

7 “(B) has an emissions rate which is not
8 greater than—

9 “(i) in the case of a fuel which is not
10 a sustainable aviation fuel—

11 “(I) for any such fuel sold during
12 calendar years 2027 through 2030, 50
13 kilograms of CO₂e per mmBTU, and

14 “(II) for any such fuel sold dur-
15 ing any calendar year beginning after
16 December 31, 2030, 25 kilograms of
17 CO₂e per mmBTU, or

18 “(ii) in the case of a fuel which is a
19 sustainable aviation fuel—

20 “(I) for any such fuel sold during
21 any period before January 1, 2031,
22 35 kilograms of CO₂e per mmBTU,
23 and

24 “(II) for any such fuel sold dur-
25 ing any period after December 31,

1 2030, 25 kilograms of CO₂e per
2 mmBTU,

3 “(C) is not hydrogen fuel, and

4 “(D) in the case of fuel which is not avia-
5 tion fuel, is not derived from coprocessing bio-
6 mass with a feedstock which is not biomass.

7 For purposes of this paragraph, the term ‘bio-
8 mass’ has the meaning given such term in sec-
9 tion 45K(c)(3).

10 “(f) GUIDANCE.—Not later than January 1, 2027,
11 the Secretary shall issue guidance regarding implementa-
12 tion of this section, including calculation of emissions fac-
13 tors for transportation fuel, the table described in sub-
14 section (b)(1)(B)(i), and the determination of clean fuel
15 production credits under this section.

16 “(g) SPECIAL RULES.—

17 “(1) ONLY REGISTERED PRODUCTION IN THE
18 UNITED STATES TAKEN INTO ACCOUNT.—

19 “(A) IN GENERAL.—No clean fuel produc-
20 tion credit shall be determined under subsection
21 (a) with respect to any transportation fuel un-
22 less—

23 “(i) the taxpayer is registered as a
24 producer of clean fuel under section 4101
25 at the time of production, and

1 “(ii) such fuel is produced in the
2 United States.

3 “(B) UNITED STATES.—For purposes of
4 this paragraph, the term ‘United States’ in-
5 cludes any possession of the United States.

6 “(2) PRODUCTION ATTRIBUTABLE TO THE TAX-
7 PAYER.—In the case of a facility in which more than
8 1 person has an ownership interest, except to the ex-
9 tent provided in regulations prescribed by the Sec-
10 retary, production from the facility shall be allocated
11 among such persons in proportion to their respective
12 ownership interests in the gross sales from such fa-
13 cility.

14 “(3) RELATED PERSONS.—Persons shall be
15 treated as related to each other if such persons
16 would be treated as a single employer under the reg-
17 ulations prescribed under section 52(b). In the case
18 of a corporation which is a member of an affiliated
19 group of corporations filing a consolidated return,
20 such corporation shall be treated as selling fuel to
21 an unrelated person if such fuel is sold to such a
22 person by another member of such group.

23 “(4) PASS-THRU IN THE CASE OF ESTATES AND
24 TRUSTS.—Under regulations prescribed by the Sec-

1 retary, rules similar to the rules of subsection (d) of
2 section 52 shall apply.

3 “(5) ALLOCATION OF CREDIT TO PATRONS OF
4 AGRICULTURAL COOPERATIVE.—

5 “(A) ELECTION TO ALLOCATE.—

6 “(i) IN GENERAL.—In the case of an
7 eligible cooperative organization, any por-
8 tion of the credit determined under sub-
9 section (a) for the taxable year may, at the
10 election of the organization, be apportioned
11 among patrons of the organization on the
12 basis of the amount of business done by
13 the patrons during the taxable year.

14 “(ii) FORM AND EFFECT OF ELEC-
15 TION.—An election under clause (i) for any
16 taxable year shall be made on a timely
17 filed return for such year. Such election,
18 once made, shall be irrevocable for such
19 taxable year. Such election shall not take
20 effect unless the organization designates
21 the apportionment as such in a written no-
22 tice mailed to its patrons during the pay-
23 ment period described in section 1382(d).

24 “(B) TREATMENT OF ORGANIZATIONS AND
25 PATRONS.—The amount of the credit appor-

1 tioned to any patrons under subparagraph
2 (A)—

3 “(i) shall not be included in the
4 amount determined under subsection (a)
5 with respect to the organization for the
6 taxable year, and

7 “(ii) shall be included in the amount
8 determined under subsection (a) for the
9 first taxable year of each patron ending on
10 or after the last day of the payment period
11 (as defined in section 1382(d)) for the tax-
12 able year of the organization or, if earlier,
13 for the taxable year of each patron ending
14 on or after the date on which the patron
15 receives notice from the cooperative of the
16 apportionment.

17 “(C) SPECIAL RULES FOR DECREASE IN
18 CREDITS FOR TAXABLE YEAR.—If the amount
19 of the credit of a cooperative organization de-
20 termined under subsection (a) for a taxable
21 year is less than the amount of such credit
22 shown on the return of the cooperative organi-
23 zation for such year, an amount equal to the
24 excess of—

25 “(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(e).”.

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, tribal governments, and possessions of the
21 United States: Provided, that such amount shall be
22 available in addition to any amounts otherwise avail-
23 able: Provided further, that these funds may be
24 awarded by federal agencies to state and local gov-
25 ernments, tribal governments, and possessions of the

1 United States, and private entities, including organi-
2 zations dedicated to free tax return preparation and
3 low income taxpayer clinics funded under section
4 7526 of the Internal Revenue Code of 1986.

5 **PART 2—EARNED INCOME TAX CREDIT**

6 **SEC. 137201. CERTAIN IMPROVEMENTS TO THE EARNED IN-**
7 **COME TAX CREDIT EXTENDED THROUGH**
8 **2022.**

9 (a) IN GENERAL.—Section 32(n) is amended by
10 striking “January 1, 2022” and inserting “January 1,
11 2023”.

12 (b) INFLATION ADJUSTMENT.—Section 32(n)(4)(B)
13 is amended to read as follows:

14 “(B) INFLATION ADJUSTMENT.—In the
15 case of any taxable year beginning after 2021,
16 the \$9,820 and \$11,610 dollar amounts in sub-
17 paragraph (A) shall be increased by an amount
18 equal to—

19 “(i) such dollar amount, multiplied by

20 “(ii) the cost-of-living adjustment de-
21 termined under section 1(f)(3) for the cal-
22 endar year in which the taxable year be-
23 gins, determined by substituting ‘calendar
24 year 2020’ for ‘calendar year 2016’ in sub-
25 paragraph (A)(ii) thereof.”.

1 (c) ELECTION TO DETERMINE EARNED INCOME
2 BASED ON PRIOR TAXABLE YEAR.—Section 32, as
3 amended by subsection (f), is amended by adding at the
4 end the following new subsection:

5 “(o) ELECTION TO DETERMINE EARNED INCOME
6 BASED ON PRIOR TAXABLE YEAR.—

7 “(1) IN GENERAL.—In the case of a taxpayer
8 whose earned income for any taxable year beginning
9 after December 31, 2021, and before January 1,
10 2023, is less than the earned income of such tax-
11 payer for the preceding taxable year, if such tax-
12 payer elects (at such time and in such manner as
13 the Secretary may provide) the application of this
14 subsection for such taxable year, the earned income
15 of such taxpayer for such taxable year shall be treat-
16 ed for purposes of this section as being equal to the
17 earned income of such taxpayer for such preceding
18 taxable year.

19 “(2) JOINT RETURNS.—For purposes of this
20 subsection, in the case of a joint return, the earned
21 income of the taxpayer for the preceding taxable
22 year shall be the sum of the earned income of each
23 spouse for the preceding taxable year.

24 “(3) TREATMENT AS MATHEMATICAL OR CLER-
25 ICAL ERROR.—In the case of a taxpayer described in

1 paragraph (1) who makes the election described in
2 such paragraph, the use on the return for purposes
3 of this section of an amount of earned income for
4 the preceding taxable year which differs from the
5 amount of such earned income as shown in the elec-
6 tronic files of the Internal Revenue Service shall be
7 treated as a mathematical or clerical error for pur-
8 poses of section 6213.

9 “(4) TREATMENT OF REFERENCES.—Any pro-
10 vision of this title which defines or determines
11 earned income by reference to this section shall be
12 applied without regard to this subsection unless such
13 provision specifically provides otherwise.”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2021.

17 **SEC. 137202. FUNDS FOR ADMINISTRATION OF EARNED IN-**
18 **COME TAX CREDITS IN THE TERRITORIES.**

19 (a) PUERTO RICO.—Section 7530(a)(1) is amended
20 by striking “plus” at the end of subparagraph (A), by
21 striking the period at the end of subparagraph (B) and
22 inserting “, plus”, and by adding at the end the following
23 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 area’
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 laurate 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 term ‘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)”, and

5 (4) in subparagraph (B)—

6 (A) by striking “\$10,000 (\$5,000 in the
7 case of a married individual filing a separate re-
8 turn)” and inserting “\$72,500 (\$36,250 in the
9 case of an estate, trust, or married individual
10 filing a separate return)”, and

11 (B) by inserting “(and any tax described
12 in any such paragraph taken into account
13 under section 216(a)(1))” after “paragraph (5)
14 of this subsection”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2020.

18 (c) NO INFERENCE.—The amendments made by
19 paragraphs (3) or (4)(B) shall not be construed to create
20 any inference with respect to the proper application of sec-
21 tion 164(b)(6) or section 216(a) with respect to any tax-
22 able year beginning before January 1, 2021.

1 **Subtitle H—Responsibly Funding**
2 **Our Priorities**

3 **SEC. 138001. AMENDMENT OF 1986 CODE.**

4 Except as otherwise expressly provided, whenever in
5 this subtitle an amendment or repeal is expressed in terms
6 of an amendment to, or repeal of, a section or other provi-
7 sion, the reference shall be considered to be made to a
8 section or other provision of the Internal Revenue Code
9 of 1986.

10 **PART 1—CORPORATE AND INTERNATIONAL TAX**
11 **REFORMS**

12 **Subpart A—Corporate Provisions**

13 **SEC. 138101. CORPORATE ALTERNATIVE MINIMUM TAX.**

14 (a) IMPOSITION OF TAX.—

15 (1) IN GENERAL.—Paragraph (2) of section
16 55(b) is amended to read as follows:

17 “(2) CORPORATIONS.—

18 “(A) APPLICABLE CORPORATIONS.—In the
19 case of an applicable corporation, the tentative
20 minimum tax for the taxable year shall be the
21 excess of—

22 “(i) 15 percent of the adjusted finan-
23 cial statement income for the taxable year
24 (as determined under section 56A), over

1 “(ii) the corporate AMT foreign tax
2 credit for the taxable year.

3 “(B) OTHER CORPORATIONS.—In the case
4 of any corporation which is not an applicable
5 corporation, the tentative minimum tax for the
6 taxable year shall be zero.”.

7 (2) APPLICABLE CORPORATION.—Section 59 is
8 amended by adding at the end the following new
9 subsection:

10 “(k) APPLICABLE CORPORATION.—For purposes of
11 this part—

12 “(1) APPLICABLE CORPORATION DEFINED.—

13 “(A) IN GENERAL.—The term ‘applicable
14 corporation’ means, with respect to any taxable
15 year, any corporation (other than an S corpora-
16 tion, a regulated investment company, or a real
17 estate investment trust) which meets the aver-
18 age annual adjusted financial statement income
19 test of subparagraph (B) for one or more tax-
20 able years which—

21 “(i) are prior to such taxable year,

22 and

23 “(ii) end after December 31, 2021.

1 “(B) AVERAGE ANNUAL ADJUSTED FINAN-
2 CIAL STATEMENT INCOME TEST.—For purposes
3 of this subsection—

4 “(i) a corporation meets the average
5 annual adjusted financial statement income
6 test for any taxable year if the average an-
7 nual adjusted financial statement income
8 of such corporation for the 3-taxable-year
9 period ending with such taxable year ex-
10 ceeds \$1,000,000,000, and

11 “(ii) in the case of a corporation de-
12 scribed in paragraph (2), such corporation
13 meets the average annual adjusted finan-
14 cial statement income test if—

15 “(I) the corporation meets the re-
16 quirements of clause (i) (determined
17 after the application of paragraph
18 (2)), and

19 “(II) the average annual adjusted
20 financial statement income of such
21 corporation (determined without re-
22 gard to the application of paragraph
23 (2)) for the 3-taxable-year-period end-
24 ing with such taxable year is
25 \$100,000,000 or more.

1 “(C) EXCEPTION.—Notwithstanding sub-
2 paragraph (A), the term ‘applicable corporation’
3 shall not include any corporation which other-
4 wise meets the requirements of subparagraph
5 (A) if—

6 “(i) such corporation—

7 “(I) has a change in ownership,
8 or

9 “(II) has a specified number (to
10 be determined by the Secretary and
11 which shall, as appropriate, take into
12 account the facts and circumstances
13 of the taxpayer) of consecutive taxable
14 years, including the most recent tax-
15 able year, in which the corporation
16 does not meet the average annual ad-
17 justed financial statement income test
18 of subparagraph (B), and

19 “(ii) the Secretary determines that it
20 would not be appropriate to continue to
21 treat such corporation as an applicable cor-
22 poration.

23 The preceding sentence shall not apply to any
24 corporation if, after the Secretary makes the
25 determination described in clause (ii), such cor-

1 poration meets the average annual adjusted fi-
2 nancial statement income test for any taxable
3 year beginning after the first taxable year for
4 which the determination applies.

5 “(D) SPECIAL RULES FOR DETERMINING
6 AVERAGE ANNUAL ADJUSTED FINANCIAL
7 STATEMENT INCOME.—Solely for purposes of
8 determining whether a corporation is an appli-
9 cable corporation under paragraph (1)—

10 “(i) all persons treated as a single em-
11 ployer under subsection (a) or (b) of sec-
12 tion 52 shall be treated as 1 person, and

13 “(ii) in the case of a foreign corpora-
14 tion, only income described in paragraph
15 (3) or (4) of section 56A(c) shall be taken
16 into account.

17 “(E) OTHER SPECIAL RULES.—

18 “(i) CORPORATIONS IN EXISTENCE
19 FOR LESS THAN 3 YEARS.—If the corpora-
20 tion was in existence for less than 3-tax-
21 able years, subparagraph (B) shall be ap-
22 plied on the basis of the period during
23 which such corporation was in existence.

24 “(ii) SHORT TAXABLE YEARS.—Ad-
25 justed financial statement income for any

1 taxable year of less than 12 months shall
2 be annualized by multiplying the adjusted
3 financial statement income for the short
4 period by 12 and dividing the result by the
5 number of months in the short period.

6 “(iii) TREATMENT OF PREDE-
7 CESSORS.—Any reference in this subpara-
8 graph to a corporation shall include a ref-
9 erence to any predecessor of such corpora-
10 tion.

11 “(2) SPECIAL RULE FOR FOREIGN-PARENTED
12 CORPORATIONS.—

13 “(A) IN GENERAL.—Solely for purposes of
14 determining whether a corporation meets the
15 average annual adjusted financial statement in-
16 come test under paragraph (1)(B)(i), notwith-
17 standing paragraph (1)(D)(ii), any corporation
18 which for any taxable year is a member of an
19 international financial reporting group the com-
20 mon parent of which is a foreign corporation
21 shall include in the adjusted financial statement
22 income of such corporation for such taxable
23 year the adjusted financial statement income of
24 all foreign members of such group.

1 “(B) INTERNATIONAL FINANCIAL REPORT-
2 ING GROUP.—For purposes of subparagraph
3 (A), the term ‘international financial reporting
4 group’ shall have the meaning given such term
5 by section 163(n)(3).

6 “(3) REGULATIONS OR OTHER GUIDANCE.—
7 The Secretary shall provide regulations or other
8 guidance for the purposes of carrying out this sub-
9 section, including regulations or other guidance—

10 “(A) providing a simplified method for de-
11 termining whether a corporation meets the re-
12 quirements of paragraph (1), and

13 “(B) addressing the application of this
14 subsection to a corporation that experiences a
15 change in ownership.”.

16 (3) REDUCTION FOR BASE EROSION AND ANTI-
17 ABUSE TAX.—Section 55(a)(2) is amended by insert-
18 ing “plus, in the case of an applicable corporation
19 (as defined in subsection (b)(2)), the tax imposed by
20 section 59A” before the period at the end.

21 (4) CONFORMING AMENDMENTS.—

22 (A) Section 55(a) is amended by striking
23 “In the case of a taxpayer other than a cor-
24 poration, there” and inserting “There”.

25 (B)(i) Section 55(b)(1) is amended—

1 (I) by striking so much as precedes
2 subparagraph (A) and inserting the fol-
3 lowing:

4 “(1) NONCORPORATE TAXPAYERS.—In the case
5 of a taxpayer other than a corporation—”, and

6 (II) by adding at the end the fol-
7 lowing new subparagraph:

8 “(D) ALTERNATIVE MINIMUM TAXABLE IN-
9 COME.—The term ‘alternative minimum taxable
10 income’ means the taxable income of the tax-
11 payer for the taxable year—

12 “(i) determined with the adjustments
13 provided in section 56 and section 58, and

14 “(ii) increased by the amount of the
15 items of tax preference described in section
16 57.

17 If a taxpayer is subject to the regular tax, such
18 taxpayer shall be subject to the tax imposed by
19 this section (and, if the regular tax is deter-
20 mined by reference to an amount other than
21 taxable income, such amount shall be treated as
22 the taxable income of such taxpayer for pur-
23 poses of the preceding sentence).”.

1 (ii) Section 860E(a)(4) is amended by
2 striking “55(b)(2)” and inserting
3 “55(b)(1)(D)”.

4 (iii) Section 897(a)(2)(A)(i) is amended by
5 striking “55(b)(2)” and inserting
6 “55(b)(1)(D)”.

7 (C) Section 11(d) is amended by striking
8 “the tax imposed by subsection (a)” and insert-
9 ing “the taxes imposed by subsection (a) and
10 section 55”.

11 (D) Section 12 is amended by adding at
12 the end the following new paragraph:

13 “(5) For alternative minimum tax, see section
14 55.”.

15 (E) Section 882(a)(1) is amended by in-
16 serting “, 55,” after “section 11”.

17 (F) Section 6425(c)(1)(A) is amended to
18 read as follows:

19 “(A) the sum of—

20 “(i) the tax imposed by section 11 or
21 subchapter L of chapter 1, whichever is
22 applicable, plus

23 “(ii) the tax imposed by section 55,
24 plus

1 “(iii) the tax imposed by section 59A,
2 over”.

3 (G) Section 6655(e)(2) is amended by in-
4 serting “, adjusted financial statement income
5 (as defined in section 56A),” before “and modi-
6 fied taxable income” each place it appears in
7 subparagraphs (A)(i) and (B)(i).

8 (H) Section 6655(g)(1)(A) is amended by
9 redesignating clauses (ii) and (iii) as clauses
10 (iii) and (iv), respectively, and by inserting
11 after clause (i) the following new clause:

12 “(ii) the tax imposed by section 55,”.

13 (b) ADJUSTED FINANCIAL STATEMENT INCOME.—

14 (1) IN GENERAL.—Part VI of subchapter A of
15 chapter 1 is amended by inserting after section 56
16 the following new section:

17 **“SEC. 56A. ADJUSTED FINANCIAL STATEMENT INCOME.**

18 “(a) IN GENERAL.—For purposes of this part, the
19 term ‘adjusted financial statement income’ means, with re-
20 spect to any corporation for any taxable year, the net in-
21 come or loss of the taxpayer set forth on the taxpayer’s
22 applicable financial statement for such taxable year, ad-
23 justed as provided in this section.

24 “(b) APPLICABLE FINANCIAL STATEMENT.—For
25 purposes of this section, the term ‘applicable financial

1 statement' means, with respect to any taxable year, an ap-
2 plicable financial statement (as defined in section
3 451(b)(3) or as specified by the Secretary in regulations
4 or other guidance) which covers such taxable year.

5 “(c) GENERAL ADJUSTMENTS.—

6 “(1) STATEMENTS COVERING DIFFERENT TAX-
7 ABLE YEARS.—Appropriate adjustments shall be
8 made in adjusted financial statement income in any
9 case in which an applicable financial statement cov-
10 ers a period other than the taxable year.

11 “(2) SPECIAL RULES FOR RELATED ENTI-
12 TIES.—

13 “(A) CONSOLIDATED FINANCIAL STATE-
14 MENTS.—If the financial results of a taxpayer
15 are reported on the applicable financial state-
16 ment for a group of entities, rules similar to the
17 rules of section 451(b)(5) shall apply.

18 “(B) CONSOLIDATED RETURNS.—Except
19 as provided in regulations prescribed by the
20 Secretary, if the taxpayer files a consolidated
21 return for any taxable year, adjusted financial
22 statement income of the taxpayer for such tax-
23 able year shall take into account items on the
24 taxpayer's applicable financial statement which

1 are properly allocable to members of such group
2 included on such return.

3 “(C) TREATMENT OF DIVIDENDS AND
4 OTHER AMOUNTS.—In the case of any corpora-
5 tion which is not included on a consolidated re-
6 turn with the taxpayer, adjusted financial state-
7 ment income of the taxpayer shall take into ac-
8 count the earnings of such other corporation
9 only to the extent of the sum of the dividends
10 received from such other corporation (reduced
11 to the extent provided by the Secretary in regu-
12 lations or other guidance) and other amounts
13 required to be included in gross income under
14 this chapter (other than amounts required to be
15 included under sections 951 and 951A) in re-
16 spect of the earnings of such other corporation.

17 “(D) GROUP INCLUDING ONE OR MORE
18 PARTNERSHIPS.—Under rules prescribed by the
19 Secretary, if the financial results of a taxpayer
20 are reported on the applicable financial state-
21 ment for a group of entities that includes one
22 or more partnerships, adjusted financial state-
23 ment income shall take into account the earn-
24 ings of such partnerships in the same propor-
25 tion as the taxpayer’s distributive share of

1 items from the partnerships required to be in-
2 cluded in gross income under this chapter.

3 “(3) ADJUSTMENTS TO TAKE INTO ACCOUNT
4 CERTAIN ITEMS OF FOREIGN INCOME.—

5 “(A) IN GENERAL.—If, for any taxable
6 year, a taxpayer is a United States shareholder
7 of one or more controlled foreign corporations,
8 the adjusted financial statement income of such
9 taxpayer shall be adjusted to take into account
10 such taxpayer’s pro rata share (determined
11 under rules similar to the rules under section
12 951(a)(2)) of items taken into account in com-
13 puting the net income or loss set forth on the
14 applicable financial statement of each such con-
15 trolled foreign corporation with respect to which
16 such taxpayer is a United States shareholder.

17 “(B) NEGATIVE ADJUSTMENTS.—In any
18 case in which the adjustment determined under
19 subparagraph (A) would result in a negative ad-
20 justment for such taxable year—

21 “(i) no adjustment shall be made
22 under this paragraph for such taxable
23 year, and

24 “(ii) the amount of the adjustment
25 determined under this paragraph for the

1 succeeding taxable year (determined with-
2 out regard to this paragraph) shall be re-
3 duced by an amount equal to the negative
4 adjustment for such taxable year.

5 “(4) EFFECTIVELY CONNECTED INCOME.—In
6 the case of a foreign corporation, to determine ad-
7 justed financial statement income, the principles of
8 section 882 shall apply.

9 “(5) ADJUSTMENTS FOR CERTAIN TAXES.—Ad-
10 justed financial statement income shall be appro-
11 priately adjusted to disregard any Federal income
12 taxes, or income, war profits, or excess profits taxes
13 (within the meaning of section 901) with respect to
14 a foreign country or possession of the United States,
15 which are taken into account on the taxpayer’s ap-
16 plicable financial statement. To the extent provided
17 by the Secretary, the preceding sentence shall not
18 apply to income, war profits, or excess profits taxes
19 (within the meaning of section 901) that are im-
20 posed by a foreign country or possession of the
21 United States and taken into account on the tax-
22 payer’s applicable financial statement if the taxpayer
23 does not choose to take the benefits of section 901.
24 The Secretary shall prescribe such regulations or
25 other guidance as may be necessary and appropriate

1 to provide for the proper treatment of current and
2 deferred taxes for purposes of this paragraph, in-
3 cluding the time at which such taxes are properly
4 taken into account.

5 “(6) ADJUSTMENT WITH RESPECT TO DIS-
6 REGARDED ENTITIES.—Adjusted financial statement
7 income shall be adjusted to take into account any
8 adjusted financial statement income of a disregarded
9 entity owned by the taxpayer.

10 “(7) SPECIAL RULE FOR COOPERATIVES.—In
11 the case of a cooperative to which section 1381 ap-
12 plies, the adjusted financial statement income (deter-
13 mined without regard to this paragraph) shall be re-
14 duced by the amounts referred to in section 1382(b)
15 (relating to patronage dividends and per-unit retain
16 allocations) to the extent such amounts were not
17 otherwise taken into account in determining ad-
18 justed financial statement income.

19 “(8) RULES FOR ALASKA NATIVE CORPORA-
20 TIONS.—Adjusted financial statement income shall
21 be appropriately adjusted to allow—

22 “(A) cost recovery and depletion attrib-
23 utable to property the basis of which is deter-
24 mined under section 21(c) of the Alaska Native

1 Claims Settlement Act (43 U.S.C. 1620(c)),
2 and

3 “(B) deductions for amounts payable made
4 pursuant to section 7(i) or section 7(j) of such
5 Act (43 U.S.C. 1606(i) and 1606(j)) only at
6 such time as the deductions are allowed for tax
7 purposes.

8 “(9) AMOUNTS ATTRIBUTABLE TO ELECTIONS
9 FOR DIRECT PAYMENT OF CERTAIN CREDITS.—Ad-
10 justed financial statement income shall be appro-
11 priately adjusted to disregard any amount received
12 as a refund of taxes which is attributable to an elec-
13 tion under section 6417.

14 “(10) CONSISTENT TREATMENT OF MORTGAGE
15 SERVICING INCOME OF TAXPAYER OTHER THAN A
16 REGULATED INVESTMENT COMPANY.—

17 “(A) IN GENERAL.—Adjusted financial
18 statement income shall be adjusted so as not to
19 include any item of income in connection with
20 a mortgage servicing contract any earlier than
21 when such income is included in gross income
22 under any other provision of this chapter.

23 “(B) RULES FOR AMOUNTS NOT REP-
24 RESENTING REASONABLE COMPENSATION.—
25 The Secretary shall provide regulations to pre-

1 vent the avoidance of taxes imposed by this
2 chapter with respect to amounts not rep-
3 resenting reasonable compensation (as deter-
4 mined by the Secretary) with respect to a mort-
5 gage servicing contract.

6 “(11) SECRETARIAL AUTHORITY TO ADJUST
7 ITEMS.—The Secretary shall issue regulations or
8 other guidance to provide for such adjustments to
9 adjusted financial statement income as the Secretary
10 determines necessary to carry out the purposes of
11 this section, including adjustments—

12 “(A) to prevent the omission or duplication
13 of any item,

14 “(B) to take into account the ownership of
15 a member of a group by a corporation or part-
16 nership which is not a member of such group,
17 and

18 “(C) to carry out the principles of part II
19 of subchapter C of this chapter (relating to cor-
20 porate liquidations), part III of subchapter C of
21 this chapter (relating to corporate organizations
22 and reorganizations), and part II of subchapter
23 K of this chapter (relating to partnership con-
24 tributions and distributions).

1 “(d) DEDUCTION FOR FINANCIAL STATEMENT NET
2 OPERATING LOSS.—

3 “(1) IN GENERAL.—Adjusted financial state-
4 ment income (determined after application of sub-
5 section (e) and without regard to this subsection)
6 shall be reduced by an amount equal to the lesser
7 of—

8 “(A) the aggregate amount of financial
9 statement net operating loss carryovers to the
10 taxable year, or

11 “(B) 80 percent of adjusted financial
12 statement income computed without regard to
13 the deduction allowable under this subsection.

14 “(2) FINANCIAL STATEMENT NET OPERATING
15 LOSS CARRYOVER.—A financial statement net oper-
16 ating loss for any taxable year shall be a financial
17 statement net operating loss carryover to each tax-
18 able year following the taxable year of the loss. The
19 portion of such loss which shall be carried to subse-
20 quent taxable years shall be the amount of such loss
21 remaining (if any) after the application of paragraph
22 (1).

23 “(3) FINANCIAL STATEMENT NET OPERATING
24 LOSS DEFINED.—For purposes of this subsection,
25 the term ‘financial statement net operating loss’

1 means the amount of the net loss (if any) set forth
2 on the corporation's applicable financial statement
3 (determined after application of subsection (c) and
4 without regard to this subsection) for taxable years
5 ending after December 31, 2019.

6 “(e) REGULATIONS AND OTHER GUIDANCE.—The
7 Secretary shall provide for such regulations and other
8 guidance as necessary to carry out the purposes of this
9 section, including regulations and other guidance relating
10 to the effect of the rules of this section on partnerships
11 with income taken into account by an applicable corpora-
12 tion.”.

13 (2) CLERICAL AMENDMENT.—The table of sec-
14 tions for part VI of subchapter A of chapter 1 is
15 amended by inserting after the item relating to sec-
16 tion 56 the following new item:

“Sec. 56A. Adjusted financial statement income.”.

17 (c) CORPORATE AMT FOREIGN TAX CREDIT.—Sec-
18 tion 59, as amended by this section, is amended by adding
19 at the end the following new subsection:

20 “(1) CORPORATE AMT FOREIGN TAX CREDIT.—

21 “(1) IN GENERAL.—For purposes of this part,
22 if an applicable corporation chooses to have the ben-
23 efits of subpart A of part III of subchapter N for
24 any taxable year, the corporate AMT foreign tax

1 credit for the taxable year of the applicable corpora-
2 tion is an amount equal to sum of—

3 “(A) the lesser of—

4 “(i) the aggregate of the applicable
5 corporation’s pro rata share (as deter-
6 mined under section 56A(c)(3)) of the
7 amount of income, war profits, and excess
8 profits taxes (within the meaning of sec-
9 tion 901) imposed by any foreign country
10 or possession of the United States which
11 are—

12 “(I) taken into account on the
13 applicable financial statement of each
14 controlled foreign corporation with re-
15 spect to which the applicable corpora-
16 tion is a United States shareholder,
17 and

18 “(II) paid or accrued (for Fed-
19 eral income tax purposes) by each
20 such controlled foreign corporation, or

21 “(ii) the product of the amount of the
22 adjustment under section 56A(c)(3) and
23 the percentage specified in section
24 55(b)(2)(A)(i), and

1 “(B) the amount of income, war profits,
2 and excess profits taxes (within the meaning of
3 section 901) imposed by any foreign country or
4 possession of the United States to the extent
5 such taxes are—

6 “(i) taken into account on the applica-
7 ble corporation’s applicable financial state-
8 ment, and

9 “(ii) paid or accrued (for Federal in-
10 come tax purposes) by the applicable cor-
11 poration.

12 “(2) CARRYOVER OF EXCESS TAX PAID.—For
13 any taxable year for which an applicable corporation
14 chooses to have the benefits of subpart A of part III
15 of subchapter N, the excess of the amount described
16 in paragraph (1)(A)(i) over the amount described in
17 paragraph (1)(A)(ii) shall increase the amount de-
18 scribed in paragraph (1)(A)(i) in any of the first 5
19 succeeding taxable years to the extent not taken into
20 account in a prior taxable year.

21 “(3) REGULATIONS OR OTHER GUIDANCE.—
22 The Secretary shall provide for such regulations or
23 other guidance as is necessary to carry out the pur-
24 poses of this subsection.”.

1 (d) TREATMENT OF GENERAL BUSINESS CREDIT.—

2 Section 38(c)(6)(E) is amended to read as follows:

3 “(E) CORPORATIONS.—In the case of a
4 corporation—

5 “(i) the first sentence of paragraph
6 (1) shall be applied by substituting ‘25
7 percent of the taxpayer’s net income tax as
8 exceeds \$25,000’ for ‘the greater of’ and
9 all that follows,

10 “(ii) paragraph (2)(A) shall be applied
11 without regard to clause (ii)(I) thereof,
12 and

13 “(iii) paragraph (4)(A) shall be ap-
14 plied without regard to clause (ii)(I) there-
15 of.”.

16 (e) CREDIT FOR PRIOR YEAR MINIMUM TAX LIABIL-
17 ITY.—

18 (1) IN GENERAL.—Section 53(e) is amended to
19 read as follows:

20 “(e) APPLICATION TO APPLICABLE CORPORA-
21 TIONS.—In the case of a corporation—

22 “(1) subsection (b)(1) shall be applied by sub-
23 stituting ‘the net minimum tax for all prior taxable
24 years beginning after 2022’ for ‘the adjusted net

1 minimum tax imposed for all prior taxable years be-
2 ginning after 1986’, and

3 “(2) the amount determined under subsection
4 (c)(1) shall be increased by the amount of tax im-
5 posed under section 59A for the taxable year.”.

6 (2) CONFORMING AMENDMENTS.—Section
7 53(d) is amended—

8 (A) in paragraph (2), by striking “, except
9 that in the case” and all that follows through
10 “treated as zero”, and

11 (B) by striking paragraph (3).

12 (f) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2022.

15 **SEC. 138102. EXCISE TAX ON REPURCHASE OF CORPORATE**
16 **STOCK.**

17 (a) IN GENERAL.—Subtitle D is amended by insert-
18 ing after chapter 36 the following new chapter:

19 **“CHAPTER 37—REPURCHASE OF**
20 **CORPORATE STOCK**

“Sec. 4501. Repurchase of corporate stock.

21 **“SEC. 4501. REPURCHASE OF CORPORATE STOCK.**

22 “(a) GENERAL RULE.—There is hereby imposed on
23 each covered corporation a tax equal to 1 percent of the
24 fair market value of any stock of the corporation which

1 is repurchased by such corporation during the taxable
2 year.

3 “(b) COVERED CORPORATION.—For purposes of this
4 section, the term ‘covered corporation’ means any domes-
5 tic corporation the stock of which is traded on an estab-
6 lished securities market (within the meaning of section
7 7704(b)(1)).

8 “(c) REPURCHASE.—For purposes of this section—

9 “(1) IN GENERAL.—The term ‘repurchase’
10 means—

11 “(A) a redemption within the meaning of
12 section 317(b) with regard to the stock of a
13 covered corporation, and

14 “(B) any transaction determined by the
15 Secretary to be economically similar to a trans-
16 action described in subparagraph (A).

17 “(2) TREATMENT OF PURCHASES BY SPECIFIED
18 AFFILIATES.—

19 “(A) IN GENERAL.—The acquisition of
20 stock of a covered corporation by a specified af-
21 filiate of such covered corporation, from a per-
22 son who is not the covered corporation or a
23 specified affiliate of such covered corporation,
24 shall be treated as a repurchase of the stock of

1 the covered corporation by such covered cor-
2 poration.

3 “(B) SPECIFIED AFFILIATE.—For pur-
4 poses of this section, the term ‘specified affil-
5 iate’ means, with respect to any corporation—

6 “(i) any corporation more than 50
7 percent of the stock of which is owned (by
8 vote or by value), directly or indirectly, by
9 such corporation, and

10 “(ii) any partnership more than 50
11 percent of the capital interests or profits
12 interests of which is held, directly or indi-
13 rectly, by such corporation.

14 “(3) ADJUSTMENT.—The amount taken into
15 account under subsection (a) with respect to any
16 stock repurchased by a covered corporation shall be
17 reduced by the fair market value of any stock issued
18 by the covered corporation during the taxable year,
19 including the fair market value of any stock issued
20 to employees of such covered corporation or a speci-
21 fied affiliate of such covered corporation during the
22 taxable year, whether or not such stock is issued in
23 response to the exercise of an option to purchase
24 such stock.

1 “(d) SPECIAL RULES FOR ACQUISITION OF STOCK OF
2 CERTAIN FOREIGN CORPORATIONS.—

3 “(1) IN GENERAL.—In the case of an acquisi-
4 tion of stock of an applicable foreign corporation by
5 a specified affiliate of such corporation (other than
6 a foreign corporation or a foreign partnership (un-
7 less such partnership has a domestic entity as a di-
8 rect or indirect partner)) from a person who is not
9 the applicable foreign corporation or a specified affil-
10 iate of such applicable foreign corporation, for pur-
11 poses of this section—

12 “(A) such specified affiliate shall be treat-
13 ed as a covered corporation with respect to such
14 acquisition,

15 “(B) such acquisition shall be treated as a
16 repurchase of stock of a covered corporation by
17 such covered corporation, and

18 “(C) the adjustment under subsection
19 (c)(3) shall be determined only with respect to
20 stock issued by such specified affiliate to em-
21 ployees of the specified affiliate.

22 “(2) SURROGATE FOREIGN CORPORATIONS.—In
23 the case of a repurchase of stock of a covered surro-
24 gate foreign corporation by such covered surrogate
25 foreign corporation, or an acquisition of stock of a

1 covered surrogate foreign corporation by a specified
2 affiliate of such corporation, for purposes of this sec-
3 tion—

4 “(A) the expatriated entity with respect to
5 such covered surrogate foreign corporation shall
6 be treated as a covered corporation with respect
7 to such repurchase or acquisition,

8 “(B) such repurchase or acquisition shall
9 be treated as a repurchase of stock of a covered
10 corporation by such covered corporation, and

11 “(C) the adjustment under subsection
12 (c)(3) shall be determined only with respect to
13 stock issued by such expatriated entity to em-
14 ployees of the expatriated entity.

15 “(3) DEFINITIONS.—For purposes of this sub-
16 section—

17 “(A) APPLICABLE FOREIGN CORPORA-
18 TION.—The term ‘applicable foreign corpora-
19 tion’ means any foreign corporation the stock of
20 which is traded on an established securities
21 market (within the meaning of section
22 7704(b)(1)).

23 “(B) COVERED SURROGATE FOREIGN COR-
24 PORATION.—The term ‘covered surrogate for-
25 eign corporation’ means any surrogate foreign

1 corporation (as determined under section
2 7874(a)(2)(B) by substituting ‘September 20,
3 2021’ for ‘March 4, 2003’ each place it ap-
4 pears) the stock of which is traded on an estab-
5 lished securities market (within the meaning of
6 section 7704(b)(1)), but only with respect to
7 taxable years which include any portion of the
8 applicable period with respect to such corpora-
9 tion under section 7874(d)(1).

10 “(C) EXPATRIATED ENTITY.—The term
11 ‘expatriated entity’ has the meaning given such
12 term by section 7874(a)(2)(A).

13 “(e) EXCEPTIONS.—Subsection (a) shall not apply—

14 “(1) to the extent that the repurchase is part
15 of a reorganization (within the meaning of section
16 368(a)) and no gain or loss is recognized on such re-
17 purchase by the shareholder under chapter 1 by rea-
18 son of such reorganization,

19 “(2) in any case in which the stock repurchased
20 is, or an amount of stock equal to the value of the
21 stock repurchased is, contributed to an employer-
22 sponsored retirement plan, employee stock ownership
23 plan, or similar plan,

1 “(3) in any case in which the total value of the
2 stock repurchased during the taxable year does not
3 exceed \$1,000,000,

4 “(4) under regulations prescribed by the Sec-
5 retary, in cases in which the repurchase is by a deal-
6 er in securities in the ordinary course of business,

7 “(5) to repurchases by a regulated investment
8 company (as defined in section 851) or a real estate
9 investment trust, or

10 “(6) to the extent that the repurchase is treated
11 as a dividend for purposes of this title.

12 “(f) REGULATIONS AND GUIDANCE.—The Secretary
13 shall prescribe such regulations and other guidance as are
14 necessary or appropriate to administer and to prevent the
15 avoidance of the purposes of this section, including regula-
16 tions and other guidance—

17 “(1) to prevent the abuse of the exceptions pro-
18 vided by subsection (e),

19 “(2) to address special classes of stock and pre-
20 ferred stock, and

21 “(3) for the application of the rules under sub-
22 section (d).”.

23 (b) TAX NOT DEDUCTIBLE.—Paragraph (6) of sec-
24 tion 275(a) is amended by inserting “37,” before “41”.

1 (c) CLERICAL AMENDMENT.—The table of chapters
2 for subtitle D is amended by inserting after the item relat-
3 ing to chapter 36 the following new item:

“CHAPTER 37—REPURCHASE OF CORPORATE STOCK”.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to repurchases (within the meaning
6 of section 4501(c) of the Internal Revenue Code of 1986,
7 as added by this section) of stock after December 31,
8 2021.

9 **Subpart B—Limitations on Deduction for Interest**
10 **Expense**

11 **SEC. 138111. LIMITATIONS ON DEDUCTION FOR INTEREST**
12 **EXPENSE.**

13 (a) INTEREST EXPENSE OF CERTAIN MEMBERS OF
14 INTERNATIONAL FINANCIAL REPORTING GROUPS.—Sec-
15 tion 163 is amended by redesignating subsection (n) as
16 subsection (p) and by inserting after subsection (m) the
17 following new subsection:

18 “(n) LIMITATION ON DEDUCTION OF INTEREST BY
19 CERTAIN MEMBERS OF INTERNATIONAL FINANCIAL RE-
20 PORTING GROUPS.—

21 “(1) IN GENERAL.—In the case of any specified
22 domestic corporation which is a member of any
23 international financial reporting group, the deduc-
24 tion under this chapter for interest paid or accrued
25 during the taxable year in excess of the amount of

1 interest includible in the gross income of such cor-
2 poration shall not exceed the allowable percentage of
3 110 percent of such excess.

4 “(2) SPECIFIED DOMESTIC CORPORATION.—For
5 purposes of this subsection—

6 “(A) IN GENERAL.—The term ‘specified
7 domestic corporation’ means any domestic cor-
8 poration other than—

9 “(i) any corporation if the excess of—

10 “(I) the average amount of inter-
11 est paid or accrued by such corpora-
12 tion during the 3-taxable-year period
13 ending with the taxable year to which
14 paragraph (1) applies, over

15 “(II) the average amount of in-
16 terest includible in the gross income
17 of such corporation for such 3-tax-
18 able-year period,

19 does not exceed \$12,000,000,

20 “(ii) any corporation to which para-
21 graph (1) of section 163(j) does not apply
22 by reason of paragraph (3) of such section
23 (determined without regard to paragraph
24 (4)(B) of such section), and

1 “(iii) any S corporation, real estate
2 investment trust, or regulated investment
3 company.

4 “(B) AGGREGATION RULE.—For purposes
5 of clauses (i) and (ii) of subparagraph (A), all
6 domestic corporations which are members of the
7 same international financial reporting group
8 shall be treated as a single corporation.

9 “(C) FOREIGN CORPORATIONS ENGAGED
10 IN TRADE OR BUSINESS WITHIN THE UNITED
11 STATES.—If a foreign corporation is engaged in
12 a trade or business within the United States,
13 such foreign corporation shall be treated as a
14 domestic corporation with respect to the items
15 that are effectively connected with such trade or
16 business.

17 “(3) INTERNATIONAL FINANCIAL REPORTING
18 GROUP.—For purposes of this subsection—

19 “(A) IN GENERAL.—The term ‘inter-
20 national financial reporting group’ means, with
21 respect to any reporting year, two or more enti-
22 ties if—

23 “(i) either—

1 “(I) at least one entity is a for-
2 foreign corporation engaged in a trade or
3 business within the United States, or

4 “(II) at least one entity is a do-
5 mestic corporation and another entity
6 is a foreign corporation, and

7 “(ii) such entities are included in the
8 same applicable financial statement with
9 respect to such year.

10 “(B) ELECTION TO INCLUDE ELIGIBLE
11 CORPORATIONS IN GROUP.—

12 “(i) IN GENERAL.—To the extent pro-
13 vided by the Secretary in regulations or
14 other guidance, an international financial
15 reporting group may elect (at such time
16 and in such manner as the Secretary may
17 provide) to treat all eligible corporations
18 with respect to such group as members of
19 such group for purposes of this subsection.
20 As a condition of such election, all such eli-
21 gible corporations must maintain (and pro-
22 vide access to) such books and records as
23 the Secretary determines are satisfactory
24 to allow for the application of this sub-
25 section with respect to such eligible cor-

1 porations. Such election may be revoked
2 only with the consent of the Secretary.

3 “(ii) ELIGIBLE CORPORATION.—The
4 term ‘eligible corporation’ means, with re-
5 spect to any international financial report-
6 ing group, any corporation if at least 20
7 percent of the stock of such corporation
8 (determined by vote and value) is held (di-
9 rectly or indirectly) by members of such
10 international financial reporting group (de-
11 termined without regard to this subpara-
12 graph).

13 “(4) ALLOWABLE PERCENTAGE.—For purposes
14 of this subsection—

15 “(A) IN GENERAL.—The term ‘allowable
16 percentage’ means, with respect to any specified
17 domestic corporation for any taxable year, the
18 ratio (expressed as a percentage and not great-
19 er than 100 percent) of—

20 “(i) such corporation’s allocable share
21 of the international financial reporting
22 group’s reported net interest expense for
23 the reporting year of such group which
24 ends in or with such taxable year of such
25 corporation, over

1 “(ii) such corporation’s reported net
2 interest expense for such reporting year of
3 such group.

4 “(B) REPORTED NET INTEREST EX-
5 PENSE.—The term ‘reported net interest ex-
6 pense’ means—

7 “(i) with respect to any international
8 financial reporting group for any reporting
9 year, the excess of—

10 “(I) the aggregate amount of in-
11 terest expense reported in such
12 group’s applicable financial state-
13 ments for such taxable year, over

14 “(II) the aggregate amount of in-
15 terest income reported in such group’s
16 applicable financial statements for
17 such taxable year, and

18 “(ii) with respect to any specified do-
19 mestic corporation for any reporting year,
20 the excess of—

21 “(I) the amount of interest ex-
22 pense of such corporation reported in
23 the books and records of the inter-
24 national financial reporting group
25 which are used in preparing such

1 group's applicable financial state-
2 ments for such taxable year, over

3 “(II) the amount of interest in-
4 come of such corporation reported in
5 such books and records.

6 “(C) ALLOCABLE SHARE OF REPORTED
7 NET INTEREST EXPENSE.—With respect to any
8 specified domestic corporation which is a mem-
9 ber of any international financial reporting
10 group, such corporation's allocable share of
11 such group's reported net interest expense for
12 any reporting year is the portion of such ex-
13 pense which bears the same ratio to such ex-
14 pense as—

15 “(i) the EBITDA of such corporation
16 for such reporting year, bears to

17 “(ii) the EBITDA of such group for
18 such reporting year.

19 “(D) EBITDA.—

20 “(i) IN GENERAL.—The term
21 ‘EBITDA’ means, with respect to any re-
22 porting year, earnings before interest in-
23 come and interest expense, taxes, deprecia-
24 tion, depletion, and amortization—

1 “(I) as determined in the inter-
2 national financial reporting group’s
3 applicable financial statements for
4 such year, or

5 “(II) as determined in the books
6 and records of the international finan-
7 cial reporting group which are used in
8 preparing such statements if not de-
9 termined in such statements.

10 “(ii) DETERMINATION OF EBITDA OF
11 A SPECIFIED DOMESTIC CORPORATION.—
12 The EBITDA of any specified domestic
13 corporation shall be determined on a
14 stand-alone basis and without regard to
15 any distribution received by such corpora-
16 tion from any other member of the inter-
17 national financial reporting group.

18 “(E) SPECIAL RULES FOR NON-POSITIVE
19 EBITDA.—

20 “(i) NON-POSITIVE GROUP EBITDA.—
21 In the case of any international financial
22 reporting group the EBITDA of which is
23 zero or less, paragraph (1) shall not apply
24 to any specified domestic corporation
25 which is a member of such group.

1 “(ii) NON-POSITIVE ENTITY
2 EBITDA.—In the case of any specified do-
3 mestic corporation the EBITDA of which
4 is zero or less, the allowable percentage
5 shall be 0 percent.

6 “(5) APPLICABLE FINANCIAL STATEMENT.—
7 For purposes of this subsection, the term ‘applicable
8 financial statement’ has the meaning given such
9 term in section 451(b)(3).

10 “(6) REPORTING YEAR.—For purposes of this
11 subsection, the term ‘reporting year’ means any year
12 for which an applicable financial statement is pre-
13 pared or required to be prepared.

14 “(7) REGULATIONS.—The Secretary may issue
15 such regulations or other guidance as are necessary
16 or appropriate to carry out the purposes of this sub-
17 section, including regulations or other guidance
18 which—

19 “(A) allows or requires the adjustment of
20 amounts reported on applicable financial state-
21 ments,

22 “(B) allows or requires any corporation to
23 be included or excluded as a member of any
24 international financial reporting group for pur-

1 poses of any determination or calculation under
2 this subsection,

3 “(C) treats interest income of a controlled
4 foreign corporation which is subpart F income,
5 and any interest expense of such corporation
6 which is related to subpart F income, as income
7 and interest expense, respectively, of a specified
8 domestic corporation for purposes of this sub-
9 section,

10 “(D) prevents the omission, inclusion, or
11 duplication of any item or amount of interest
12 income or interest expense, and

13 “(E) provides rules for the application of
14 this subsection with respect to—

15 “(i) a domestic corporation that is a
16 partner (directly or indirectly) in a part-
17 nership,

18 “(ii) a domestic corporation that owns
19 (directly or indirectly) an interest in an en-
20 tity that is fiscally transparent in one or
21 more jurisdictions, and

22 “(iii) a foreign corporation to which
23 this subsection applies by reason of para-
24 graph (2)(C).”.

1 (b) MODIFICATION OF APPLICATION OF LIMITATION
2 ON BUSINESS INTEREST TO PARTNERSHIPS AND S COR-
3 PORATIONS.—

4 (1) IN GENERAL.—Section 163(j)(4) is amend-
5 ed to read as follows:

6 “(4) APPLICATION TO PARTNERSHIPS AND S
7 CORPORATIONS.—

8 “(A) IN GENERAL.—In the case of any
9 partnership or S corporation, this subsection
10 shall be applied at the partner or shareholder
11 level, respectively.

12 “(B) APPLICATION OF EXEMPTION FOR
13 CERTAIN SMALL BUSINESSES.—In the case of
14 any partnership or S corporation which does
15 not meet the gross receipts test of section
16 448(c) for any taxable year, paragraph (3) shall
17 not apply with respect to any distributive, or
18 pro rata, share of business interest and other
19 items under this subsection of such partnership
20 or S corporation.

21 “(C) REGULATIONS.— The Secretary shall
22 prescribe such regulations or other guidance as
23 may be necessary or appropriate to carry out
24 the purposes of this section, including regula-
25 tions or other guidance—

1 “(i) for requiring or restricting the al-
2 location of business interest and other
3 items under this subsection,

4 “(ii) to provide for such reporting re-
5 quirements as the Secretary determines
6 appropriate, and

7 “(iii) for the application of this sub-
8 section in the case of tiered structures or
9 trades or businesses described in para-
10 graph (7).”.

11 (2) CONFORMING AMENDMENT.—Section
12 163(j)(3) is amended by inserting “except to the ex-
13 tent provided in paragraph (4)(B)” after “to such
14 taxpayer for such taxable year”.

15 (c) CARRYFORWARD OF DISALLOWED INTEREST.—

16 (1) IN GENERAL.—Section 163 is amended by
17 inserting after subsection (n), as added by sub-
18 section (a), the following new subsection:

19 “(o) CARRYFORWARD OF CERTAIN DISALLOWED IN-
20 TEREST.—The amount of any interest not allowed as a
21 deduction for any taxable year by reason of subsection (j)
22 or (n)(1) (whichever imposes the lower limitation with re-
23 spect to such taxable year) shall be treated as interest
24 (and as business interest for purposes of subsection (j)
25 to the extent such amount is properly attributable to a

1 trade or business as defined in subsection (j)(7)) paid or
2 accrued in the succeeding taxable year.”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 163(j)(2) is amended to read
5 as follows:

6 “(2) CARRYFORWARD CROSS-REFERENCE.—For
7 carryforward treatment, see subsection (o).”.

8 (B) Section 381(c)(20) is amended to read
9 as follows:

10 “(20) CARRYFORWARD OF DISALLOWED INTER-
11 EST.—The carryover of disallowed interest described
12 in section 163(o) to taxable years ending after the
13 date of distribution or transfer.”.

14 (C) Section 382(d)(3) is amended to read
15 as follows:

16 “(3) APPLICATION TO CARRYFORWARD OF DIS-
17 ALLOWED INTEREST.—The term ‘pre-change loss’
18 shall include any carryover of disallowed interest de-
19 scribed in section 163(o) under rules similar to the
20 rules of paragraph (1).”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2022.

24 (e) TRANSITION RULE.—In the case of a partner’s
25 first succeeding taxable year described in subclause (II)

1 of section 163(j)(4)(B)(ii) of the Internal Revenue Code
2 of 1986 (as in effect before the amendment made by sub-
3 section (b)) which begins after December 31, 2022, the
4 amount of excess business interest which would (but for
5 such amendment) be carried to such taxable year under
6 such subclause shall be treated as interest (and as busi-
7 ness interest for purposes of section 163(j) of such Code,
8 as amended by this section) paid or accrued in such tax-
9 able year. A rule similar to the rule in the preceding sen-
10 tence shall apply in the case of an S corporation and its
11 shareholders. For carryover of any such interest dis-
12 allowed for such taxable year, see section 163(o) of such
13 Code, as amended by this section.

14 **Subpart C—Outbound International Provisions**

15 **SEC. 138121. MODIFICATIONS TO DEDUCTION FOR FOR-**
16 **EIGN-DERIVED INTANGIBLE INCOME AND**
17 **GLOBAL INTANGIBLE LOW-TAXED INCOME.**

18 (a) IN GENERAL.—Section 250(a) is amended to
19 read as follows:

20 “(a) IN GENERAL.—In the case of a domestic cor-
21 poration for any taxable year, there shall be allowed as
22 a deduction an amount equal to the sum of—

23 “(1) 24.8 percent of the foreign-derived intan-
24 gible income of such domestic corporation for such
25 taxable year, plus

1 “(2) 28.5 percent of—

2 “(A) the global intangible low-taxed income
3 (if any) which is included in the gross income
4 of such domestic corporation under section
5 951A for such taxable year, and

6 “(B) the amount treated as a dividend re-
7 ceived by such corporation under section 78
8 which is attributable to the amount described in
9 subparagraph (A).”.

10 (b) DEDUCTION TAKEN INTO ACCOUNT IN DETER-
11 MINING NET OPERATING LOSS DEDUCTION.—Section
12 172(d) is amended by striking paragraph (9).

13 (c) CERTAIN OTHER MODIFICATIONS.—

14 (1) Section 250(b)(3) is amended—

15 (A) in subparagraph (A)(i)—

16 (i) by striking “and” at the end of
17 subclause (V),

18 (ii) by striking “over” at the end of
19 subclause (VI), and

20 (iii) by adding at the end the fol-
21 lowing new subclauses:

22 “(VII) any income described in
23 clause (i) or (ii) of section
24 904(d)(2)(B), determined without re-
25 gard to clause (iii)(II) thereof,

1 “(VIII) except as otherwise pro-
2 vided by the Secretary, any income
3 and gain from the sale or other dis-
4 position (including the deemed sale or
5 other deemed disposition) of property
6 giving rise to rents or royalties de-
7 rived in the active conduct of a trade
8 or business, and

9 “(IX) any disqualified
10 extraterritorial income, over”, and

11 (B) by adding at the end the following new
12 subparagraph:

13 “(C) DISQUALIFIED EXTRATERRITORIAL
14 INCOME.—

15 “(i) IN GENERAL.—For purposes of
16 subparagraph (A)(i)(IX), the term ‘dis-
17 qualified extraterritorial income’ means
18 any amount included in the gross income
19 of the corporation with respect to any
20 transaction for any taxable year if any
21 amount could (determined after application
22 of clause (ii) but without regard to any
23 election under section 942(a)(3) as in ef-
24 fect before its repeal) be excluded from the
25 gross income of the corporation with re-

1 spect to such transaction for such taxable
2 year by reason of section 114 pursuant to
3 the application of subsection (d) or (f) of
4 section 101 of the American Jobs Creation
5 Act of 2004.

6 “(ii) ELECTION OUT OF
7 EXTRATERRITORIAL INCOME BENEFITS.—

8 “(I) IN GENERAL.—Except as
9 provided in subclause (II), the cor-
10 poration referred to in clause (i) may
11 make an irrevocable election (at such
12 time and in such form and manner as
13 the Secretary may provide) to have
14 subsections (d) and (f) of section 101
15 of the American Jobs Creation Act of
16 2004 not apply with respect to such
17 corporation for the taxable year for
18 which such election is made and all
19 succeeding taxable years (applicable
20 with respect to all transactions, in-
21 cluding transactions occurring before
22 such taxable year).

23 “(II) EXPANDED AFFILIATED
24 GROUPS.—In the case of any corpora-
25 tion which is a member of an ex-

1 panded affiliated group, the election
2 described in subclause (I) may be
3 made only by the common parent of
4 such group (or, in the case of a com-
5 mon parent which is not required to
6 file a return of tax under this chapter,
7 the delegate of such common parent)
8 and shall apply with respect to all
9 members of such group. For purposes
10 of the preceding sentence, the term
11 ‘expanded affiliated group’ means an
12 affiliated group as defined in section
13 1504(a), determined without regard to
14 section 1504(b)(3) and by sub-
15 stituting ‘more than 50 percent’ for
16 ‘at least 80 percent’ each place it ap-
17 pears.”.

18 (C) Section 250(b)(5)(E) is amended by
19 inserting “(other than paragraph
20 (3)(A)(i)(VIII))” after “For purposes of this
21 subsection”.

22 (2) Section 613A(d)(1) is amended by striking
23 “and” at the end of subparagraph (D), by striking
24 the period at the end of subparagraph (E) and in-

1 serting “, and”, and by inserting after subparagraph
2 (E) the following new subparagraph:

3 “(F) any deduction allowable under section
4 250.”.

5 (d) EFFECTIVE DATE.—

6 (1) IN GENERAL.—Except as provided in para-
7 graph (2), the amendments made by this section
8 shall apply to taxable years beginning after Decem-
9 ber 31, 2022.

10 (2) CERTAIN MODIFICATIONS.—The amend-
11 ments made by subsection (c) shall apply to taxable
12 years beginning after the date of the enactment of
13 this Act.

14 (e) NO INFERENCE REGARDING CERTAIN MODIFICA-
15 TIONS.—The amendments made by subsection (c) shall
16 not be construed to create any inference with respect to
17 the proper application of any provision of the Internal
18 Revenue Code of 1986 with respect to any taxable year
19 beginning before the taxable years to which such amend-
20 ments apply.

21 (f) TRANSITION RULE FOR ACCELERATED PERCENT-
22 AGE REDUCTION.—

23 (1) IN GENERAL.—In the case of any taxable
24 year which includes December 31, 2022 (other than

1 a taxable year with respect to which such date is the
2 last day of such taxable year)—

3 (A) the percentage in effect under section
4 250(a)(1)(A) of the Internal Revenue Code of
5 1986 shall be treated as being equal to the sum
6 of—

7 (i) the pre-effective date percentage of
8 37.5 percent, plus

9 (ii) the post-effective date percentage
10 of 24.8 percent, and

11 (B) the percentage in effect under section
12 250(a)(1)(B) of such Code shall be treated as
13 being equal to the sum of—

14 (i) the pre-effective date percentage of
15 50 percent, plus

16 (ii) the post-effective date percentage
17 of 28.5 percent.

18 (2) PRE- AND POST-EFFECTIVE DATE PER-
19 CENTAGES.—For purposes of this subsection, with
20 respect to any taxable year—

21 (A) the term “pre-effective date percent-
22 age” means the ratio that the number of days
23 in such taxable year which are before January
24 1, 2023, bears to the number of days in such
25 taxable year, and

1 (B) the term “post-effective date percent-
2 age” means the ratio that the number of days
3 in such taxable year which are after December
4 31, 2022, bears to the number of days in such
5 taxable year.

6 **SEC. 138122. REPEAL OF ELECTION FOR 1-MONTH DEFER-**
7 **RAL IN DETERMINATION OF TAXABLE YEAR**
8 **OF SPECIFIED FOREIGN CORPORATIONS.**

9 (a) IN GENERAL.—Section 898(c) is amended by
10 striking paragraph (2) and redesignating paragraph (3)
11 as paragraph (2).

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years of specified foreign
14 corporations beginning after November 30, 2022.

15 (c) TRANSITION RULE.—In the case of a corporation
16 that is a specified foreign corporation as of November 30,
17 2022, such corporation’s first taxable year beginning after
18 such date shall end at the same time as the first required
19 year (within the meaning of section 898(c)(1) of the Inter-
20 nal Revenue Code of 1986) ending after such date. If any
21 specified foreign corporation is required by this section (or
22 the amendments made by this section) to change its tax-
23 able year for its first taxable year beginning after Novem-
24 ber 30, 2022—

1 (1) such change shall be treated as initiated by
2 such corporation,

3 (2) such change shall be treated as having been
4 made with the consent of the Secretary, and

5 (3) the Secretary (including the Secretary's del-
6 egate in the case of any reference to the Secretary
7 in this paragraph) shall issue regulations or other
8 guidance for allocating foreign taxes that accrue in
9 such first taxable year between such taxable year
10 and the prior taxable year, including such adjust-
11 ments as the Secretary determines are necessary or
12 appropriate to carry out the purposes of this section.

13 **SEC. 138123. MODIFICATIONS OF FOREIGN TAX CREDIT**
14 **RULES APPLICABLE TO CERTAIN TAXPAYERS**
15 **RECEIVING SPECIFIC ECONOMIC BENEFITS.**

16 (a) IN GENERAL.—Section 901 is amended by redес-
17 ignating subsection (n) as subsection (o) and by inserting
18 after subsection (m) the following new subsection:

19 “(n) SPECIAL RULES RELATING TO DUAL CAPACITY
20 TAXPAYERS.—

21 “(1) GENERAL RULE.—Notwithstanding any
22 other provision of this chapter, any amount paid or
23 accrued by a dual capacity taxpayer to a foreign
24 country or possession of the United States for any
25 period shall not be considered a tax—

1 “(A) if, for such period, the foreign coun-
2 try or possession does not impose a generally
3 applicable income tax, or

4 “(B) to the extent such amount exceeds
5 the amount which would be paid or accrued by
6 such dual capacity taxpayer under the generally
7 applicable income tax imposed by such country
8 or possession if such taxpayer were not a dual
9 capacity taxpayer.

10 Nothing in this paragraph shall be construed to
11 imply the proper treatment of any such amount
12 not in excess of the amount determined under
13 subparagraph (B).

14 “(2) DUAL CAPACITY TAXPAYER.—For pur-
15 poses of this subsection, the term ‘dual capacity tax-
16 payer’ means, with respect to any foreign country or
17 possession of the United States, a person who—

18 “(A) is subject to a levy of such country or
19 possession, and

20 “(B) receives (or will receive) directly or
21 indirectly a specific economic benefit from such
22 country or possession (or any political subdivi-
23 sion, agency, or instrumentality thereof).

24 “(3) GENERALLY APPLICABLE INCOME TAX.—
25 For purposes of this subsection, the term ‘generally

1 applicable income tax’ means an income tax (or a se-
2 ries of income taxes) which is generally imposed
3 under the laws of a foreign country or possession of
4 the United States on residents of such foreign coun-
5 try or possession that are not dual capacity tax-
6 payers.”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to amounts paid or accrued after
9 December 31, 2021.

10 **SEC. 138124. MODIFICATIONS TO FOREIGN TAX CREDIT**
11 **LIMITATIONS.**

12 (a) COUNTRY-BY-COUNTRY APPLICATION OF LIMITA-
13 TION ON FOREIGN TAX CREDIT BASED ON TAXABLE
14 UNITS.—

15 (1) IN GENERAL.—Section 904 is amended by
16 inserting after subsection (d) the following new sub-
17 section:

18 “(e) COUNTRY-BY-COUNTRY APPLICATION BASED ON
19 TAXABLE UNITS.—

20 “(1) IN GENERAL.—Subsection (d) (and the
21 provisions of this title referred to in paragraph (1)
22 of such subsection) shall be applied separately with
23 respect to each country by taking into account the
24 aggregate income properly attributable or otherwise
25 allocable to a taxable unit of the taxpayer which is

1 a tax resident of (or, in the case of a branch, is lo-
2 cated in) such country.

3 “(2) TAXABLE UNITS.—

4 “(A) IN GENERAL.—Except as otherwise
5 provided by the Secretary, each item shall be
6 attributable or otherwise allocable to exactly
7 one taxable unit of the taxpayer.

8 “(B) DETERMINATION OF TAXABLE
9 UNITS.—Except as otherwise provided by the
10 Secretary, the taxable units of a taxpayer are
11 as follows:

12 “(i) GENERAL TAXABLE UNIT.—The
13 person that is the taxpayer and that is not
14 otherwise described in a separate clause of
15 this subparagraph.

16 “(ii) CERTAIN FOREIGN CORPORA-
17 TIONS.—Each foreign corporation with re-
18 spect to which the taxpayer is a United
19 States shareholder.

20 “(iii) INTERESTS IN PASS-THROUGH
21 ENTITIES.—Each interest held (directly or
22 indirectly) by the taxpayer or any con-
23 trolled foreign corporation referred to in
24 clause (ii) in a pass-through entity if such
25 pass-through entity is a tax resident of a

1 country other than the country with re-
2 spect to which such taxpayer or controlled
3 foreign corporation (as the case may be) is
4 a tax resident.

5 “(iv) BRANCHES.—Each branch (or
6 portion thereof) the activities of which are
7 directly or indirectly carried on by the tax-
8 payer or any controlled foreign corporation
9 referred to in clause (ii) and which give
10 rise to a taxable presence in a country
11 other than the country with respect to
12 which such taxpayer or controlled foreign
13 corporation (as the case may be) is a tax
14 resident.

15 “(3) DEFINITIONS AND SPECIAL RULES.—For
16 purposes of this subsection—

17 “(A) TAX RESIDENT.—Except as otherwise
18 provided by the Secretary, the term ‘tax resi-
19 dent’ means a person or entity subject to tax
20 under the tax law of a country as a resident. If
21 an entity is organized under the law of a coun-
22 try, or resident in a country, that does not im-
23 pose an income tax with respect to such enti-
24 ties, such entity shall, except as provided by the
25 Secretary, be treated as subject to tax under

1 the tax law of such country for the purposes of
2 the preceding sentence.

3 “(B) PASS-THROUGH ENTITY.—Except as
4 otherwise provided by the Secretary, the term
5 ‘pass-through entity’ includes any partnership
6 or other entity to the extent that income, gain,
7 deduction, or loss of the entity is taken into ac-
8 count in determining the income or loss of a
9 person that owns (directly or indirectly) an in-
10 terest in such entity.

11 “(C) BRANCH.—Except as otherwise pro-
12 vided by the Secretary, the term ‘branch’ means
13 a taxable presence of a tax resident in a coun-
14 try other than its country of residence as deter-
15 mined under such other country’s tax law. The
16 Secretary shall provide regulations or other
17 guidance applying such term to activities in a
18 country that do not give rise to a taxable pres-
19 ence.

20 “(D) TREATMENT OF FISCALLY AUTONO-
21 MOUS JURISDICTIONS.—Any fiscally autono-
22 mous jurisdiction shall be treated as a separate
23 country. Any possession of the United States
24 shall also be treated as a separate country.

1 “(E) POSSESSION OF THE UNITED
2 STATES.—The term ‘possession of the United
3 States’ means each of American Samoa, the
4 Commonwealth of the Northern Mariana Is-
5 lands, the Commonwealth of Puerto Rico,
6 Guam, and the Virgin Islands.

7 “(4) REGULATIONS.—The Secretary shall issue
8 such regulations or other guidance as may be nec-
9 essary or appropriate to carry out, or prevent avoid-
10 ance of, the purposes of this subsection, including
11 regulations or other guidance—

12 “(A) providing for the application of this
13 subsection to an entity or arrangement that is
14 considered a tax resident of more than one
15 country or of no country,

16 “(B) providing for the application of this
17 subsection to hybrid entities or hybrid trans-
18 actions (as such terms are used for purposes of
19 section 267A), pass-through entities, passive
20 foreign investment companies, trusts, and other
21 entities or arrangements not otherwise de-
22 scribed in this subsection, and

23 “(C) providing for the assignment of any
24 item (including foreign taxes and deductions) to
25 taxable units, including in the case of amounts

1 not otherwise taken into account in determining
2 taxable income under this chapter.”.

3 (2) APPLICATION OF SEPARATE LIMITATION
4 LOSSES WITH RESPECT TO GLOBAL INTANGIBLE
5 LOW-TAXED INCOME.—

6 (A) IN GENERAL.—Section 904(f)(5)(B) is
7 amended to read as follows:

8 “(B) ALLOCATION OF LOSSES.—Except as
9 otherwise provided in this subparagraph, the
10 separate limitation losses for any taxable year
11 (to the extent such losses do not exceed the sep-
12 arate limitation incomes for such year) shall be
13 allocated among (and operate to reduce) such
14 incomes on a proportionate basis. In the case of
15 a separate limitation loss for any taxable year
16 in any category other than subparagraph
17 (d)(1)(A), the amount of such separate limita-
18 tion loss shall be allocated among (and operate
19 to reduce) separate limitation income in any
20 category other than income described in sub-
21 paragraph (d)(1)(A) on a proportionate basis
22 (without regard to income described in subpara-
23 graph (d)(1)(A)). The remaining separate limi-
24 tation losses may reduce separate limitation in-
25 come described in subparagraph (d)(1)(A) only

1 to the extent that the aggregate amount of such
2 losses exceeds the aggregate amount of separate
3 limitation incomes (other than income described
4 in subparagraph (d)(1)(A)) for such taxable
5 year.”.

6 (B) INCOME CATEGORY.—Section
7 904(f)(5)(E)(i) is amended to read as follows:

8 “(i) INCOME CATEGORY.—The term
9 ‘income category’ means each category of
10 income with respect to which this section is
11 required to be applied separately by reason
12 of any provision of this title.”.

13 (C) SEPARATE LIMITATION LOSS.—Section
14 904(f)(5)(E)(iii) is amended to read as follows:

15 “(iii) SEPARATE LIMITATION LOSS.—
16 The term ‘separate limitation loss’ means,
17 with respect to any income category, the
18 amount by which the gross income from
19 sources outside the United States is ex-
20 ceeded by the sum of the deductions prop-
21 erly allocated and apportioned thereto.”.

22 (b) REPEAL OF SEPARATE APPLICATION TO FOR-
23 EIGN BRANCH INCOME.—

24 (1) IN GENERAL.—Section 904(d)(1) is amend-
25 ed by striking subparagraph (B) and redesignating

1 subparagraphs (C) and (D) as subparagraph (B)
2 and (C).

3 (2) COORDINATION WITH DEDUCTION FOR FOR-
4 EIGN-DERIVED INTANGIBLE INCOME.—Section
5 250(b)(3)(A) is amended—

6 (A) by striking subclause (VI) of clause (i)
7 and inserting the following new subclause:

8 “(VI) the income which is attrib-
9 utable to 1 or more branches (within
10 the meaning of section 904(e)(3)(C))
11 or pass-through entities (within the
12 meaning of section 904(e)(3)(B)) in 1
13 or more foreign countries, over”, and

14 (B) by adding at the end the following
15 flush sentence:

16 “For purposes of clause (i)(VI), the amount of
17 income attributable to a branch or pass-through
18 entity shall be determined under rules estab-
19 lished by the Secretary.”.

20 (3) AMENDMENTS.—

21 (A) Section 904(d)(2)(A)(ii) is amended by
22 striking “, foreign branch income,”.

23 (B) Section 904(d)(2)(H) is amended to
24 read as follows:

1 “(H) TREATMENT OF INCOME TAX BASE
2 DIFFERENCES.—The Secretary shall issue regu-
3 lations or other guidance assigning to the prop-
4 er category of income any tax imposed under
5 the law of a foreign country or possession of the
6 United States on an amount which does not
7 constitute income under United States tax prin-
8 ciples.”.

9 (C) Section 904(d)(2) is amended by strik-
10 ing subparagraph (J).

11 (e) MODIFICATION OF FOREIGN TAX CREDIT
12 CARRYBACK AND CARRYFORWARD.—

13 (1) REPEAL OF CARRYBACK.—Section 904(c) is
14 amended—

15 (A) by striking “in the first preceding tax-
16 able year, and”,

17 (B) by striking “preceding or” each place
18 it appears, and

19 (C) by striking “CARRYBACK AND” in the
20 heading thereof.

21 (2) APPLICATION TO LIMITATION ON FOREIGN
22 OIL AND GAS TAXES.—Section 907(f)(1) is amended
23 by striking “in the first preceding taxable year and”.

24 (3) APPLICATION OF CARRYFORWARD TO TAXES
25 ON GLOBAL INTANGIBLE LOW-TAXED INCOME.—

1 (A) IN GENERAL.—Section 904(c) is
2 amended by striking the last sentence.

3 (B) TEMPORARY LIMITATION OF
4 CARRYFORWARD TO 5 TAXABLE YEARS.—Sec-
5 tion 904(c), as amended by the preceding provi-
6 sions of this Act, is amended—

7 (i) by striking “Any amount by which
8 all taxes” and all that precedes it and in-
9 serting the following:

10 “(c) CARRYBACK AND CARRYOVER OF EXCESS TAX
11 PAID.—

12 “(1) IN GENERAL.—Any amount by which all
13 taxes”, and

14 (ii) by adding at the end the following
15 new paragraph:

16 “(2) TEMPORARY LIMITATION ON
17 CARRYFORWARD OF TAXES ON GLOBAL INTANGIBLE
18 LOW-TAXED INCOME.—

19 “(A) IN GENERAL.—In the case of taxes
20 paid or accrued with respect to amounts de-
21 scribed in subsection (d)(1)(A), paragraph (1)
22 shall be applied by substituting ‘5 succeeding
23 taxable years’ for ‘10 succeeding taxable years’.

24 “(B) TERMINATION.—Subparagraph (A)
25 shall not apply to any tax paid or accrued in a

1 taxable year beginning after December 31,
2 2030.”.

3 (d) TREATMENT OF CERTAIN TAX-EXEMPT DIVI-
4 DENDS.—

5 (1) CERTAIN TAX-EXEMPT DIVIDENDS TAKEN
6 INTO ACCOUNT IN APPLYING LIMITATIONS ON FOR-
7 EIGN TAX CREDITS.—Section 904(b) is amended by
8 striking paragraph (4).

9 (2) CERTAIN TAX-EXEMPT DIVIDENDS NOT
10 TAKEN INTO ACCOUNT IN ALLOCATING INTEREST
11 EXPENSE.—Section 864(e)(3) is amended by strik-
12 ing “or 245(a)” and inserting “, 245(a), or 245A”.

13 (e) RULES FOR ALLOCATION OF CERTAIN DEDUC-
14 TIONS TO FOREIGN SOURCE GLOBAL INTANGIBLE LOW-
15 TAXED INCOME FOR PURPOSES OF FOREIGN TAX CREDIT
16 LIMITATION.—Section 904(b), as amended by the pre-
17 ceding provisions of this Act, is amended by adding at the
18 end the following new paragraph:

19 “(4) DEDUCTIONS TREATED AS ALLOCABLE TO
20 FOREIGN SOURCE GLOBAL INTANGIBLE LOW-TAXED
21 INCOME.—In the case of a domestic corporation and
22 solely for purposes of the application of subsection
23 (a) with respect to amounts described in subsection
24 (d)(1)(A), the taxpayer’s taxable income from

1 sources without the United States shall be deter-
2 mined—

3 “(A) by allocating and apportioning any
4 deduction allowed under section 250(a)(2) (and
5 any deduction allowed under section 164(a)(3)
6 for taxes imposed on amounts described in sec-
7 tion 250(a)(2)) to such income, and

8 “(B) by allocating and apportioning any
9 other deduction to such income only if the Sec-
10 retary determines that such deduction is di-
11 rectly allocable to such income.

12 Any deduction which would (but for subparagraph
13 (B)) have been allocated or apportioned to such in-
14 come shall only be allocated or apportioned to in-
15 come which is from sources within the United
16 States.”.

17 (f) TREATMENT OF CERTAIN ASSET DISPOSI-
18 TIONS.—Section 904(b), as amended by the preceding pro-
19 visions of this Act, is amended by adding at the end the
20 following new paragraph:

21 “(5) TREATMENT OF CERTAIN ASSET DISPOSI-
22 TIONS.—

23 “(A) IN GENERAL.—Except as otherwise
24 provided by the Secretary, in the case of any
25 covered asset disposition, the principles of sec-

1 tion 338(h)(16) shall apply in determining the
2 source and character of any item for purposes
3 of this part.

4 “(B) COVERED ASSET DISPOSITION.—For
5 purposes of this paragraph, the term ‘covered
6 asset disposition’ means any transaction
7 which—

8 “(i) is treated as a disposition of as-
9 sets under subchapter N of this chapter,
10 and

11 “(ii) is treated as a disposition of
12 stock of a corporation (or is disregarded)
13 for purposes of the tax laws of a relevant
14 foreign country or possession of the United
15 States.

16 “(C) REGULATIONS.—The Secretary shall
17 issue such regulations or other guidance as is
18 necessary or appropriate to carry out, or to pre-
19 vent the avoidance of, the purposes of this
20 paragraph.”.

21 (g) REDETERMINATION OF FOREIGN TAXES AND RE-
22 LATED CLAIMS.—

23 (1) IN GENERAL.—Section 905(c) is amended—

24 (A) in paragraph (1), by striking “or” at
25 the end of subparagraph (B) and by inserting

1 after subparagraph (C) the following new sub-
2 paragraphs:

3 “(D) the taxpayer makes a timely change
4 in its choice to claim a credit or deduction for
5 taxes paid or accrued, or

6 “(E) there is any other change in the
7 amount, or treatment, of taxes, which affects
8 the taxpayer’s tax liability under this chapter,”

9 (B) in paragraph (2)(B), by striking “Any
10 such taxes” and inserting “Except as otherwise
11 provided by the Secretary, any such taxes”, and

12 (C) by striking “ACCRUED” in the heading
13 thereof.

14 (2) MODIFICATION TO TIME FOR CLAIMING
15 CREDIT OR DEDUCTION.—Section 901(a) is amended
16 by striking the second sentence and inserting the fol-
17 lowing: “ Such choice for any taxable year may be
18 made or changed at any time before the expiration
19 of the applicable period prescribed by section 6511
20 for making a claim for credit or refund of an over-
21 payment of the tax imposed by this chapter for such
22 taxable year that is attributable to such amounts.”.

23 (3) MODIFICATION TO SPECIAL PERIOD OF LIM-
24 ITATION.—Section 6511(d)(3) is amended—

25 (A) in subparagraph (A)—

1 (i) by inserting “a change in the li-
2 ability for” before “any taxes paid or ac-
3 crued”,

4 (ii) by striking “actually paid” and in-
5 serting “paid (or deemed paid under sec-
6 tion 960)”, and

7 (iii) by inserting “CHANGE IN THE LI-
8 ABILITY FOR” before “FOREIGN TAXES” in
9 the heading thereof, and

10 (B) in subparagraph (B), by striking “the
11 allowance of a credit for the taxes” and insert-
12 ing “the allowance of an additional credit by
13 reason of the change in liability for the taxes”.

14 (h) EFFECTIVE DATES.—

15 (1) IN GENERAL.—Except as otherwise pro-
16 vided in this subsection, the amendments made by
17 this section shall apply to taxable years beginning
18 after December 31, 2022.

19 (2) MODIFICATION OF FOREIGN TAX CREDIT
20 CARRYBACK AND CARRYFORWARD.—The amend-
21 ments made by subsection (c) shall apply to taxes
22 paid or accrued in taxable years beginning after De-
23 cember 31, 2022.

24 (3) TREATMENT OF CERTAIN ASSET DISPOSI-
25 TIONS.—

1 (A) IN GENERAL.—The amendment made
2 by subsection (f) shall apply to transactions
3 after the date of the enactment of this Act.

4 (B) BINDING CONTRACT EXCEPTION.—The
5 amendment made by subsection (f) shall not
6 apply to any transaction which is made pursu-
7 ant to a written binding contract which was in
8 effect on September 13, 2021, and is not modi-
9 fied in any material respect thereafter.

10 (4) REDETERMINATION OF FOREIGN TAXES
11 AND RELATED CLAIMS.—

12 (A) IN GENERAL.—Except as otherwise
13 provided in this paragraph, the amendments
14 made by subsection (g) shall apply to taxes paid
15 or accrued in taxable years beginning after De-
16 cember 31, 2021.

17 (B) CERTAIN CHANGES.—The amendments
18 made by subparagraphs (A) and (C) of sub-
19 section (g)(1) shall apply to changes that occur
20 on or after the date which is 60 days after the
21 date of the enactment of this Act.

22 (C) MODIFICATION TO SPECIAL PERIOD OF
23 LIMITATION.—The amendments made by sub-
24 section (g)(3) shall apply to taxes paid, accrued,

1 or deemed paid in taxable years beginning after
2 December 31, 2021.

3 (i) REGULATIONS.—The Secretary shall issue regula-
4 tions or other guidance providing for the application of
5 subsections (d), (e), (f), and (g) of section 904 of the In-
6 ternal Revenue Code of 1986 (as amended by this section)
7 with respect to amounts carried over under subsections
8 (c), (f), or (g) from a taxable year with respect to which
9 subsection (e) of such section does not apply to a taxable
10 year with respect to which such subsection (e) does apply
11 and from a taxable year with respect to which subsection
12 (d)(1)(B) of such section (determined without regard to
13 the amendments made by this section) applies to a taxable
14 year with respect to which such section does not apply.

15 **SEC. 138125. FOREIGN OIL AND GAS EXTRACTION INCOME**
16 **AND FOREIGN OIL RELATED INCOME TO IN-**
17 **CLUDE OIL SHALE AND TAR SANDS.**

18 (a) IN GENERAL.—Paragraphs (1)(A) and (2)(A) of
19 section 907(e) are each amended by inserting “(or oil
20 shale or tar sands)” after “oil or gas wells”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2021.

1 **SEC. 138126. MODIFICATIONS TO INCLUSION OF GLOBAL IN-**
2 **TANGIBLE LOW-TAXED INCOME.**

3 (a) COUNTRY-BY-COUNTRY APPLICATION OF SEC-
4 TION BASED ON CFC TAXABLE UNITS.—Section 951A is
5 amended by adding at the end the following new sub-
6 section:

7 “(g) COUNTRY-BY-COUNTRY APPLICATION OF SEC-
8 TION BASED ON CFC TAXABLE UNITS.—

9 “(1) IN GENERAL.—If any CFC taxable unit of
10 a United States shareholder is a tax resident of (or,
11 in the case of a branch, is located in) a country
12 which is different from the country with respect to
13 which any other CFC taxable unit of such United
14 States shareholder is a tax resident (or, in the case
15 of a branch, is located in)—

16 “(A) such shareholder’s global intangible
17 low-taxed income for purposes of subsection (a)
18 shall be the sum of the amounts of global intan-
19 gible low-taxed income determined separately
20 with respect to each such country, and

21 “(B) for purposes of determining such sep-
22 arate amounts of global intangible low-taxed in-
23 come—

24 “(i) except as otherwise provided by
25 the Secretary, any reference in subsection
26 (b), (c), or (d) to a controlled foreign cor-

1 poration of such shareholder shall be treat-
2 ed as reference to a CFC taxable unit of
3 such shareholder, and

4 “‘(ii) net CFC tested income, net
5 deemed tangible income return, qualified
6 business asset investment, interest expense
7 described in subsection (b)(2)(B), and such
8 other items and amounts as the Secretary
9 may provide, shall be determined sepa-
10 rately with respect to each such country by
11 determining such amounts with respect to
12 the CFC taxable units of such shareholder
13 which are a tax resident of such country.

14 “(2) DEFINITIONS.—For purposes of this sub-
15 section—

16 “(A) CFC TAXABLE UNIT.—The term
17 ‘CFC taxable unit’ means any taxable unit de-
18 scribed in clause (ii), (iii), or (iv) of section
19 904(e)(2)(B), determined—

20 “(i) by substituting ‘Each controlled
21 foreign corporation’ for ‘Each foreign cor-
22 poration’ in clause (ii) of such section, and

23 “(ii) without regard to the references
24 to the taxpayer in clauses (iii) and (iv) of
25 such section.

1 “(B) APPLICATION OF OTHER DEFINI-
2 TIONS.—Terms used in this subsection which
3 are also used in section 904(e) shall have the
4 same meaning as when used in section 904(e).

5 “(3) SPECIAL RULES.—For purposes of this
6 subsection—

7 “(A) APPLICATION OF CERTAIN RULES.—
8 Except as otherwise provided by the Secretary,
9 rules similar to the rules of section 904(e) shall
10 apply.

11 “(B) ALLOCATION OF GLOBAL INTANGIBLE
12 LOW-TAXED INCOME TO CONTROLLED FOREIGN
13 CORPORATIONS.—Except as otherwise provided
14 by the Secretary, subsection (f)(2) shall be ap-
15 plied separately with respect to each CFC tax-
16 able unit.”.

17 (b) REGULATORY AUTHORITY.—

18 (1) IN GENERAL.—Section 951A, as amended
19 by subsection (a), is amended by adding at the end
20 the following new subsection:

21 “(h) REGULATIONS.—The Secretary shall issue such
22 regulations or other guidance as may be necessary or ap-
23 propriate to carry out, or prevent the avoidance of, the
24 purposes of this section, including regulations or guidance
25 which provide for—

1 “(1) the treatment of property if such property
2 is transferred, or held, temporarily,

3 “(2) the treatment of property if the avoidance
4 of the purposes of this section is a factor in the
5 transfer or holding of such property,

6 “(3) appropriate adjustments to the basis of
7 stock and other ownership interests, and to earnings
8 and profits, to reflect tested losses (whether or not
9 taken into account in determining global intangible
10 low-taxed income),

11 “(4) rules similar to the rules provided under
12 the regulations or guidance issued under section
13 904(e)(4),

14 “(5) other appropriate basis adjustments,

15 “(6) appropriate adjustments to be made, and
16 appropriate tax attributes and records to be main-
17 tained, separately with respect to CFC taxable units,
18 and

19 “(7) appropriate adjustments in determining
20 tested income or tested loss if property is trans-
21 ferred between related parties or amounts are paid
22 or accrued between related parties.”.

23 (2) CONFORMING AMENDMENT.—Section
24 951A(d) is amended—

25 (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 redesignig-
22 nating 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 serting 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 DISTRIBU-**
9 **TIONS FOR HIGH-INCOME TAXPAYERS WITH**
10 **LARGE RETIREMENT ACCOUNT BALANCES.**

11 (a) IN GENERAL.—Section 4974 is amended by add-
12 ing at the end the following:

13 “(e) INCREASE IN MINIMUM REQUIRED DISTRIBU-
14 TIONS FOR HIGH-INCOME TAXPAYERS WITH LARGE AG-
15 GREGATE ACCOUNT BALANCES.—

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 efiary 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

1924

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-

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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

1926

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 cessary 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.

1930

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—

1932

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 **EIGN 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 appli-
11 cable 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-

1949

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-

1950

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

1953

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,

1960

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-

1961

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—

1963

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—

1971

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—

1973

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’

1974

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).

1976

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-

1977

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.—

1983

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).

1987

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.

1988

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).

1990

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.

1992

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 10 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

1993

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

1994

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.

1995

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.

1996

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

1997

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

1998

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-

1999

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.

2002

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.

2003

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 (c) 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.—

2004

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 non-Federal average manufac-
11 turer price for such drug for 2020 (or, in the
12 case that there is not a non-Federal average
13 manufacturer price available for such drug for
14 2020, for the first full year following the mar-
15 ket entry for such drug), increased by the per-
16 centage increase in the consumer price index for
17 all urban consumers (all items; United States
18 city average) from 2020 (or such first full year
19 following the market entry), as applicable, to
20 the year prior to the selected drug publication
21 date with respect to such initial price applica-
22 bility year.

23 “(B) INITIAL PRICE APPLICABILITY YEAR
24 2026 AND SUBSEQUENT YEARS.—In the case of
25 a selected drug with respect to which such ini-

2005

1 tial price applicability year is 2026 or a subse-
2 quent year, the lower of—

3 “(i) the non-Federal average manufac-
4 turer price for such drug for 2020 (or, in
5 the case that there is not a non-Federal
6 average manufacturer price available for
7 such drug for 2020, for the first full year
8 following the market entry for such drug),
9 increased by the percentage increase in the
10 consumer price index for all urban con-
11 sumers (all items; United States city aver-
12 age) from 2020 (or such first full year fol-
13 lowing the market entry), as applicable, to
14 the year prior to the selected drug publica-
15 tion date with respect to such initial price
16 applicability year; or

17 “(ii) the non-Federal average manu-
18 facturer price for such drug for the year
19 prior to the selected drug publication date
20 with respect to such initial price applica-
21 bility year.

22 “(2) APPLICABLE PERCENT DESCRIBED.—For
23 purposes of paragraph (1), the applicable percent
24 described in this paragraph is the following:

1 “(A) SHORT-MONOPOLY DRUGS.—With re-
2 spect to a selected drug (other than a post-ex-
3 clusivity drug and a long-monopoly drug), 75
4 percent.

5 “(B) POST-EXCLUSIVITY DRUGS.—With re-
6 spect to a post-exclusivity drug, 65 percent.

7 “(C) LONG-MONOPOLY DRUGS.—With re-
8 spect to a long-monopoly drug, 40 percent.

9 “(3) POST-EXCLUSIVITY DRUG DEFINED.—

10 “(A) IN GENERAL.—In this part, subject
11 to subparagraph (B), the term ‘post-exclusivity
12 drug’ means, with respect to an initial price ap-
13 plicability year, a selected drug for which at
14 least 12 years, but fewer than 16 years, have
15 elapsed since the date of approval of such drug
16 under section 505(c) of the Federal Food,
17 Drug, and Cosmetic Act or since the date of li-
18 censure of such drug under section 351(a) of
19 the Public Health Service Act, as applicable.

20 “(B) EXCLUSIONS.—The term ‘post-exclu-
21 sivity drug’ shall not include any of the fol-
22 lowing:

23 “(i) A vaccine that is licensed under
24 section 351 of the Public Health Service

2007

1 Act and marketed pursuant to such sec-
2 tion.

3 “(ii) A selected drug that had an
4 agreement under this part with the Sec-
5 retary prior to the initial price applicability
6 year 2030.

7 “(C) CLARIFICATION.—Nothing in sub-
8 paragraph (B)(ii) shall limit the transition of a
9 selected drug described in paragraph (2)(A) to
10 a long-monopoly drug if the selected drug meets
11 the definition of a long-monopoly drug.

12 “(4) LONG-MONOPOLY DRUG DEFINED.—

13 “(A) IN GENERAL.—In this part, subject
14 to subparagraph (B), the term ‘long-monopoly
15 drug’ means, with respect to an initial price ap-
16 plicability year, a selected drug for which at
17 least 16 years have elapsed since the date of
18 approval of such drug under section 505(c) of
19 the Federal Food, Drug, and Cosmetic Act or
20 since the date of licensure of such drug under
21 section 351(a) of the Public Health Service Act,
22 as applicable.

23 “(B) EXCLUSION.—The term ‘long-monop-
24 oly drug’ shall not include a vaccine that is li-
25 censed under section 351 of the Public Health

2008

1 Service Act and marketed pursuant to such sec-
2 tion.

3 “(5) NON-FEDERAL AVERAGE MANUFACTURER
4 PRICE.—In this part, the term ‘non-Federal average
5 manufacturer price’ has the meaning given such
6 term in section 8126(h)(5) of title 38, United States
7 Code.

8 “(d) TEMPORARY FLOOR FOR SMALL BIOTECH
9 DRUGS.—In the case of a selected drug that is a quali-
10 fying single source drug described in section 1192(d)(2)
11 and with respect to which the first initial price applica-
12 bility year of the price applicability period with respect to
13 such drug is 2028 or 2029, the maximum fair price nego-
14 tiated under this section for such drug for such initial
15 price applicability year may not be less than 66 percent
16 of the non-Federal average manufacturer price for such
17 drug (as defined and applied in subsection (c)(4)) for
18 2020 (or, in the case that there is not a non-Federal aver-
19 age manufacturer price available for such drug for 2020,
20 for the first full year following the market entry for such
21 drug), increased by the percentage increase in the con-
22 sumer price index for all urban consumers (all items;
23 United States city average) from 2020 (or such first full
24 year following the market entry), as applicable, to the year

2009

1 prior to the selected drug publication date with respect
2 to the initial price applicability year.

3 “(e) CONSIDERATIONS.—For purposes of negotiating
4 the maximum fair price of a selected drug under this part
5 with the manufacturer of the drug, the Secretary shall
6 consider the following factors (and, with respect to post-
7 exclusivity drugs and long-monopoly drugs, shall not con-
8 sider factors other than those described in subparagraphs
9 (B) and (C) of paragraph (1)):

10 “(1) MANUFACTURER-SPECIFIC INFORMA-
11 TION.—The following information, with respect to
12 such selected drug, including as submitted by the
13 manufacturer:

14 “(A) Research and development costs of
15 the manufacturer for the drug and the extent to
16 which the manufacturer has recouped research
17 and development costs.

18 “(B) Market data for the drug, including
19 the distribution of sales across different pro-
20 grams and purchasers and projected future rev-
21 enues for the drug.

22 “(C) Unit costs of production and distribu-
23 tion of the drug.

2010

1 “(D) Prior Federal financial support for
2 novel therapeutic discovery and development
3 with respect to the drug.

4 “(E) Data on patents and on existing and
5 pending exclusivity for the drug.

6 “(F) National sales data for the drug.

7 “(G) Information on clinical trials for the
8 drug.

9 “(2) INFORMATION ON UNMET MEDICAL NEEDS
10 AND ALTERNATIVE TREATMENTS.—The following in-
11 formation, with respect to such selected drug:

12 “(A) The extent to which the drug rep-
13 represents a therapeutic advance as compared to
14 existing therapeutic alternatives and, to the ex-
15 tent such information is available, the costs of
16 such existing therapeutic alternatives.

17 “(B) Information on approval by the Food
18 and Drug Administration of alternative drug
19 products or biological products.

20 “(C) Information on comparative effective-
21 ness analysis for such products, taking into
22 consideration the effects of such products on
23 specific populations, such as individuals with
24 disabilities, the elderly, the terminally ill, chil-
25 dren, and other patient populations.

2011

1 “(D) The extent to which the drug ad-
2 dresses unmet medical needs for a condition for
3 which treatment or diagnosis is not addressed
4 adequately by available therapy.

5 In considering information described in subpara-
6 graph (C), the Secretary shall not use evidence or
7 findings from comparative clinical effectiveness re-
8 search in a manner that treats extending the life of
9 an elderly, disabled, or terminally ill individual as of
10 lower value than extending the life of an individual
11 who is younger, nondisabled, or not terminally ill.

12 “(3) ADDITIONAL INFORMATION.—Information
13 submitted to the Secretary, in accordance with a
14 process specified by the Secretary, by other parties
15 that are affected by the establishment of a maximum
16 fair price for the selected drug.

17 “(f) RENEGOTIATION PROCESS.—

18 “(1) IN GENERAL.—In the case of a renegoti-
19 ation-eligible drug (as defined in paragraph (2)) that
20 is selected under paragraph (3), the Secretary shall
21 provide for a process of renegotiation (for years (be-
22 ginning with 2027) during the price applicability pe-
23 riod, with respect to such drug) of the maximum fair
24 price for such drug consistent with paragraph (4).

2012

1 “(2) RENEGOTIATION-ELIGIBLE DRUG DE-
2 FINED.—In this section, the term ‘renegotiation-eli-
3 gible drug’ means a selected drug that is any of the
4 following:

5 “(A) ADDITION OF NEW INDICATION.—A
6 selected drug for which a new indication is
7 added to the drug.

8 “(B) CHANGE OF STATUS TO A POST-EX-
9 CLUSIVITY DRUG.—A selected drug that is de-
10 scribed in section 1192(d)(1)(A) that—

11 “(i) is not a post-exclusivity drug or a
12 long-monopoly drug; and

13 “(ii) for which there is a change in
14 status to that of a post-exclusivity drug.

15 “(C) CHANGE OF STATUS TO A LONG-MO-
16 NOPOLY DRUG.—A selected drug that is de-
17 scribed in section 1192(d)(1)(A) that—

18 “(i) is not a long-monopoly drug; and

19 “(ii) for which there is a change in
20 status to that of a long-monopoly drug.

21 “(D) MATERIAL CHANGES.—A selected
22 drug for which the Secretary determines there
23 has been a material change of factors described
24 in paragraph (1) or (2) of subsection (e).

2013

1 “(3) SELECTION OF DRUGS FOR RENEGOTI-
2 ATION.—Each year the Secretary shall select among
3 renegotiation-eligible drugs for renegotiation as fol-
4 lows:

5 “(A) ALL POST-EXCLUSIVITY NEGOTIA-
6 TION-ELIGIBLE DRUGS.—The Secretary shall
7 select all renegotiation-eligible drugs described
8 in paragraph (2)(B).

9 “(B) ALL LONG-MONOPOLY NEGOTIATION-
10 ELIGIBLE DRUGS.—The Secretary shall select
11 all renegotiation-eligible drugs described in
12 paragraph (2)(C).

13 “(C) REMAINING DRUGS.—Among the re-
14 maining renegotiation-eligible drugs described
15 in subparagraphs (A) and (D) of paragraph (2),
16 the Secretary shall select renegotiation-eligible
17 drugs for which the Secretary expects renegoti-
18 ation is likely to result in a significant change
19 in the maximum fair price otherwise negotiated.

20 “(4) RENEGOTIATION PROCESS.—The Secretary
21 shall specify the process for renegotiation of max-
22 imum fair prices with the manufacturer of a renego-
23 tiation-eligible drug selected for renegotiation under
24 this subsection. Such process shall, to the extent
25 practicable, be consistent with the methodology and

2014

1 process established under subsection (b) and in ac-
2 cordance with subsections (c) and (d), and for pur-
3 poses of applying subsections (c) and (d), the ref-
4 erence to the first initial price applicability year of
5 the price applicability period with respect to such
6 drug shall be treated as the first initial price appli-
7 cability year of such period for which the maximum
8 fair price established pursuant to such renegotiation
9 applies, including for applying subsection (c)(2)(B)
10 in the case of renegotiation-eligible drugs described
11 in paragraph (3)(A) of this subsection and sub-
12 section (c)(2)(C) in the case of renegotiation-eligible
13 drugs described in paragraph (3)(B) of this sub-
14 section.

15 “(5) CLARIFICATION.—A renegotiation-eligible
16 drug for which the Secretary makes a determination
17 described in section 1192(c)(1) before or during the
18 period of renegotiation shall not be subject to the re-
19 negotiation process under this section.

20 “(6) NO ADMINISTRATIVE OR JUDICIAL RE-
21 VIEW.—The determination of renegotiation-eligible
22 drugs under paragraph (2) and the selection of re-
23 negotiation-eligible drugs under paragraph (3) are
24 not subject to administrative or judicial review.

2015

1 “(g) REQUEST FOR INFORMATION.—For purposes of
2 negotiating and, as applicable, renegotiating (including for
3 purposes of determining whether to renegotiate) the max-
4 imum fair price of a selected drug under this part with
5 the manufacturer of the drug, with respect to a price ap-
6 plicability period, and other relevant data for purposes of
7 this section—

8 “(1) the Secretary shall, not later than the se-
9 lected drug publication date with respect to the ini-
10 tial price applicability year of such period, request
11 drug pricing information from the manufacturer of
12 such selected drug, including information described
13 in subsection (e)(1); and

14 “(2) by not later than March 1 following the se-
15 lected drug publication date, the manufacturer of
16 such selected drug shall submit to the Secretary
17 such requested information in such form and man-
18 ner as the Secretary requires.

19 The Secretary shall request, from the manufacturer or
20 others, all additional information needed to carry out the
21 negotiation and renegotiation process under this section.

22 “(h) IMPLEMENTATION FOR 2025 AND 2026.—Not-
23 withstanding any other provision of this part, the Sec-
24 retary shall implement this section for 2025 and 2026 by
25 program instruction or otherwise.

2016

1 **“SEC. 1195. PUBLICATION OF MAXIMUM FAIR PRICES.**

2 “(a) IN GENERAL.—With respect to an initial price
3 applicability year and a selected drug with respect to such
4 year—

5 “(1) not later than November 15 of the year
6 that is 2 years prior to such initial price applicability
7 year, the Secretary shall publish on CMS.gov the
8 maximum fair price for such drug negotiated under
9 this part with the manufacturer of such drug;

10 “(2) not later than November 30 of the year
11 that is 2 years prior to such initial price applicability
12 year, the Secretary shall publish in the Federal Reg-
13 ister the maximum fair price for such drug described
14 in paragraph (1); and

15 “(3) not later than March 1 of the year prior
16 to such initial price applicability year, the Secretary
17 shall publish in the Federal Register, subject to sec-
18 tion 1193(c) and based on the considerations as de-
19 scribed in section 1194(e), the explanation for the
20 maximum fair price for such drug described in para-
21 graphs (1) and (2).

22 “(b) UPDATES.—

23 “(1) SUBSEQUENT YEAR MAXIMUM FAIR
24 PRICES.—For a selected drug, for each year subse-
25 quent to first initial price applicability year of the
26 price applicability period with respect to such drug,

2017

1 with respect to which an agreement for such drug is
2 in effect under section 1193, not later than Novem-
3 ber 30 of the year that is 2 years prior to such sub-
4 sequent year, the Secretary shall publish in the Fed-
5 eral Register the maximum fair price applicable to
6 such drug and year, which shall be—

7 “(A) subject to subparagraph (B), the
8 amount equal to the maximum fair price pub-
9 lished for such drug for the previous year, in-
10 creased by the annual percentage increase in
11 the consumer price index for all urban con-
12 sumers (all items; U.S. city average) as of Sep-
13 tember of such previous year; or

14 “(B) in the case the maximum fair price
15 for such drug was renegotiated, for the first
16 year for which such price as so renegotiated ap-
17 plies, such renegotiated maximum fair price.

18 “(2) PRICES NEGOTIATED AFTER DEADLINE.—
19 In the case of a selected drug with respect to an ini-
20 tial price applicability year for which the maximum
21 fair price is determined under this part after the
22 date of publication under this section, the Secretary
23 shall publish such maximum fair price in the Fed-
24 eral Register by not later than 30 days after the
25 date such maximum price is so determined.

2018

1 **“SEC. 1196. ADMINISTRATIVE DUTIES; COORDINATION PRO-**
2 **VISIONS.**

3 “(a) ADMINISTRATIVE DUTIES.—

4 “(1) IN GENERAL.—For purposes of section
5 1191, the administrative duties described in this sec-
6 tion are the following:

7 “(A) The establishment of procedures to
8 ensure that the maximum fair price for a se-
9 lected drug is applied before—

10 “(i) any coverage or financial assist-
11 ance under other health benefit plans or
12 programs that provide coverage or finan-
13 cial assistance for the purchase or provi-
14 sion of prescription drug coverage on be-
15 half of maximum fair price eligible individ-
16 uals; and

17 “(ii) any other discounts.

18 “(B) The establishment of procedures to
19 compute and apply the maximum fair price
20 across different strengths and dosage forms of
21 a selected drug and not based on the specific
22 formulation or package size or package type of
23 the drug.

24 “(C) The establishment of procedures to
25 carry out the provisions of this part, as applica-
26 ble, with respect to—

2019

1 “(i) maximum fair price eligible indi-
2 viduals who are enrolled under a prescrip-
3 tion drug plan under part D of title XVIII
4 or an MA–PD plan under part C of such
5 title; and

6 “(ii) maximum fair price eligible indi-
7 viduals who are enrolled under part B of
8 such title, including who are enrolled under
9 an MA plan under part C of such title.

10 “(D) The establishment of a negotiation
11 process and renegotiation process in accordance
12 with section 1194, including a process for ac-
13 quiring information described in subsection (e)
14 of such section.

15 “(E) The establishment of an online portal
16 which manufacturers shall be required to use to
17 submit information described in section
18 1194(b)(2)(A).

19 “(F) The sharing with the Secretary of the
20 Treasury of such information as is necessary to
21 determine the tax imposed by section 4192 of
22 the Internal Revenue Code of 1986 (relating to
23 enforcement of this part).

2020

1 “(G) The establishment of an attestation
2 and verification process for purposes of apply-
3 ing section 1192(d)(2)(B).

4 “(2) MONITORING COMPLIANCE.—The Sec-
5 retary shall monitor compliance by a manufacturer
6 with the terms of an agreement under section 1193,
7 including by establishing a mechanism through
8 which violations of such terms shall be reported.

9 “(b) IMPLEMENTATION FOR 2025 AND 2026.—Not-
10 withstanding any other provision of this part, the Sec-
11 retary shall implement this section for 2025 and 2026 by
12 program instruction or otherwise.

13 **“SEC. 1197. CIVIL MONETARY PENALTY.**

14 “(a) VIOLATIONS RELATING TO OFFERING OF MAX-
15 IMUM FAIR PRICE.—Any manufacturer of a selected drug
16 that has entered into an agreement under section 1193,
17 with respect to a year during the price applicability period
18 with respect to such drug, that does not provide access
19 to a price that is not more than the maximum fair price
20 (or a lesser price) for such drug for such year—

21 “(1) to a maximum fair price eligible individual
22 who with respect to such drug is described in sub-
23 paragraph (A) of section 1191(c)(1) and who is dis-
24 pensed such drug during such year (and to phar-
25 macies, mail order services, and other dispensers,

2021

1 with respect to such maximum fair price eligible in-
2 dividuals who are dispensed such drugs); or

3 “(2) to a hospital, physician, or other provider
4 of services or supplier with respect to maximum fair
5 price eligible individuals who with respect to such
6 drug is described in subparagraph (B) of such sec-
7 tion and is furnished or administered such drug by
8 such hospital, physician, or provider or supplier dur-
9 ing such year;

10 shall be subject to a civil monetary penalty equal to ten
11 times the amount equal to the product of the number of
12 units of such drug so furnished, dispensed, or adminis-
13 tered during such year and the difference between the
14 price for such drug made available for such year by such
15 manufacturer with respect to such individual or hospital,
16 physician, provider of services, or supplier and the max-
17 imum fair price for such drug for such year.

18 “(b) VIOLATIONS OF CERTAIN TERMS OF AGREE-
19 MENT.—Any manufacturer of a selected drug that has en-
20 tered into an agreement under section 1193, with respect
21 to a year during the price applicability period with respect
22 to such drug, that is in violation of a requirement imposed
23 pursuant to section 1193(a)(5), including the requirement
24 to submit information pursuant to section 1193(a)(4),

2022

1 shall be subject to a civil monetary penalty equal to
2 \$1,000,000 for each day of such violation.

3 “(c) FALSE INFORMATION.—Any manufacturer that
4 knowingly provides false information for the attestation
5 process or verification process established pursuant to sec-
6 tion 1196(a)(1)(H), shall be subject to a civil monetary
7 penalty equal to \$100,000,000 for each item of such false
8 information.

9 “(d) APPLICATION.—The provisions of section 1128A
10 (other than subsections (a) and (b)) shall apply to a civil
11 monetary penalty under this section in the same manner
12 as such provisions apply to a penalty or proceeding under
13 section 1128A(a).”.

14 (b) APPLICATION OF MAXIMUM FAIR PRICES AND
15 CONFORMING AMENDMENTS.—

16 (1) UNDER MEDICARE.—

17 (A) APPLICATION TO PAYMENTS UNDER
18 PART B.—Section 1847A(b)(1)(B) of the Social
19 Security Act (42 U.S.C. 1395w–3a(b)(1)(B)) is
20 amended by inserting “or in the case of such a
21 drug or biological that is a selected drug (as re-
22 ferred to in section 1192(c)), with respect to a
23 price applicability period (as defined in section
24 1191(b)(2)), 106 percent of the maximum fair
25 price (as defined in section 1191(c)(2)) applica-

2024

1 inserting “for covered part D drugs; and”;

2 and

3 (iii) by adding at the end the fol-
4 lowing:

5 “(3) may not institute a price structure for the
6 reimbursement of covered part D drugs, except as
7 provided under part E of title XI.”

8 (D) APPLICATION AS NEGOTIATED PRICE
9 UNDER PART D.—Section 1860D–2(d)(1) of the
10 Social Security Act (42 U.S.C. 1395w–
11 102(d)(1)) is amended—

12 (i) in subparagraph (B), by inserting
13 “, subject to subparagraph (D),” after
14 “negotiated prices”; and

15 (ii) by adding at the end the following
16 new subparagraph:

17 “(D) APPLICATION OF MAXIMUM FAIR
18 PRICE FOR SELECTED DRUGS.—In applying this
19 section, in the case of a covered part D drug
20 that is a selected drug (as referred to in section
21 1192(c)), with respect to a price applicability
22 period (as defined in section 1191(b)(2)), the
23 negotiated prices used for payment (as de-
24 scribed in this subsection) shall be no greater
25 than the maximum fair price (as defined in sec-

2025

1 tion 1191(c)(2)) for such drug and for each
2 year during such period plus any dispensing
3 fees for such drug.”.

4 (E) COVERAGE OF SELECTED DRUGS.—
5 Section 1860D–4(b)(3) of the Social Security
6 Act (42 U.S.C. 1395w–104(b)(3)) is amended
7 by adding at the end the following new sub-
8 paragraph:

9 “(I) REQUIRED INCLUSION OF SELECTED
10 DRUGS.—For 2025 and each subsequent year,
11 the PDP sponsor offering a prescription drug
12 plan shall include each covered part D drug
13 that is a selected drug under section 1192 for
14 which an agreement for such drug is in effect
15 under section 1193 with respect to the year.”.

16 (F) INFORMATION FROM PRESCRIPTION
17 DRUG PLANS AND MA–PD PLANS REQUIRED.—

18 (i) PRESCRIPTION DRUG PLANS.—Sec-
19 tion 1860D–12(b) of the Social Security
20 Act (42 U.S.C. 1395w–112(b)) is amended
21 by adding at the end the following new
22 paragraph:

23 “(8) PROVISION OF INFORMATION RELATED TO
24 MAXIMUM FAIR PRICES.—Each contract entered into
25 with a PDP sponsor under this part with respect to

1 a prescription drug plan offered by such sponsor
2 shall require the sponsor to provide information to
3 the Secretary as requested by the Secretary in ac-
4 cordance with section 1194(g).”.

5 (ii) MA–PD PLANS.—Section
6 1857(f)(3) of the Social Security Act (42
7 U.S.C. 1395w–27(f)(3)) is amended by
8 adding at the end the following new sub-
9 paragraph:

10 “(E) PROVISION OF INFORMATION RE-
11 LATED TO MAXIMUM FAIR PRICES.—Section
12 1860D–12(b)(8).”.

13 (2) DRUG PRICE NEGOTIATION PROGRAM
14 PRICES INCLUDED IN BEST PRICE.—Section
15 1927(c)(1)(C) of the Social Security Act (42 U.S.C.
16 1396r–8(c)(1)(C)) is amended—

17 (A) in clause (i)(VI), by striking “any
18 prices charged” and inserting “subject to clause
19 (ii)(V), any prices charged”; and

20 (B) in clause (ii)—

21 (i) in subclause (III), by striking at
22 the end “; and”;

23 (ii) in subclause (IV), by striking at
24 the end the period and inserting “; and”;

25 and

2027

1 (iii) by adding at the end the fol-
2 lowing new subclause:

3 “(V) in the case of a rebate pe-
4 riod and a covered outpatient drug
5 that is a selected drug (as referred to
6 in section 1192(c)) during such rebate
7 period, shall be inclusive of the max-
8 imum fair price (as defined in section
9 1191(c)(2)) for such drug with re-
10 spect to such period.”.

11 **SEC. 139002. SELECTED DRUG MANUFACTURER EXCISE TAX**
12 **IMPOSED DURING NONCOMPLIANCE PERI-**
13 **ODS.**

14 (a) IN GENERAL.—Chapter 32 of the Internal Rev-
15 enue Code of 1986 is amended by adding at the end the
16 following new subchapter:

17 **“Subchapter E—Other Items**

“Sec. 4192. Selected drugs during noncompliance periods.

18 **“SEC. 4192. SELECTED DRUGS DURING NONCOMPLIANCE**
19 **PERIODS.**

20 “(a) IN GENERAL.—There is hereby imposed on the
21 sale by the manufacturer, producer, or importer of any
22 selected drug during a day described in subsection (b) a
23 tax in an amount such that the applicable percentage is
24 equal to the ratio of—

1 “(1) such tax, divided by

2 “(2) the sum of such tax and the price for
3 which so sold.

4 “(b) NONCOMPLIANCE PERIODS.—A day is described
5 in this subsection with respect to a selected drug if it is
6 a day during one of the following periods:

7 “(1) The period beginning on the March 1st
8 immediately following the selected drug publication
9 date and ending on the first date during which the
10 manufacturer of the drug has in place an agreement
11 described in subsection (a) of section 1193 of the
12 Social Security Act with respect to such drug.

13 “(2) The period beginning on the November
14 2nd immediately following the March 1st described
15 in paragraph (1) and ending on the first date during
16 which the manufacturer of the drug and the Sec-
17 retary have agreed to a maximum fair price under
18 such agreement.

19 “(3) In the case of a selected drug with respect
20 to which the Secretary of Health and Human Serv-
21 ices has specified a renegotiation period under such
22 agreement, the period beginning on the first date
23 after the last date of such renegotiation period and
24 ending on the first date during which the manufac-

1 turer of the drug has agreed to a renegotiated max-
2 imum fair price under such agreement.

3 “(4) With respect to information that is re-
4 quired to be submitted to the Secretary of Health
5 and Human Services under such agreement, the pe-
6 riod beginning on the date on which such Secretary
7 certifies that such information is overdue and ending
8 on the date that such information is so submitted.

9 “(c) APPLICABLE PERCENTAGE.—For purposes of
10 this section, the term ‘applicable percentage’ means—

11 “(1) in the case of sales of a selected drug dur-
12 ing the first 90 days described in subsection (b) with
13 respect to such drug, 65 percent,

14 “(2) in the case of sales of such drug during
15 the 91st day through the 180th day described in
16 subsection (b) with respect to such drug, 75 percent,

17 “(3) in the case of sales of such drug during
18 the 181st day through the 270th day described in
19 subsection (b) with respect to such drug, 85 percent,
20 and

21 “(4) in the case of sales of such drug during
22 any subsequent day, 95 percent.

23 “(d) SELECTED DRUG.—For purposes of this sec-
24 tion—

1 “(1) IN GENERAL.—The term ‘selected drug’
2 means any selected drug (within the meaning of sec-
3 tion 1192 of the Social Security Act) which is manu-
4 factured or produced in the United States or entered
5 into the United States for consumption, use, or
6 warehousing.

7 “(2) UNITED STATES.—The term ‘United
8 States’ has the meaning given such term by section
9 4612(a)(4).

10 “(3) COORDINATION WITH RULES FOR POSSES-
11 SIONS OF THE UNITED STATES.—Rules similar to
12 the rules of paragraphs (2) and (4) of section
13 4132(e) shall apply for purposes of this section.

14 “(e) OTHER DEFINITIONS.—For purposes of this
15 section, the terms ‘selected drug publication date’ and
16 ‘maximum fair price’ have the meaning given such terms
17 in section 1191 of the Social Security Act.

18 “(f) ANTI-ABUSE RULE.—In the case of a sale which
19 was timed for the purpose of avoiding the tax imposed by
20 this section, the Secretary may treat such sale as occur-
21 ring during a day described in subsection (b).”.

22 (b) NO DEDUCTION FOR EXCISE TAX PAYMENTS.—
23 Section 275(a)(6) of the Internal Revenue Code of 1986
24 is amended by inserting “or by section 4192” before the
25 period at the end.

1 (c) CERTAIN EXEMPTIONS FROM TAX NOT APPLICA-
2 BLE.—

3 (1) Section 4221(a) of the Internal Revenue
4 Code of 1986 is amended by adding at the end the
5 following: “In the case of the tax imposed by section
6 4192, paragraphs (3), (4), (5), and (6) shall not
7 apply.”.

8 (2) Section 6416(b)(2) of such Code is amend-
9 ed by adding at the end the following: “In the case
10 of the tax imposed by section 4192, subparagraphs
11 (B), (C), (D), and (E) shall not apply.”.

12 (d) CLERICAL AMENDMENT.—The table of sub-
13 chapters for chapter 32 of such Code is amended by add-
14 ing at the end the following new item:

“SUBCHAPTER E. OTHER ITEMS”.

15 (e) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to sales after the date of the enact-
17 ment of this Act.

18 **SEC. 139003. FUNDING.**

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, to remain avail-
22 able until expended—

23 (1) \$300,000,000 to carry out the provisions of,
24 including the amendments made by, this part in fis-
25 cal year 2022;

2032

1 (2) \$300,000,000 to carry out the provisions of,
2 including the amendments made by, this part in fis-
3 cal year 2023;

4 (3) \$300,000,000 to carry out the provisions of,
5 including the amendments made by, this part in fis-
6 cal year 2024;

7 (4) \$300,000,000 to carry out the provisions of,
8 including the amendments made by, this part in fis-
9 cal year 2025;

10 (5) \$300,000,000 to carry out the provisions of,
11 including the amendments made by, this part in fis-
12 cal year 2026;

13 (6) \$300,000,000 to carry out the provisions of,
14 including the amendments made by, this part in fis-
15 cal year 2027;

16 (7) \$300,000,000 to carry out the provisions of,
17 including the amendments made by, this part in fis-
18 cal year 2028;

19 (8) \$300,000,000 to carry out the provisions of,
20 including the amendments made by, this part in fis-
21 cal year 2029;

22 (9) \$300,000,000 to carry out the provisions of,
23 including the amendments made by, this part in fis-
24 cal year 2030; and

2033

1 (10) \$300,000,000 to carry out the provisions
2 of, including the amendments made by, this part in
3 fiscal year 2031.

4 **PART 2—PRESCRIPTION DRUG INFLATION**
5 **REBATES**

6 **SEC. 139101. MEDICARE PART B REBATE BY MANUFACTUR-**
7 **ERS.**

8 (a) IN GENERAL.—Section 1847A of the Social Secu-
9 rity Act (42 U.S.C. 1395w–3a) is amended—

10 (1) by redesignating subsection (h) as sub-
11 section (i) and by inserting after subsection (g) the
12 following subsection:

13 “(h) REBATE BY MANUFACTURERS FOR SINGLE
14 SOURCE DRUGS AND BIOLOGICALS WITH PRICES IN-
15 CREASING FASTER THAN INFLATION.—

16 “(1) REQUIREMENTS.—

17 “(A) SECRETARIAL PROVISION OF INFOR-
18 MATION.—Not later than 6 months after the
19 end of each calendar quarter beginning on or
20 after July 1, 2023, the Secretary shall, for each
21 part B rebatable drug, report to each manufac-
22 turer of such part B rebatable drug the fol-
23 lowing for such calendar quarter:

24 “(i) Information on the total number
25 of billing units of the billing and payment

2034

1 code described in subparagraph (A)(i) of
2 paragraph (3) with respect to such drug
3 and calendar quarter.

4 “(ii) Information on the amount (if
5 any) of the excess average sales price in-
6 crease described in subparagraph (A)(ii) of
7 such paragraph for such drug and calendar
8 quarter.

9 “(iii) The rebate amount specified
10 under such paragraph for such part B
11 rebatable drug and calendar quarter.

12 “(B) MANUFACTURER REQUIREMENT.—
13 For each calendar quarter beginning on or after
14 July 1, 2023, the manufacturer of a part B
15 rebatable drug shall, for such drug, not later
16 than 30 days after the date of receipt from the
17 Secretary of the information described in sub-
18 paragraph (A) for such calendar quarter, pro-
19 vide to the Secretary a rebate that is equal to
20 the amount specified in paragraph (3) for such
21 drug for such calendar quarter.

22 “(2) PART B REBATABLE DRUG DEFINED.—

23 “(A) IN GENERAL.—In this subsection, the
24 term ‘part B rebatable drug’ means a single
25 source drug or biological (as defined in sub-

1 paragraph (D) of subsection (e)(6)), including a
2 biosimilar biological product (as defined in sub-
3 paragraph (H) of such subsection) but exclud-
4 ing a qualifying biosimilar biological product
5 (as defined in subsection (b)(8)(B)(iii)), that
6 would be payable under this part if such drug
7 were furnished to an individual enrolled under
8 this part, except such term shall not include
9 such a drug or biological—

10 “(i) if, as determined by the Sec-
11 retary, the average total allowed charges
12 for such drug or biological under this part
13 for a year per individual that uses such a
14 drug or biological are less than, subject to
15 subparagraph (B), \$100; or

16 “(ii) that is a vaccine described in
17 subparagraph (A) or (B) of section
18 1861(s)(10).

19 “(B) INCREASE.—The dollar amount ap-
20 plied under subparagraph (A)(i)—

21 “(i) for 2024, shall be the dollar
22 amount specified under such subparagraph
23 for 2023, increased by the percentage in-
24 crease in the consumer price index for all
25 urban consumers (United States city aver-

1 age) for the 12-month period ending with
2 June of the previous year; and

3 “(ii) for a subsequent year, shall be
4 the dollar amount specified in this clause
5 (or clause (i)) for the previous year (with-
6 out application of subparagraph (C)), in-
7 creased by the percentage increase in the
8 consumer price index for all urban con-
9 sumers (United States city average) for
10 the 12-month period ending with June of
11 the previous year.

12 “(C) ROUNDING.—Any dollar amount de-
13 termined under subparagraph (B) that is not a
14 multiple of \$10 shall be rounded to the nearest
15 multiple of \$10.

16 “(3) REBATE AMOUNT.—

17 “(A) IN GENERAL.—For purposes of para-
18 graph (1), the amount specified in this para-
19 graph for a part B rebatable drug assigned to
20 a billing and payment code for a calendar quar-
21 ter is, subject to subparagraphs (B) and (G)
22 and paragraph (4), the amount equal to the
23 product of—

24 “(i) the total number of billing units
25 determined under subparagraph (B) for

1 the billing and payment code of such drug;

2 and

3 “(ii) the amount (if any) by which—

4 “(I) the amount equal to—

5 “(aa) in the case of a part B

6 rebatable drug described in para-

7 graph (1)(B) of section

8 1847A(b), 106 percent of the

9 amount determined under para-

10 graph (4) of such section for

11 such drug during the calendar

12 quarter; or

13 “(bb) in the case of a part B

14 rebatable drug described in para-

15 graph (1)(C) of such section, the

16 payment amount under such

17 paragraph for such drug during

18 the calendar quarter; exceeds

19 “(II) the inflation-adjusted pay-

20 ment amount determined under sub-

21 paragraph (C) for such part B

22 rebatable drug during the calendar

23 quarter.

24 “(B) TOTAL NUMBER OF BILLING

25 UNITS.—For purposes of subparagraph (A)(i),

1 the total number of billing units with respect to
2 a part B rebatable drug is determined as fol-
3 lows:

4 “(i) Determine the total number of
5 units equal to—

6 “(I) the total number of units, as
7 reported under subsection (c)(1)(B)
8 for each National Drug Code of such
9 drug during the calendar quarter that
10 is two calendar quarters prior to the
11 calendar quarter as described in sub-
12 paragraph (A), minus

13 “(II) the total number of units
14 with respect to each National Drug
15 Code of such drug for which payment
16 was made under a State plan under
17 title XIX (or waiver of such plan), as
18 reported by States under section
19 1927(b)(2)(A) for the rebate period
20 that is the same calendar quarter as
21 described in subclause (I).

22 “(ii) Convert the units determined
23 under clause (i) to billing units for the bill-
24 ing and payment code of such drug, using
25 a methodology similar to the methodology

1 used under this section, by dividing the
2 units determined under clause (i) for each
3 National Drug Code of such drug by the
4 billing unit for the billing and payment
5 code of such drug.

6 “(iii) Compute the sum of the billing
7 units for each National Drug Code of such
8 drug in clause (ii).

9 “(C) DETERMINATION OF INFLATION-AD-
10 JUSTED PAYMENT AMOUNT.—The inflation-ad-
11 justed payment amount determined under this
12 subparagraph for a part B rebatable drug for
13 a calendar quarter is—

14 “(i) the payment amount for the bill-
15 ing and payment code for such drug in the
16 payment amount benchmark quarter (as
17 defined in subparagraph (D)); increased by

18 “(ii) the percentage by which the re-
19 bate period CPI-U (as defined in subpara-
20 graph (F)) for the calendar quarter ex-
21 ceeds the benchmark period CPI-U (as de-
22 fined in subparagraph (E)).

23 “(D) PAYMENT AMOUNT BENCHMARK
24 QUARTER.—The term ‘payment amount bench-

1 mark quarter’ means the calendar quarter be-
2 ginning 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 March 2021.

7 “(F) REBATE PERIOD CPI–U.—The term
8 ‘rebate period CPI–U’ means, with respect to a
9 calendar quarter described in subparagraph
10 (C), the greater of the benchmark period CPI–
11 U and the consumer price index for all urban
12 consumers (United States city average) for the
13 first month of the calendar quarter that is two
14 calendar quarters prior to such described cal-
15 endar quarter.

16 “(G) EXEMPTION FOR SHORTAGES AND
17 SEVERE SUPPLY CHAIN DISRUPTIONS.—The
18 Secretary shall reduce or waive the amount
19 under subparagraph (A) with respect to a part
20 B rebatable drug that is described as currently
21 in shortage on the shortage list in effect under
22 section 506E of the Federal Food, Drug, and
23 Cosmetic Act or in the case of a biosimilar bio-
24 logical product, when the Secretary determines
25 there are severe supply chain disruptions.

1 “(4) SPECIAL TREATMENT OF CERTAIN DRUGS
2 AND EXEMPTION.—

3 “(A) SUBSEQUENTLY APPROVED DRUGS.—

4 In the case of a part B rebatable drug first ap-
5 proved or licensed by the Food and Drug Ad-
6 ministration after March 1, 2021, clause (i) of
7 paragraph (3)(C) shall be applied as if the term
8 ‘payment amount benchmark quarter’ were de-
9 fined under paragraph (3)(D) as the third full
10 calendar quarter after the day on which the
11 drug was first marketed and clause (ii) of para-
12 graph (3)(C) shall be applied as if the term
13 ‘benchmark period CPI-U’ were defined under
14 paragraph (3)(E) as if the reference to ‘March
15 2021’ under such paragraph were a reference to
16 ‘the first month of the first full calendar quar-
17 ter after the day on which the drug was first
18 marketed’.

19 “(B) TIMELINE FOR PROVISION OF RE-
20 BATES FOR SUBSEQUENTLY APPROVED
21 DRUGS.—In the case of a part B rebatable drug
22 first approved or licensed by the Food and
23 Drug Administration after March 1, 2021,
24 paragraph (1)(B) shall be applied as if the ref-
25 erence to ‘July 1, 2023’ under such paragraph

1 were a reference to the later of the 6th full cal-
2 endar quarter after the day on which the drug
3 was first marketed or July 1, 2023.

4 “(D) SELECTED DRUGS.—In the case of a
5 part B rebatable drug that is a selected drug
6 (as defined in section 1192(c)) for a price appli-
7 cability period (as defined in section
8 1191(b)(2)), in the case such drug is deter-
9 mined (pursuant to such section 1192(c)) to no
10 longer be a selected drug, beginning the first
11 calendar quarter after the price applicability pe-
12 riod with respect to such drug, clause (i) of
13 paragraph (3)(C) shall be applied as if the term
14 ‘payment amount benchmark quarter’ were de-
15 fined under paragraph (3)(D) as the calendar
16 quarter beginning January 1 of the last year
17 beginning during such price applicability period
18 with respect to such selected drug and clause
19 (ii) of paragraph (3)(C) shall be applied as if
20 the term ‘benchmark period CPI-U’ were de-
21 fined under paragraph (3)(E) as if the ref-
22 erence to ‘March 2021’ under such paragraph
23 were a reference to the March of the year pre-
24 ceding such last year.

1 “(5) APPLICATION TO BENEFICIARY COINSUR-
2 ANCE.—In the case of a part B rebatable drug, if
3 the payment amount described in paragraph
4 (3)(A)(ii)(I) (or, in the case of a part B rebatable
5 drug that is a selected drug (as defined in section
6 1192(c), the payment amount described in sub-
7 section (b)(1)(B) for such drug) for a calendar quar-
8 ter exceeds the inflation adjusted payment for such
9 quarter—

10 “(A) in computing the amount of any coin-
11 surance applicable under this part to an indi-
12 vidual to whom such drug is furnished, the
13 computation of such coinsurance shall be equal
14 to 20 percent of the inflation-adjusted payment
15 amount determined under paragraph (3)(C) for
16 such part B rebatable drug; and

17 “(B) the amount of such coinsurance for
18 such calendar quarter, as computed under sub-
19 paragraph (A), shall be applied as a percent, as
20 determined by the Secretary, to the payment
21 amount that would otherwise apply under sub-
22 paragraphs (B) or (C) of subsection (b)(1).

23 “(6) REBATE DEPOSITS.—Amounts paid as re-
24 bates under paragraph (1)(B) shall be deposited into

1 the Federal Supplementary Medical Insurance Trust
2 Fund established under section 1841.

3 “(7) CIVIL MONEY PENALTY.—If a manufac-
4 turer of a part B rebatable drug has failed to com-
5 ply with the requirements under paragraph (1)(B)
6 for such drug for a calendar quarter, the manufac-
7 turer shall be subject to, in accordance with a proc-
8 ess established by the Secretary pursuant to regula-
9 tions, a civil money penalty in an amount equal to
10 at least 125 percent of the amount specified in para-
11 graph (3) for such drug for such calendar quarter.
12 The provisions of section 1128A (other than sub-
13 sections (a) (with respect to amounts of penalties or
14 additional assessments) and (b)) shall apply to a
15 civil money penalty under this paragraph in the
16 same manner as such provisions apply to a penalty
17 or proceeding under section 1128A(a).”; and

18 (2) in subsection (i), as redesignated by para-
19 graph (1)—

20 (A) in paragraph (4), by striking at the
21 end “and”;

22 (B) in paragraph (5), by striking at the
23 end the period and inserting a semicolon; and

24 (C) by adding at the end the following new
25 paragraphs:

1 “(6) the determination of units under sub-
2 section (h);

3 “(7) the determination of whether a drug is a
4 part B rebatable drug under subsection (h);

5 “(8) the calculation of the rebate amount under
6 subsection (h); and

7 “(9) the computation of coinsurance under sub-
8 section (h)(5); and

9 “(10) the computation of amounts paid under
10 section 1833(a)(1)(EE).”.

11 (b) AMOUNTS PAYABLE; COST-SHARING.—Section
12 1833 of the Social Security Act (42 U.S.C. 1395l) is
13 amended—

14 (1) in subsection (a)(1)—

15 (A) in subparagraph (G), by inserting “,
16 subject to subsection (i)(9),” after “the
17 amounts paid”;

18 (B) in subparagraph (S), by striking “with
19 respect to” and inserting “subject to subpara-
20 graph (EE), with respect to”;

21 (C) by striking “and (DD)” and inserting
22 “(DD)”; and

23 (D) by inserting before the semicolon at
24 the end the following: “, and (EE) with respect
25 to a part B rebatable drug (as defined in para-

1 graph (2) of section 1847A(h)) for which the
2 payment amount for a calendar quarter under
3 paragraph (3)(A)(ii)(I) of such section (or, in
4 the case of a part B rebatable drug that is a
5 selected drug (as defined in section 1192(c) for
6 which, the payment amount described in section
7 1847A(b)(1)(B)) for such drug for such quarter
8 exceeds the inflation-adjusted payment under
9 paragraph (3)(A)(ii)(II) of such section for
10 such quarter, the amounts paid shall be equal
11 to the percent of the payment amount under
12 paragraph (3)(A)(ii)(I) of such section or sec-
13 tion 1847A(b)(1)(B), as applicable, that equals
14 the difference between (i) 100 percent, and (ii)
15 the percent applied under section
16 1847A(h)(5)(B)”;

17 (2) in subsection (i), by adding at the end the
18 following new paragraph:

19 “(9) In the case of a part B rebatable drug (as de-
20 fined in paragraph (2) of section 1847A(h)) for which pay-
21 ment under this subsection is not packaged into a payment
22 for a service furnished on or after July 1, 2023, under
23 the revised payment system under this subsection, in lieu
24 of calculation of coinsurance and the amount of payment
25 otherwise applicable under this subsection, the provisions

1 of section 1847A(h)(5) and paragraph (1)(EE) of sub-
2 section (a), shall, as determined appropriate by the Sec-
3 retary, apply under this subsection in the same manner
4 as such provisions of section 1847A(h)(5) and subsection
5 (a) apply under such section and subsection.”; and

6 (3) in subsection (t)(8), by adding at the end
7 the following new subparagraph:

8 “(F) PART B REBATABLE DRUGS.—In the
9 case of a part B rebatable drug (as defined in
10 paragraph (2) of section 1847A(h), except if
11 such drug does not have a copayment amount
12 as a result of application of subparagraph (E))
13 for which payment under this part is not pack-
14 aged into a payment for a covered OPD service
15 (or group of services) furnished on or after July
16 1, 2023, and the payment for such drug under
17 this subsection is the same as the amount for
18 a calendar quarter under paragraph
19 (3)(A)(ii)(I) of section 1847A(h), under the sys-
20 tem under this subsection, in lieu of calculation
21 of the copayment amount and the amount of
22 payment otherwise applicable under this sub-
23 section (other than the application of the limita-
24 tion described in subparagraph (C)), the provi-
25 sions of section 1847A(h)(5) and paragraph

1 (1)(EE) of subsection (a), shall, as determined
2 appropriate by the Secretary, apply under this
3 subsection in the same manner as such provi-
4 sions of section 1847A(h)(5) and subsection (a)
5 apply under such section and subsection.”.

6 (c) CONFORMING AMENDMENTS.—

7 (1) TO PART B ASP CALCULATION.—Section
8 1847A(c)(3) of the Social Security Act (42 U.S.C.
9 1395w-3a(c)(3)) is amended by inserting “sub-
10 section (h) or” before “section 1927”.

11 (2) EXCLUDING PART B DRUG INFLATION RE-
12 BATE FROM BEST PRICE.—Section
13 1927(e)(1)(C)(ii)(I) of the Social Security Act (42
14 U.S.C. 1396r-8(e)(1)(C)(ii)(I)) is amended by in-
15 serting “or section 1847A(h)” after “this section”.

16 (3) COORDINATION WITH MEDICAID REBATE IN-
17 FORMATION DISCLOSURE.—Section 1927(b)(3)(D)(i)
18 of the Social Security Act (42 U.S.C. 1396r-
19 8(b)(3)(D)(i)) is amended by inserting “and the re-
20 bate” after “the payment amount”.

21 (4) EXCLUDING PART B DRUG INFLATION RE-
22 BATES FROM AVERAGE MANUFACTURER PRICE.—
23 Section 1927(k)(1)(B)(i) of the Social Security Act
24 (42 U.S.C. 1396r-8(k)(1)(B)(i)), as previously
25 amended, is further amended—

1 (A) in subclause (IV), by striking “and”;

2 (B) in subclause (V), by striking the period
3 at the end and inserting a semicolon; and

4 (C) by adding at the end the following new
5 subclause:

6 “(VI) rebates paid by manufac-
7 turers under section 1847A(h); and”.

8 (d) FUNDING.—In addition to amounts otherwise
9 available, there are appropriated to the Centers for Medi-
10 care & Medicaid Services, out of any money in the Treas-
11 ury not otherwise appropriated, \$12,500,000 for fiscal
12 year 2022 and \$7,500,000 for each of fiscal years 2023
13 through 2031, to remain available until expended, to carry
14 out the provisions of, including the amendments made by,
15 this section.

16 **SEC. 139102. MEDICARE PART D REBATE BY MANUFACTUR-**
17 **ERS.**

18 (a) IN GENERAL.—Part D of title XVIII of the Social
19 Security Act is amended by inserting after section 1860D–
20 14A (42 U.S.C. 1395w–114a) the following new section:

21 **“SEC. 1860D–14B. MANUFACTURER REBATE FOR CERTAIN**
22 **DRUGS WITH PRICES INCREASING FASTER**
23 **THAN INFLATION.**

24 “(a) REQUIREMENTS.—

1 “(1) SECRETARIAL PROVISION OF INFORMA-
2 TION.—Not later than 9 months after the end of
3 each applicable year (as defined in subsection
4 (g)(7)), subject to paragraph (3), the Secretary
5 shall, for each part D rebatable drug, report to each
6 manufacturer of such part D rebatable drug the fol-
7 lowing for such year:

8 “(A) The amount (if any) of the excess an-
9 nual manufacturer price increase described in
10 subsection (b)(1)(A)(ii) for each dosage form
11 and strength with respect to such drug and
12 year.

13 “(B) The rebate amount specified under
14 subsection (b) for each dosage form and
15 strength with respect to such drug and year.

16 “(2) MANUFACTURER REQUIREMENTS.—For
17 each applicable year, the manufacturer of a part D
18 rebatable drug, for each dosage form and strength
19 with respect to such drug, not later than 30 days
20 after the date of receipt from the Secretary of the
21 information described in paragraph (1) for such
22 year, shall provide to the Secretary a rebate that is
23 equal to the amount specified in subsection (b) for
24 such dosage form and strength with respect to such
25 drug for such year.

1 “(3) TRANSITION RULE FOR REPORTING.—The
2 Secretary may, for each rebatable covered part D
3 drug, delay the timeframe for reporting the informa-
4 tion and rebate amount described in subparagraphs
5 (A) and (B) of such paragraph for the applicable
6 year of 2023 until not later than September 30,
7 2025.

8 “(b) REBATE AMOUNT.—

9 “(1) IN GENERAL.—

10 “(A) CALCULATION.—For purposes of this
11 section, the amount specified in this subsection
12 for a dosage form and strength with respect to
13 a part D rebatable drug and applicable year is,
14 subject to subparagraph (C), paragraph (5)(B),
15 and paragraph (6), the amount equal to the
16 product of—

17 “(i) subject to subparagraph (B) of
18 this paragraph, the total number of units
19 that are used to calculate the average man-
20 ufacturer price of such dosage form and
21 strength with respect to such part D
22 rebatable drug, as reported by the manu-
23 facturer of such drug under section 1927
24 for each month, with respect to such year;
25 and

1 “(ii) the amount (if any) by which—

2 “(I) the annual manufacturer
3 price (as determined in paragraph
4 (2)) paid for such dosage form and
5 strength with respect to such part D
6 rebatable drug for the year; exceeds

7 “(II) the inflation-adjusted pay-
8 ment amount determined under para-
9 graph (3) for such dosage form and
10 strength with respect to such part D
11 rebatable drug for the year.

12 “(B) EXCLUDED UNITS.—For purposes of
13 subparagraph (A)(i), the Secretary shall exclude
14 from the total number of units for a dosage
15 form and strength with respect to a part D
16 rebatable drug, with respect to an applicable
17 year, the following:

18 “(i) Units of each dosage form and
19 strength of such part D rebatable drug for
20 which payment was made under a State
21 plan under title XIX (or waiver of such
22 plan), as reported by States under section
23 1927(b)(2)(A).

24 “(ii) Units of each dosage form and
25 strength of such part D rebatable drug for

1 which a rebate is paid under section
2 1847A(h).

3 “(C) EXEMPTION FOR SHORTAGES AND
4 SEVERE SUPPLY CHAIN DISRUPTIONS.—The
5 Secretary shall reduce or waive the amount
6 under subparagraph (A) with respect to a part
7 D rebatable drug that is described as currently
8 in shortage on the shortage list in effect under
9 section 506E of the Federal Food, Drug, and
10 Cosmetic Act or in the case of a generic drug,
11 when the Secretary determines there are severe
12 supply chain disruptions.

13 “(2) DETERMINATION OF ANNUAL MANUFAC-
14 TURER PRICE.—The annual manufacturer price de-
15 termined under this paragraph for a dosage form
16 and strength, with respect to a part D rebatable
17 drug and an applicable year, is the sum of the prod-
18 ucts of—

19 “(A) the average manufacturer price (as
20 defined in subsection (g)(6)) of such dosage
21 form and strength, as calculated for a unit of
22 such drug, with respect to each of the calendar
23 quarters of such year; and

24 “(B) the ratio of—

1 “(i) the total number of units of such
2 dosage form and strength reported under
3 section 1927 with respect to each such cal-
4 endar quarter of such year; to

5 “(ii) the total number of units of such
6 dosage form and strength reported under
7 section 1927 with respect to such year, as
8 determined by the Secretary.

9 “(3) DETERMINATION OF INFLATION-ADJUSTED
10 PAYMENT AMOUNT.—The inflation-adjusted payment
11 amount determined under this paragraph for a dos-
12 age form and strength with respect to a part D
13 rebatable drug for an applicable year, subject to
14 paragraph (5), is—

15 “(A) the benchmark year manufacturer
16 price determined under paragraph (4) for such
17 dosage form and strength with respect to such
18 drug and year; increased by

19 “(B) the percentage by which the applica-
20 ble year CPI-U (as defined in subsection
21 (g)(5)) for the year exceeds the benchmark pe-
22 riod CPI-U (as defined in subsection (g)(4)).

23 “(4) DETERMINATION OF BENCHMARK YEAR
24 MANUFACTURER PRICE.—The benchmark year man-
25 ufacturer price determined under this paragraph for

1 a dosage form and strength, with respect to a part
2 D rebatable drug and an applicable year, is the sum
3 of the products of—

4 “(A) the average manufacturer price (as
5 defined in subsection (g)(6)) of such dosage
6 form and strength, as calculated for a unit of
7 such drug, with respect to each of the calendar
8 quarters of the payment amount benchmark
9 year (as defined in subsection (g)(3)); and

10 “(B) the ratio of—

11 “(i) the total number of units re-
12 ported under section 1927 of such dosage
13 form and strength with respect to each
14 such calendar quarter of such payment
15 amount benchmark year; to

16 “(ii) the total number of units re-
17 ported under section 1927 of such dosage
18 form and strength with respect to such
19 payment amount benchmark year.

20 “(5) SPECIAL TREATMENT OF CERTAIN DRUGS
21 AND EXEMPTION.—

22 “(A) SUBSEQUENTLY APPROVED DRUGS.—
23 In the case of a part D rebatable drug first ap-
24 proved or licensed by the Food and Drug Ad-
25 ministration after October 1, 2021, subpara-

1 graphs (A) and (B) of paragraph (4) shall be
2 applied as if the term ‘payment amount bench-
3 mark year’ were defined under subsection
4 (g)(3) as the first calendar year beginning after
5 the day on which the drug was first marketed
6 by any manufacturer and subparagraph (B) of
7 paragraph (3) shall be applied as if the term
8 ‘benchmark period CPI-U’ were defined under
9 subsection (g)(4) as if the reference to ‘October
10 2021’ under such subsection were a reference to
11 ‘January of the first year beginning after the
12 date on which the drug was first marketed by
13 any manufacturer’.

14 “(B) TREATMENT OF NEW FORMULA-
15 TIONS.—

16 “(i) IN GENERAL.—In the case of a
17 part D rebatable drug that is a line exten-
18 sion of a part D rebatable drug that is an
19 oral solid dosage form, the Secretary shall
20 establish a formula for determining the re-
21 bate amount under paragraph (1) and the
22 inflation adjusted payment amount under
23 paragraph (3) with respect to such part D
24 rebatable drug and an applicable year, con-
25 sistent with the formula applied under sub-

1 section (c)(2)(C) of section 1927 for deter-
2 mining a rebate obligation for a rebate pe-
3 riod under such section.

4 “(ii) LINE EXTENSION DEFINED.—In
5 this subparagraph, the term ‘line exten-
6 sion’ means, with respect to a part D
7 rebatable drug, a new formulation of the
8 drug, such as an extended release formula-
9 tion, but does not include an abuse-deter-
10 rent formulation of the drug (as deter-
11 mined by the Secretary), regardless of
12 whether such abuse-deterrent formulation
13 is an extended release formulation.

14 “(C) SELECTED DRUGS.—In the case of a
15 part D rebatable drug that is a selected drug
16 (as defined in section 1192(e)) for a price appli-
17 cability period (as defined in section
18 1191(b)(2)), in the case such drug is deter-
19 mined (pursuant to such section 1192(e)) to no
20 longer be a selected drug, for each applicable
21 year beginning after the price applicability pe-
22 riod with respect to such drug, subparagraphs
23 (A) and (B) of paragraph (4) shall be applied
24 as if the term ‘payment amount benchmark
25 year’ were defined under subsection (g)(3) as

1 the last year beginning during such price appli-
2 cability period with respect to such selected
3 drug and subparagraph (B) of paragraph (3)
4 shall be applied as if the term ‘benchmark pe-
5 riod CPI-U’ were defined under subsection
6 (g)(4) as if the reference to ‘October 2021’
7 under such subsection were a reference to Jan-
8 uary of the last year beginning during such
9 price applicability period with respect to such
10 drug.

11 “(6) RECONCILIATION IN CASE OF REVISED
12 AMP REPORTS.—The Secretary shall provide for a
13 method and process under which, in the case of a
14 manufacturer of a part D rebatable drug that sub-
15 mits revisions to information submitted under sec-
16 tion 1927 by the manufacturer with respect to such
17 drug, the Secretary determines, pursuant to such re-
18 visions, adjustments, if any, to the calculation of the
19 amount specified in this subsection for a dosage
20 form and strength with respect to such part D
21 rebatable drug and an applicable year and reconciles
22 any overpayments or underpayments in amounts
23 paid as rebates under this subsection. Any identified
24 underpayment shall be rectified by the manufacturer

1 not later than 30 days after the date of receipt from
2 the Secretary of information on such underpayment.

3 “(c) REBATE DEPOSITS.—Amounts paid as rebates
4 under subsection (b) shall be deposited into the Medicare
5 Prescription Drug Account in the Federal Supplementary
6 Medical Insurance Trust Fund established under section
7 1841.

8 “(d) INFORMATION.—For purposes of carrying out
9 this section, the Secretary shall use information submitted
10 by manufacturers under section 1927(b)(3) and informa-
11 tion submitted by States under section 1927(b)(2)(A).

12 “(e) CIVIL MONEY PENALTY.—If a manufacturer of
13 a part D rebatable drug has failed to comply with the re-
14 quirement under subsection (a)(2) with respect to such
15 drug for an applicable year, the manufacturer shall be
16 subject to, in accordance with a process established by the
17 Secretary pursuant to regulations, a civil money penalty
18 in an amount equal to 125 percent of the amount specified
19 in subsection (b) for such drug for such year. The provi-
20 sions of section 1128A (other than subsections (a) (with
21 respect to amounts of penalties or additional assessments)
22 and (b)) shall apply to a civil money penalty under this
23 subsection in the same manner as such provisions apply
24 to a penalty or proceeding under section 1128A(a).

1 “(f) NO ADMINISTRATIVE OR JUDICIAL REVIEW.—

2 There shall be no administrative or judicial review of the
3 following:

4 “(1) The determination of units under this sec-
5 tion.

6 “(2) The determination of whether a drug is a
7 part D rebatable drug under this section.

8 “(3) The calculation of the rebate amount
9 under this section.

10 “(g) DEFINITIONS.—In this section:

11 “(1) PART D REBATABLE DRUG.—

12 “(A) IN GENERAL.—The term ‘part D
13 rebatable drug’ means a drug or biological that
14 would (without application of this section) be a
15 covered part D drug, except such term shall,
16 with respect to an applicable year, not include
17 such a drug or biological if the average annual
18 total cost under this part for such year per in-
19 dividual who uses such a drug or biological, as
20 determined by the Secretary, is less than, sub-
21 ject to subparagraph (B), \$100, as determined
22 by the Secretary using the most recent data
23 available or, if data is not available, as esti-
24 mated by the Secretary.

1 “(B) INCREASE.—The dollar amount ap-
2 plied under subparagraph (A)—

3 “(i) for 2024, shall be the dollar
4 amount specified under such subparagraph
5 for 2023, increased by the percentage in-
6 crease in the consumer price index for all
7 urban consumers (United States city aver-
8 age) for the 12-month period beginning
9 with January of 2023; and

10 “(ii) for a subsequent year, shall be
11 the dollar amount specified in this sub-
12 paragraph for the previous year, increased
13 by the percentage increase in the consumer
14 price index for all urban consumers
15 (United States city average) for the 12-
16 month period beginning with January of
17 the previous year.

18 Any dollar amount specified under this sub-
19 paragraph that is not a multiple of \$10 shall be
20 rounded to the nearest multiple of \$10.

21 “(2) UNIT.—The term ‘unit’ means, with re-
22 spect to a part D rebatable drug, the lowest dispen-
23 sable amount (such as a capsule or tablet, milligram
24 of molecules, or grams) of the part D rebatable
25 drug, as reported under section 1927.

1 “(3) PAYMENT AMOUNT BENCHMARK YEAR.—
2 The term ‘payment amount benchmark year’ means
3 the year beginning October 1, 2021.

4 “(4) BENCHMARK PERIOD CPI-U.—The term
5 ‘benchmark period CPI-U’ means the consumer
6 price index for all urban consumers (United States
7 city average) for October 2021.

8 “(5) APPLICABLE YEAR CPI-U.—The term ‘ap-
9 plicable year CPI-U’ means, with respect to an ap-
10 plicable year, the consumer price index for all urban
11 consumers (United States city average) for January
12 of such year.

13 “(6) AVERAGE MANUFACTURER PRICE.—The
14 term ‘average manufacturer price’ has the meaning,
15 with respect to a part D rebatable drug of a manu-
16 facturer, given such term in section 1927(k)(1), with
17 respect to a covered outpatient drug of a manufac-
18 turer for a rebate period under section 1927.

19 “(7) APPLICABLE YEAR.—The term ‘applicable
20 year’ means a calendar year beginning with 2023.

21 “(h) IMPLEMENTATION FOR 2023 AND 2024.—Not-
22 withstanding any other provision of this section, the Sec-
23 retary shall implement this section for 2023 and 2024 by
24 program instruction or otherwise.”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) TO PART B ASP CALCULATION.—Section
2 1847A(c)(3) of the Social Security Act (42 U.S.C.
3 1395w–3a(c)(3)), as amended by section
4 139101(c)(1), is further amended by striking “sub-
5 section (h) or section 1927” and inserting “sub-
6 section (h), section 1927, or section 1860D–14B”.

7 (2) EXCLUDING PART D DRUG INFLATION RE-
8 BATE FROM BEST PRICE.—Section
9 1927(c)(1)(C)(ii)(I) of the Social Security Act (42
10 U.S.C. 1396r–8(c)(1)(C)(ii)(I)), as amended by sec-
11 tion 139101(c)(2), is further amended by striking
12 “or section 1847A(h)” and inserting “, section
13 1847A(h), or section 1860D–14B”.

14 (3) COORDINATION WITH MEDICAID REBATE IN-
15 FORMATION DISCLOSURE.—Section 1927(b)(3)(D)(i)
16 of the Social Security Act (42 U.S.C. 1396r–
17 8(b)(3)(D)(i)), as amended by section 139101(c)(3),
18 is further amended by striking “or to carry out sec-
19 tion 1847B” and inserting “or to carry out section
20 1847B or section 1860D–14B”.

21 (4) EXCLUDING PART D DRUG INFLATION RE-
22 BATES FROM AVERAGE MANUFACTURER PRICE.—
23 Section 1927(k)(1)(B)(i) of the Social Security Act
24 (42 U.S.C. 1396r–8(k)(1)(B)(i)), as previously

1 amended, is further amended by adding at the end
2 the following new subclause:

3 “(VII) rebates paid by manufac-
4 turers under section 1860D-14B.”.

5 (c) FUNDING.—In addition to amounts otherwise
6 available, there are appropriated to the Centers for Medi-
7 care & Medicaid Services, out of any money in the Treas-
8 ury not otherwise appropriated, \$12,500,000 for fiscal
9 year 2022 and \$7,500,000 for each of fiscal years 2023
10 through 2031, to remain available until expended, to carry
11 out the provisions of, including the amendments made by,
12 this section.

13 **PART 3—PART D IMPROVEMENTS AND MAXIMUM**
14 **OUT-OF-POCKET CAP FOR MEDICARE BENE-**
15 **FICIARIES**

16 **SEC. 139201. MEDICARE PART D BENEFIT REDESIGN.**

17 (a) BENEFIT STRUCTURE REDESIGN.—Section
18 1860D-2(b) of the Social Security Act (42 U.S.C. 1395w-
19 102(b)) is amended—

20 (1) in paragraph (2)—

21 (A) in subparagraph (A), in the matter
22 preceding clause (i), by inserting “for a year
23 preceding 2024 and for costs above the annual
24 deductible specified in paragraph (1) and up to
25 the annual out-of-pocket threshold specified in

1 paragraph (4)(B) for 2024 and each subsequent
2 year” after “paragraph (3)”;

3 (B) in subparagraph (C)—

4 (i) in clause (i), in the matter pre-
5 ceding subclause (I), by inserting “for a
6 year preceding 2024,” after “paragraph
7 (4),”; and

8 (ii) in clause (ii)(III), by striking
9 “and each subsequent year” and inserting
10 “through 2023”; and

11 (C) in subparagraph (D)—

12 (i) in clause (i)—

13 (I) in the matter preceding sub-
14 clause (I), by inserting “for a year
15 preceding 2024,” after “paragraph
16 (4),”; and

17 (II) in subclause (I)(bb), by
18 striking “a year after 2018” and in-
19 serting “each of years 2019 through
20 2023”; and

21 (ii) in clause (ii)(V), by striking
22 “2019 and each subsequent year” and in-
23 serting “each of years 2019 through
24 2023”;

25 (2) in paragraph (3)(A)—

1 (A) in the matter preceding clause (i), by
2 inserting “for a year preceding 2024,” after
3 “and (4),”; and

4 (B) in clause (ii), by striking “for a subse-
5 quent year” and inserting “for each of years
6 2007 through 2023”; and

7 (3) in paragraph (4)—

8 (A) in subparagraph (A)—

9 (i) in clause (i)—

10 (I) by redesignating subclauses
11 (I) and (II) as items (aa) and (bb),
12 respectively, and moving the margin
13 of each such redesignated item 2 ems
14 to the right;

15 (II) in the matter preceding item
16 (aa), as redesignated by subclause (I),
17 by striking “is equal to the greater
18 of—” and inserting “is equal to—

19 “(I) for a year preceding 2024,
20 the greater of—”;

21 (III) by striking the period at the
22 end of item (bb), as redesignated by
23 subclause (I), and inserting “; and”;
24 and

2067

1 (IV) by adding at the end the fol-
2 lowing:

3 “(II) for 2024 and each suc-
4 ceeding year, \$0.”; and

5 (ii) in clause (ii)—

6 (I) by striking “clause (i)(I)” and
7 inserting “clause (i)(I)(aa)”; and

8 (II) by adding at the end the fol-
9 lowing new sentence: “The Secretary
10 shall continue to calculate the dollar
11 amounts specified in clause (i)(I)(aa),
12 including with the adjustment under
13 this clause, after 2023 for purposes of
14 section 1860D–14(a)(1)(D)(iii).”;

15 (B) in subparagraph (B)—

16 (i) in clause (i)—

17 (I) in subclause (V), by striking
18 “or” at the end;

19 (II) in subclause (VI)—

20 (aa) by striking “for a sub-
21 sequent year” and inserting “for
22 each of years 2021 through
23 2023”; and

2068

1 (bb) by striking the period
2 at the end and inserting a semi-
3 colon; and

4 (III) by adding at the end the
5 following new subclauses:

6 “(VII) for 2024, is equal to
7 \$2,000; or

8 “(VIII) for a subsequent year, is
9 equal to the amount specified in this
10 subparagraph for the previous year,
11 increased by the annual percentage in-
12 crease described in paragraph (6) for
13 the year involved.”; and

14 (ii) in clause (ii), by striking “clause
15 (i)(II)” and inserting “clause (i)”;

16 (C) in subparagraph (C)(i), by striking
17 “and for amounts” and inserting “and, for a
18 year preceding 2024, for amounts”; and

19 (D) in subparagraph (E), by striking “In
20 applying” and inserting “For each of years
21 2011 through 2023, in applying”.

22 (b) REINSURANCE PAYMENT AMOUNT.—Section
23 1860D–15(b) of the Social Security Act (42 U.S.C.
24 1395w–115(b)) is amended—

25 (1) in paragraph (1)—

1 (A) by striking “equal to 80 percent” and
2 inserting “equal to—

3 “(A) for a year preceding 2024, 80 per-
4 cent”;

5 (B) in subparagraph (A), as added by sub-
6 paragraph (A), by striking the period at the
7 end and inserting “; and”; and

8 (C) by adding at the end the following new
9 subparagraph:

10 “(B) for 2024 and each subsequent year,
11 the sum of—

12 “(i) an amount equal to 20 percent of
13 such allowable reinsurance costs attrib-
14 utable to that portion of gross prescription
15 drug costs as specified in paragraph (3) in-
16 curred in the coverage year after such indi-
17 vidual has incurred costs that exceed the
18 annual out-of-pocket threshold specified in
19 section 1860D–2(b)(4)(B) with respect to
20 applicable drugs (as defined in section
21 1860D–14C(g)(2)); and

22 “(ii) an amount equal to 40 percent of
23 such allowable reinsurance costs attrib-
24 utable to that portion of gross prescription
25 drug costs as specified in paragraph (3) in-

1 curred in the coverage year after such indi-
2 vidual has incurred costs that exceed the
3 annual out-of-pocket threshold specified in
4 section 1860D–2(b)(4)(B) with respect to
5 covered part D drugs that are not applica-
6 ble drugs (as so defined).”;

7 (2) in paragraph (2)—

8 (A) by striking “COSTS.—For purposes”
9 and inserting “COSTS.—

10 “(A) IN GENERAL.—Subject to subpara-
11 graph (B), for purposes”; and

12 (B) by adding at the end the following new
13 subparagraph:

14 “(B) INCLUSION OF MANUFACTURER DIS-
15 COUNTS ON APPLICABLE DRUGS.—For purposes
16 of applying subparagraph (A), the term ‘allow-
17 able reinsurance costs’ shall include the portion
18 of the negotiated price (as defined in section
19 1860D–14C(g)(6)) of an applicable drug (as
20 defined in section 1860D–14C(g)(2)) that was
21 paid by a manufacturer under the manufacturer
22 discount program under section 1860D–14C.”;
23 and

24 (3) in paragraph (3)—

1 (A) in the first sentence, by striking “For
2 purposes” and inserting “Subject to paragraph
3 (2)(B), for purposes”; and

4 (B) in the second sentence, by inserting
5 “(or, with respect to 2024 and subsequent
6 years, in the case of an applicable drug, as de-
7 fined in section 1860D-14C(g)(2), by a manu-
8 facturer)” after “by the individual or under the
9 plan”.

10 (c) REDUCED COST-SHARING; BENEFICIARY PRE-
11 MIUM PERCENTAGE.—

12 (1) COST-SHARING.—

13 (A) IN GENERAL.—Section 1860D-
14 2(b)(2)(A) of the Social Security Act (42
15 U.S.C. 1395w-102(b)(2)(A)) is amended—

16 (i) in the subparagraph header, by
17 striking “25 PERCENT COINSURANCE” and
18 inserting “COINSURANCE”;

19 (ii) in clause (i), by inserting “(or, for
20 2024 and each subsequent year, 23 per-
21 cent)” after “25 percent”; and

22 (iii) in clause (ii), by inserting “(or,
23 for 2024 and each subsequent year, 23
24 percent)” after “25 percent”.

1 (B) CONFORMING AMENDMENT.—Section
2 1860D–14(a)(2)(D) of the Social Security Act
3 (42 U.S.C. 1395w–114(a)(2)(D)) is amended
4 by inserting “(or, for 2024 and each subsequent
5 year, instead of coinsurance of ‘23 percent’)”
6 after “instead of coinsurance of ‘25 percent’”.

7 (2) BENEFICIARY PREMIUM PERCENTAGE.—

8 (A) IN GENERAL.—Section 1860D–
9 13(a)(3)(A) of the Social Security Act (42
10 U.S.C. 1395w–113(a)(3)(A)) is amended by in-
11 serting “(or, for 2024 and each subsequent
12 year, 23.5 percent)” after “25.5 percent”.

13 (B) CONFORMING AMENDMENTS.—

14 (i) Section 1860D–11(g)(6) of the So-
15 cial Security Act (42 U.S.C. 1395w–
16 111(g)(6)) is amended by inserting “(or,
17 for 2024 and each subsequent year, 23.5
18 percent)” after “25.5 percent”.

19 (ii) Section 1860D–13(a)(7)(B)(i) of
20 the Social Security Act (42 U.S.C. 1395w–
21 113(a)(7)(B)(i)) is amended—

22 (I) in subclause (I), by inserting
23 “(or, for 2024 and each subsequent
24 year, 23.5 percent)” after “25.5 per-
25 cent”; and

1 (II) in subclause (II), by insert-
2 ing “(or, for 2024 and each subse-
3 quent year, 23.5 percent)” after “25.5
4 percent”.

5 (iii) Section 1860D–15(a) of the So-
6 cial Security Act (42 U.S.C. 1395w–
7 115(a)) is amended by inserting “(or, for
8 2024 and each subsequent year, 76.5 per-
9 cent)” after “74.5 percent”.

10 (d) MANUFACTURER DISCOUNT PROGRAM.—

11 (1) IN GENERAL.—Part D of title XVIII of the
12 Social Security Act (42 U.S.C. 1395w–101 through
13 42 U.S.C. 1395w–153), as amended by section
14 139102, is further amended by inserting after sec-
15 tion 1860D–14B the following new sections:

16 **“SEC. 1860D–14C. MANUFACTURER DISCOUNT PROGRAM.**

17 “(a) ESTABLISHMENT.—The Secretary shall estab-
18 lish a manufacturer discount program (in this section re-
19 ferred to as the ‘program’). Under the program, the Sec-
20 retary shall enter into agreements described in subsection
21 (b) with manufacturers and provide for the performance
22 of the duties described in subsection (c). The Secretary
23 shall establish a model agreement for use under the pro-
24 gram by not later than January 1, 2023, in consultation

1 with manufacturers, and allow for comment on such model
2 agreement.

3 “(b) TERMS OF AGREEMENT.—

4 “(1) IN GENERAL.—

5 “(A) AGREEMENT.—An agreement under
6 this section shall require the manufacturer to
7 provide, in accordance with this section, dis-
8 counted prices for applicable drugs of the man-
9 ufacturer that are dispensed to applicable bene-
10 ficiaries on or after January 1, 2024.

11 “(B) CLARIFICATION.—Nothing in this
12 section shall be construed as affecting—

13 “(i) the application of a coinsurance
14 of 23 percent of the negotiated price, as
15 applied under paragraph (2)(A) of section
16 1860D–2(b), for costs described in such
17 paragraph; or

18 “(ii) the application of the copayment
19 amount described in paragraph (4)(A) of
20 such section, with respect to costs de-
21 scribed in such paragraph.

22 “(C) TIMING OF AGREEMENT.—

23 “(i) SPECIAL RULE FOR 2024.—In
24 order for an agreement with a manufac-
25 turer to be in effect under this section with

1 respect to the period beginning on January
2 1, 2024, and ending on December 31,
3 2024, the manufacturer shall enter into
4 such agreement not later than 30 days
5 after the date of the establishment of a
6 model agreement under subsection (a).

7 “(ii) 2025 AND SUBSEQUENT
8 YEARS.—In order for an agreement with a
9 manufacturer to be in effect under this
10 section with respect to plan year 2025 or
11 a subsequent plan year, the manufacturer
12 shall enter into such agreement not later
13 than a calendar quarter or semi-annual
14 deadline established by the Secretary.

15 “(2) PROVISION OF APPROPRIATE DATA.—Each
16 manufacturer with an agreement in effect under this
17 section shall collect and have available appropriate
18 data, as determined by the Secretary, to ensure that
19 it can demonstrate to the Secretary compliance with
20 the requirements under the program.

21 “(3) COMPLIANCE WITH REQUIREMENTS FOR
22 ADMINISTRATION OF PROGRAM.—Each manufac-
23 turer with an agreement in effect under this section
24 shall comply with requirements imposed by the Sec-
25 retary or a third party with a contract under sub-

1 section (d)(3), as applicable, for purposes of admin-
2 istering the program, including any determination
3 under subparagraph (A) of subsection (c)(1) or pro-
4 cedures established under such subsection (c)(1).

5 “(4) LENGTH OF AGREEMENT.—

6 “(A) IN GENERAL.—An agreement under
7 this section shall be effective for an initial pe-
8 riod of not less than 12 months and shall be
9 automatically renewed for a period of not less
10 than 1 year unless terminated under subpara-
11 graph (B).

12 “(B) TERMINATION.—

13 “(i) BY THE SECRETARY.—The Sec-
14 retary shall provide for termination of an
15 agreement under this section for a knowing
16 and willful violation of the requirements of
17 the agreement or other good cause shown.
18 Such termination shall not be effective ear-
19 lier than 30 days after the date of notice
20 to the manufacturer of such termination.
21 The Secretary shall provide, upon request,
22 a manufacturer with a hearing concerning
23 such a termination, and such hearing shall
24 take place prior to the effective date of the
25 termination with sufficient time for such

1 effective date to be repealed if the Sec-
2 retary determines appropriate.

3 “(ii) BY A MANUFACTURER.—A man-
4 ufacturer may terminate an agreement
5 under this section for any reason. Any
6 such termination shall be effective, with re-
7 spect to a plan year—

8 “(I) if the termination occurs be-
9 fore January 31 of a plan year, as of
10 the day after the end of the plan year;
11 and

12 “(II) if the termination occurs on
13 or after January 31 of a plan year, as
14 of the day after the end of the suc-
15 ceeding plan year.

16 “(iii) EFFECTIVENESS OF TERMI-
17 NATION.—Any termination under this sub-
18 paragraph shall not affect discounts for
19 applicable drugs of the manufacturer that
20 are due under the agreement before the ef-
21 fective date of its termination.

22 “(iv) NOTICE TO THIRD PARTY.—The
23 Secretary shall provide notice of such ter-
24 mination to a third party with a contract
25 under subsection (d)(3) within not less

1 than 30 days before the effective date of
2 such termination.

3 “(c) DUTIES DESCRIBED.—The duties described in
4 this subsection are the following:

5 “(1) ADMINISTRATION OF PROGRAM.—Admin-
6 istering the program, including—

7 “(A) the determination of the amount of
8 the discounted price of an applicable drug of a
9 manufacturer;

10 “(B) the establishment of procedures to
11 ensure that, not later than the applicable num-
12 ber of calendar days after the dispensing of an
13 applicable drug by a pharmacy or mail order
14 service, the pharmacy or mail order service is
15 reimbursed for an amount equal to the dif-
16 ference between—

17 “(i) the negotiated price of the appli-
18 cable drug; and

19 “(ii) the discounted price of the appli-
20 cable drug;

21 “(C) the establishment of procedures to
22 ensure that the discounted price for an applica-
23 ble drug under this section is applied before any
24 coverage or financial assistance under other
25 health benefit plans or programs that provide

1 coverage or financial assistance for the pur-
2 chase or provision of prescription drug coverage
3 on behalf of applicable beneficiaries as specified
4 by the Secretary; and

5 “(D) providing a reasonable dispute resolu-
6 tion mechanism to resolve disagreements be-
7 tween manufacturers, applicable beneficiaries,
8 and the third party with a contract under sub-
9 section (d)(3).

10 “(2) MONITORING COMPLIANCE.—

11 “(A) IN GENERAL.—The Secretary shall
12 monitor compliance by a manufacturer with the
13 terms of an agreement under this section.

14 “(B) NOTIFICATION.—If a third party
15 with a contract under subsection (d)(3) deter-
16 mines that the manufacturer is not in compli-
17 ance with such agreement, the third party shall
18 notify the Secretary of such noncompliance for
19 appropriate enforcement under subsection (e).

20 “(3) COLLECTION OF DATA FROM PRESCRIP-
21 TION DRUG PLANS AND MA–PD PLANS.—The Sec-
22 retary may collect appropriate data from prescrip-
23 tion drug plans and MA–PD plans in a timeframe
24 that allows for discounted prices to be provided for
25 applicable drugs under this section.

1 “(d) ADMINISTRATION.—

2 “(1) IN GENERAL.—Subject to paragraph (2),
3 the Secretary shall provide for the implementation of
4 this section, including the performance of the duties
5 described in subsection (c).

6 “(2) LIMITATION.—In providing for the imple-
7 mentation of this section, the Secretary shall not re-
8 ceive or distribute any funds of a manufacturer
9 under the program.

10 “(3) CONTRACT WITH THIRD PARTIES.—The
11 Secretary shall enter into a contract with 1 or more
12 third parties to administer the requirements estab-
13 lished by the Secretary in order to carry out this
14 section. At a minimum, the contract with a third
15 party under the preceding sentence shall require
16 that the third party—

17 “(A) receive and transmit information be-
18 tween the Secretary, manufacturers, and other
19 individuals or entities the Secretary determines
20 appropriate;

21 “(B) receive, distribute, or facilitate the
22 distribution of funds of manufacturers to ap-
23 propriate individuals or entities in order to
24 meet the obligations of manufacturers under
25 agreements under this section;

1 “(C) provide adequate and timely informa-
2 tion to manufacturers, consistent with the
3 agreement with the manufacturer under this
4 section, as necessary for the manufacturer to
5 fulfill its obligations under this section; and

6 “(D) permit manufacturers to conduct
7 periodic audits, directly or through contracts, of
8 the data and information used by the third
9 party to determine discounts for applicable
10 drugs of the manufacturer under the program.

11 “(4) PERFORMANCE REQUIREMENTS.—The
12 Secretary shall establish performance requirements
13 for a third party with a contract under paragraph
14 (3) and safeguards to protect the independence and
15 integrity of the activities carried out by the third
16 party under the program under this section.

17 “(5) IMPLEMENTATION.—The Secretary shall
18 implement the program under this section for 2024
19 and 2025 by program instruction or otherwise.

20 “(e) ENFORCEMENT.—

21 “(1) AUDITS.—Each manufacturer with an
22 agreement in effect under this section shall be sub-
23 ject to periodic audit by the Secretary.

24 “(2) CIVIL MONEY PENALTY.—

1 “(A) IN GENERAL.—A manufacturer that
2 fails to provide discounted prices for applicable
3 drugs of the manufacturer dispensed to applica-
4 ble beneficiaries in accordance with such agree-
5 ment shall be subject to a civil money penalty
6 for each such failure in an amount the Sec-
7 retary determines is equal to the sum of—

8 “(i) the amount that the manufac-
9 turer would have paid with respect to such
10 discounts under the agreement, which will
11 then be used to pay the discounts which
12 the manufacturer had failed to provide;
13 and

14 “(ii) 25 percent of such amount.

15 “(B) APPLICATION.—The provisions of
16 section 1128A (other than subsections (a) and
17 (b)) shall apply to a civil money penalty under
18 this paragraph in the same manner as such
19 provisions apply to a penalty or proceeding
20 under section 1128A(a).

21 “(f) CLARIFICATION REGARDING AVAILABILITY OF
22 OTHER COVERED PART D DRUGS.—Nothing in this sec-
23 tion shall prevent an applicable beneficiary from pur-
24 chasing a covered part D drug that is not an applicable
25 drug (including a generic drug or a drug that is not on

1 the formulary of the prescription drug plan or MA–PD
2 plan that the applicable beneficiary is enrolled in).

3 “(g) DEFINITIONS.—In this section:

4 “(1) APPLICABLE BENEFICIARY.—The term
5 ‘applicable beneficiary’ means an individual who, on
6 the date of dispensing a covered part D drug—

7 “(A) is enrolled in a prescription drug plan
8 or an MA–PD plan;

9 “(B) is not enrolled in a qualified retiree
10 prescription drug plan; and

11 “(C) has incurred costs, as determined in
12 accordance with section 1860D–2(b)(4)(C) as if
13 clause (iii) of such section included a reference
14 to costs reimbursed through insurance, a group
15 health plan, or certain other third-party pay-
16 ment arrangements, for covered part D drugs
17 in the year that exceed—

18 “(i) in the case of an individual not
19 described in clause (ii) or (iii), the annual
20 deductible for such year, as specified in
21 section 1860D-2(b)(1);

22 “(ii) in the case of a subsidy eligible
23 individual described in section 1860D-
24 14(a)(1), the annual deductible for such

1 year, as specified in subparagraph (B) of
2 such section; and

3 “(iii) in the case of a subsidy eligible
4 individual described in section 1860D–
5 14(a)(2), the annual deductible for such
6 year, as specified in subparagraph (B) of
7 such section.

8 “(2) APPLICABLE DRUG.—The term ‘applicable
9 drug’, with respect to an applicable beneficiary—

10 “(A) means a covered part D drug—

11 “(i) approved under a new drug appli-
12 cation under section 505(c) of the Federal
13 Food, Drug, and Cosmetic Act or, in the
14 case of a biologic product, licensed under
15 section 351 of the Public Health Service
16 Act; and

17 “(ii)(I) if the PDP sponsor of the pre-
18 scription drug plan or the MA organization
19 offering the MA–PD plan uses a for-
20 mulary, which is on the formulary of the
21 prescription drug plan or MA–PD plan
22 that the applicable beneficiary is enrolled
23 in;

24 “(II) if the PDP sponsor of the pre-
25 scription drug plan or the MA organization

1 offering the MA–PD plan does not use a
2 formulary, for which benefits are available
3 under the prescription drug plan or MA–
4 PD plan that the applicable beneficiary is
5 enrolled in; or

6 “(III) is provided through an excep-
7 tion or appeal; and

8 “(B) does not include a selected drug (as
9 referred to under section 1192(c)) during a
10 price applicability period (as defined in section
11 1191(b)(2)) with respect to such drug.

12 “(3) APPLICABLE NUMBER OF CALENDAR
13 DAYS.—The term ‘applicable number of calendar
14 days’ means—

15 “(A) with respect to claims for reimburse-
16 ment submitted electronically, 14 days; and

17 “(B) with respect to claims for reimburse-
18 ment submitted otherwise, 30 days.

19 “(4) DISCOUNTED PRICE.—

20 “(A) IN GENERAL.—The term ‘discounted
21 price’ means, subject to subparagraphs (B) and
22 (C), with respect to an applicable drug of a
23 manufacturer dispensed during a year to an ap-
24 plicable beneficiary—

1 “(i) who has not incurred costs, as de-
2 termined in accordance with section
3 1860D–2(b)(4)(C), for covered part D
4 drugs in the year that are equal to or ex-
5 ceed the annual out-of-pocket threshold
6 specified in section 1860D–2(b)(4)(B)(i)
7 for the year, 90 percent of the negotiated
8 price of such drug; and

9 “(ii) who has incurred such costs, as
10 so determined, in the year that are equal
11 to or exceed such threshold for the year,
12 80 percent of the negotiated price of such
13 drug.

14 “(B) PHASE-IN FOR CERTAIN DRUGS DIS-
15 PENSED TO LIS BENEFICIARIES.—

16 “(i) IN GENERAL.—In the case of an
17 applicable drug of a specified manufacturer
18 (as defined in clause (ii)) that is marketed
19 as of the date of enactment of this sub-
20 paragraph and dispensed for an applicable
21 beneficiary who is a subsidy eligible indi-
22 vidual (as defined in section 1860D–
23 14(a)(3)), the term ‘discounted price’
24 means the specified LIS percent (as de-

1 fined in clause (iii)) of the negotiated price
2 of the applicable drug of the manufacturer.

3 “(ii) SPECIFIED MANUFACTURER.—

4 “(I) IN GENERAL.—In this sub-
5 paragraph, subject to subclause (II),
6 the term ‘specified manufacturer’
7 means a manufacturer of an applica-
8 ble drug for which, in 2021—

9 “(aa) the manufacturer had
10 a coverage gap discount agree-
11 ment under section 1860D-14A;

12 “(bb) the total expenditures
13 for all of the specified drugs of
14 the manufacturer covered by
15 such agreement or agreements
16 for such year and covered under
17 this part during such year rep-
18 resented less than 1.0 percent of
19 the total expenditures under this
20 part for all covered Part D drugs
21 during such year; and

22 “(cc) the total expenditures
23 for all of the specified drugs of
24 the manufacturer that are single
25 source drugs and biological prod-

2088

1 ucts covered under part B during
2 such year represented less than
3 1.0 percent of the total expendi-
4 tures under part B for all drugs
5 or biological products covered
6 under such part during such
7 year.

8 “(II) SPECIFIED DRUGS.—

9 “(aa) IN GENERAL.—For
10 purposes of this clause, the term
11 ‘specified drug’ means, with re-
12 spect to a specified manufac-
13 turer, for 2021, an applicable
14 drug that is produced, prepared,
15 propagated, compounded, con-
16 verted, or processed by the man-
17 ufacturer.

18 “(bb) AGGREGATION
19 RULE.—All persons treated as a
20 single employer under subsection
21 (a) or (b) of section 52 of the In-
22 ternal Revenue Code of 1986
23 shall be treated as one manufac-
24 turer for purposes of this sub-
25 paragraph. For purposes of mak-

1 ing a determination pursuant to
2 the previous sentence, an agree-
3 ment under this section shall re-
4 quire that a manufacturer pro-
5 vide and attest to such informa-
6 tion as specified by the Secretary
7 as necessary.

8 “(III) LIMITATION.—The term
9 ‘specified manufacturer’ shall not in-
10 clude a manufacturer described in
11 subclause (I) if such manufacturer is
12 acquired after 2021 by another manu-
13 facturer that is not a specified manu-
14 facturer, effective at the beginning of
15 the plan year immediately following
16 such acquisition or, in the case of an
17 acquisition before 2024, effective Jan-
18 uary 1, 2024.

19 “(iii) SPECIFIED LIS PERCENT.—In
20 this subparagraph, the ‘specified LIS per-
21 cent’ means, with respect to a year—

22 “(I) for an applicable drug dis-
23 pensed for an applicable beneficiary
24 described in clause (i) who has not in-
25 curred costs, as determined in accord-

2090

1 ance with section 1860D–2(b)(4)(C),
2 for covered part D drugs in the year
3 that are equal to or exceed the annual
4 out-of-pocket threshold specified in
5 section 1860D–2(b)(4)(B)(i) for the
6 year—

7 “(aa) for 2024, 99 percent;
8 “(bb) for 2025, 98 percent;
9 “(cc) for 2026, 95 percent;
10 “(dd) for 2027, 92 percent;

11 and

12 “(ee) for 2028 and each
13 subsequent year, 90 percent; and

14 “(II) for an applicable drug dis-
15 pensed for an applicable beneficiary
16 described in clause (i) who has in-
17 curred costs, as determined in accord-
18 ance with section 1860D–2(b)(4)(C),
19 for covered part D drugs in the year
20 that are equal to or exceed the annual
21 out-of-pocket threshold specified in
22 section 1860D–2(b)(4)(B)(i) for the
23 year—

24 “(aa) for 2024, 99 percent;
25 “(bb) for 2025, 98 percent;

2091

1 “(cc) for 2026, 95 percent;
2 “(dd) for 2027, 92 percent;
3 “(ee) for 2028, 90 percent;
4 “(ff) for 2029, 85 percent;
5 and
6 “(gg) for 2030 and each
7 subsequent year, 80 percent.

8 “(C) PHASE-IN FOR SPECIFIED SMALL
9 MANUFACTURERS.—

10 “(i) IN GENERAL.—In the case of an
11 applicable drug of a specified small manu-
12 facturer (as defined in clause (ii)) that is
13 marketed as of the date of enactment of
14 this subparagraph and dispensed for an
15 applicable beneficiary, the term ‘discounted
16 price’ means the specified small manufac-
17 turer percent (as defined in clause (iii)) of
18 the negotiated price of the applicable drug
19 of the manufacturer.

20 “(ii) SPECIFIED SMALL MANUFAC-
21 Turer.—

22 “(I) IN GENERAL.—In this sub-
23 paragraph, subject to subclause (III),
24 the term ‘specified small manufac-

1 turer’ means a manufacturer of an
2 applicable drug for which, in 2021—
3 “(aa) the manufacturer is a
4 specified manufacturer (as de-
5 fined in subparagraph (B)(ii));
6 and
7 “(bb) the total expenditures
8 under part D for any one of the
9 specified small manufacturer
10 drugs of the manufacturer that
11 are covered by the agreement or
12 agreements under section
13 1860D–14A of such manufac-
14 turer for such year and covered
15 under this part during such year
16 are equal to or more than 80 per-
17 cent of the total expenditures
18 under this part for all specified
19 small manufacturer drugs of the
20 manufacturer that are covered by
21 such agreement or agreements
22 for such year and covered under
23 this part during such year.
24 “(II) SPECIFIED SMALL MANU-
25 FACTURER DRUGS.—

2093

1 “(aa) IN GENERAL.—For
2 purposes of this clause, the term
3 ‘specified small manufacturer
4 drugs’ means, with respect to a
5 specified small manufacturer, for
6 2021, an applicable drug that is
7 produced, prepared, propagated,
8 compounded, converted, or pro-
9 cessed by the manufacturer.

10 “(bb) AGGREGATION
11 RULE.—All persons treated as a
12 single employer under subsection
13 (a) or (b) of section 52 of the In-
14 ternal Revenue Code of 1986
15 shall be treated as one manufac-
16 turer for purposes of this sub-
17 paragraph. For purposes of mak-
18 ing a determination pursuant to
19 the previous sentence, an agree-
20 ment under this section shall re-
21 quire that a manufacturer pro-
22 vide and attest to such informa-
23 tion as specified by the Secretary
24 as necessary.

2094

1 “(III) LIMITATION.—The term
2 ‘specified small manufacturer’ shall
3 not include a manufacturer described
4 in subclause (I) if such manufacturer
5 is acquired after 2021 by another
6 manufacturer that is not a specified
7 small manufacturer, effective at the
8 beginning of the plan year imme-
9 diately following such acquisition or,
10 in the case of an acquisition before
11 2024, effective January 1, 2024.

12 “(iii) SPECIFIED SMALL MANUFAC-
13 TURER PERCENT.—In this subparagraph,
14 the term ‘specified small manufacturer per-
15 cent’ means, with respect to a year—

16 “(I) for an applicable drug dis-
17 pensed for an applicable beneficiary
18 who has not incurred costs, as deter-
19 mined in accordance with section
20 1860D–2(b)(4)(C), for covered part D
21 drugs in the year that are equal to or
22 exceed the annual out-of-pocket
23 threshold specified in section 1860D–
24 2(b)(4)(B)(i) for the year—

25 “(aa) for 2024, 99 percent;

2095

1 “(bb) for 2025, 98 percent;

2 “(cc) for 2026, 95 percent;

3 “(dd) for 2027, 92 percent;

4 and

5 “(ee) for 2028 and each
6 subsequent year, 90 percent; and

7 “(II) for an applicable drug dis-
8 pensed for an applicable beneficiary
9 who has incurred costs, as determined
10 in accordance with section 1860D-
11 2(b)(4)(C), for covered part D drugs
12 in the year that are equal to or exceed
13 the annual out-of-pocket threshold
14 specified in section 1860D-
15 2(b)(4)(B)(i) for the year—

16 “(aa) for 2024, 99 percent;

17 “(bb) for 2025, 98 percent;

18 “(cc) for 2026, 95 percent;

19 “(dd) for 2027, 92 percent;

20 “(ee) for 2028, 90 percent;

21 “(ff) for 2029, 85 percent;

22 and

23 “(gg) for 2030 and each
24 subsequent year, 80 percent.

1 “(D) TOTAL EXPENDITURES.—For pur-
2 poses of this paragraph, the term ‘total expend-
3 itures’ includes, in the case of expenditures with
4 respect to part D, ingredient costs, dispensing
5 fees, sales tax, and, if applicable, vaccine ad-
6 ministration fees. The term ‘total expenditures’
7 excludes, in the case of expenditures with re-
8 spect to part B, expenditures for a drug or bio-
9 logical that are bundled or packaged into the
10 payment for another service.

11 “(E) SPECIAL CASE FOR CERTAIN
12 CLAIMS.—

13 “(i) CLAIMS SPANNING DEDUCT-
14 IBLE.—In the case where the entire
15 amount of the negotiated price of an indi-
16 vidual claim for an applicable drug with re-
17 spect to an applicable beneficiary does not
18 fall above the annual deductible specified
19 in section 1860D–2(b)(1) for the year, the
20 manufacturer of the applicable drug shall
21 provide the discounted price under this
22 section on only the portion of the nego-
23 tiated price of the applicable drug that
24 falls above such annual deductible.

1 “(ii) CLAIMS SPANNING OUT-OF-POCK-
2 ET THRESHOLD.—In the case where the
3 entire amount of the negotiated price of an
4 individual claim for an applicable drug
5 with respect to an applicable beneficiary
6 does not fall entirely below or entirely
7 above the annual out-of-pocket threshold
8 specified in section 1860D–2(b)(4)(B)(i)
9 for the year, the manufacturer of the ap-
10 plicable drug shall provide the discounted
11 price—

12 “(I) in accordance with subpara-
13 graph (A)(i) on the portion of the ne-
14 gotiated price of the applicable drug
15 that falls below such threshold; and

16 “(II) in accordance with subpara-
17 graph (A)(ii) on the portion of such
18 price of such drug that falls at or
19 above such threshold.

20 “(5) MANUFACTURER.—The term ‘manufac-
21 turer’ means any entity which is engaged in the pro-
22 duction, preparation, propagation, compounding,
23 conversion, or processing of prescription drug prod-
24 ucts, either directly or indirectly by extraction from
25 substances of natural origin, or independently by

1 means of chemical synthesis, or by a combination of
2 extraction and chemical synthesis. Such term does
3 not include a wholesale distributor of drugs or a re-
4 tail pharmacy licensed under State law.

5 “(6) NEGOTIATED PRICE.—The term ‘nego-
6 tiated price’ has the meaning given such term in sec-
7 tion 423.100 of title 42, Code of Federal Regula-
8 tions (or any successor regulation) and, with respect
9 to an applicable drug, such negotiated price shall in-
10 clude any dispensing fee and, if applicable, any vac-
11 cine administration fee for the applicable drug.

12 “(7) QUALIFIED RETIREE PRESCRIPTION DRUG
13 PLAN.—The term ‘qualified retiree prescription drug
14 plan’ has the meaning given such term in section
15 1860D–22(a)(2).

16 **“SEC. 1860D–14D. SELECTED DRUG SUBSIDY PROGRAM.**

17 “With respect to covered part D drugs that would
18 be applicable drugs (as defined in section 1860D–
19 14C(g)(2) but for the application of subparagraph (B) of
20 such section, the Secretary shall provide a process where-
21 by, in the case of an applicable beneficiary (as defined in
22 section 1860D–14C(g)(1)) who, with respect to a year, is
23 enrolled in a prescription drug plan or is enrolled in an
24 MA–PD plan, has not incurred costs that are equal to or
25 exceed the annual out-of-pocket threshold specified in sec-

1 tion 1860D–2(b)(4)(B)(i), and is dispensed such a drug
2 the Secretary (periodically and on a timely basis) provides
3 the PDP sponsor or the MA organization offering the
4 plan, a subsidy with respect to such drug that is equal
5 to 10 percent of the negotiated price (as defined in section
6 1860D–14C(g)(6)) of such drug.”.

7 (2) SUNSET OF MEDICARE COVERAGE GAP DIS-
8 COUNT PROGRAM.—Section 1860D–14A of the So-
9 cial Security Act (42 U.S.C. 1395–114a) is amend-
10 ed—

11 (A) in subsection (a), in the first sentence,
12 by striking “The Secretary” and inserting
13 “Subject to subsection (h), the Secretary”; and

14 (B) by adding at the end the following new
15 subsection:

16 “(h) SUNSET OF PROGRAM.—

17 “(1) IN GENERAL.—The program shall not
18 apply with respect to applicable drugs dispensed on
19 or after January 1, 2024, and, subject to paragraph
20 (2), agreements under this section shall be termi-
21 nated as of such date.

22 “(2) CONTINUED APPLICATION FOR APPLICA-
23 BLE DRUGS DISPENSED PRIOR TO SUNSET.—The
24 provisions of this section (including all responsibil-
25 ities and duties) shall continue to apply on and after

1 January 1, 2024, with respect to applicable drugs
2 dispensed prior to such date.”.

3 (3) INCLUSION OF ACTUARIAL VALUE OF MANU-
4 FACTURER DISCOUNTS IN BIDS.—Section 1860D–11
5 of the Social Security Act (42 U.S.C. 1395w–111)
6 is amended—

7 (A) in subsection (b)(2)(C)(iii)—

8 (i) by striking “assumptions regarding
9 the reinsurance” and inserting “assump-
10 tions regarding—

11 “(I) the reinsurance”; and

12 (ii) by adding at the end the fol-
13 lowing:

14 “(II) for 2024 and each subse-
15 quent year, the manufacturer dis-
16 counts provided under section 1860D–
17 14C subtracted from the actuarial
18 value to produce such bid; and”;

19 (B) in subsection (c)(1)(C)—

20 (i) by striking “an actuarial valuation
21 of the reinsurance” and inserting “an ac-
22 tuarial valuation of—

23 “(i) the reinsurance”;

1 (ii) in clause (i), as inserted by clause
2 (i) of this subparagraph, by adding “and”
3 at the end; and

4 (iii) by adding at the end the fol-
5 lowing:

6 “(ii) for 2024 and each subsequent
7 year, the manufacturer discounts provided
8 under section 1860D–14C;”.

9 (e) CONFORMING AMENDMENTS.—

10 (1) Section 1860D–2 of the Social Security Act
11 (42 U.S.C. 1395w–102) is amended—

12 (A) in subsection (a)(2)(A)(i)(I), by strik-
13 ing “, or an increase in the initial” and insert-
14 ing “or, for a year preceding 2024, an increase
15 in the initial”;

16 (B) in subsection (c)(1)(C)—

17 (i) in the subparagraph heading, by
18 striking “AT INITIAL COVERAGE LIMIT”;
19 and

20 (ii) by inserting “for a year preceding
21 2024 or the annual out-of-pocket threshold
22 specified in subsection (b)(4)(B) for the
23 year for 2024 and each subsequent year”
24 after “subsection (b)(3) for the year” each
25 place it appears; and

1 (C) in subsection (d)(1)(A), by striking “or
2 an initial” and inserting “or, for a year pre-
3 ceding 2024, an initial”.

4 (2) Section 1860D–4(a)(4)(B)(i) of the Social
5 Security Act (42 U.S.C. 1395w–104(a)(4)(B)(i)) is
6 amended by striking “the initial” and inserting “for
7 a year preceding 2024, the initial”.

8 (3) Section 1860D–14(a) of the Social Security
9 Act (42 U.S.C. 1395w–114(a)) is amended—

10 (A) in paragraph (1)—

11 (i) in subparagraph (C), by striking
12 “The continuation” and inserting “For a
13 year preceding 2024, the continuation”;

14 (ii) in subparagraph (D)(iii), by strik-
15 ing “1860D–2(b)(4)(A)(i)(I)” and insert-
16 ing “1860D–2(b)(4)(A)(i)(I)(aa)”;

17 (iii) in subparagraph (E), by striking
18 “The elimination” and inserting “For a
19 year preceding 2024, the elimination”;

20 (B) in paragraph (2)—

21 (i) in subparagraph (C), by striking
22 “The continuation” and inserting “For a
23 year preceding 2024, the continuation”;

24 and

1 (ii) in subparagraph (E), by striking
2 “1860D–2(b)(4)(A)(i)(I)” and inserting
3 “1860D–2(b)(4)(A)(i)(I)(aa)”.

4 (4) Section 1860D–21(d)(7) of the Social Secu-
5 rity Act (42 U.S.C. 1395w–131(d)(7)) is amended
6 by striking “section 1860D–2(b)(4)(B)(i)” and in-
7 serting “section 1860D–2(b)(4)(C)(i)”.

8 (5) Section 1860D–22(a)(2)(A) of the Social
9 Security Act (42 U.S.C. 1395w–132(a)(2)(A)) is
10 amended—

11 (A) by striking “the value of any discount”
12 and inserting the following: “the value of—

13 “(i) for years prior to 2024, any dis-
14 count”;

15 (B) in clause (i), as inserted by subpara-
16 graph (A) of this paragraph, by striking the pe-
17 riod at the end and inserting “; and”; and

18 (C) by adding at the end the following new
19 clause:

20 “(ii) for 2024 and each subsequent
21 year, any discount provided pursuant to
22 section 1860D–14C.”.

23 (6) Section 1860D–41(a)(6) of the Social Secu-
24 rity Act (42 U.S.C. 1395w–151(a)(6)) is amended—

1 (A) by inserting “for a year before 2024”
2 after “1860D–2(b)(3)”; and

3 (B) by inserting “for such year” before the
4 period.

5 (7) Section 1860D–43 of the Social Security
6 Act (42 U.S.C. 1395w–153) is amended—

7 (A) in subsection (a)—

8 (i) by striking paragraph (1) and in-
9 serting the following:

10 “(1) participate in—

11 “(A) for 2011 through 2023, the Medicare
12 coverage gap discount program under section
13 1860D–14A; and

14 “(B) for 2024 and each subsequent year,
15 the manufacturer discount program under sec-
16 tion 1860D–14C;”;

17 (ii) by striking paragraph (2) and in-
18 serting the following:

19 “(2) have entered into and have in effect—

20 “(A) for 2011 through 2023, an agreement
21 described in subsection (b) of section 1860D–
22 14A with the Secretary; and

23 “(B) for 2024 and each subsequent year,
24 an agreement described in subsection (b) of sec-
25 tion 1860D–14C with the Secretary; and”;

1 (iii) by striking paragraph (3) and in-
2 serting the following:

3 “(3) have entered into and have in effect, under
4 terms and conditions specified by the Secretary—

5 “(A) for 2011 through 2023, a contract
6 with a third party that the Secretary has en-
7 tered into a contract with under subsection
8 (d)(3) of section 1860D–14A; and

9 “(B) for 2024 and each subsequent year,
10 a contract with a third party that the Secretary
11 has entered into a contract with under sub-
12 section (d)(3) of section 1860D–14C.”; and

13 (B) by striking subsection (b) and insert-
14 ing the following:

15 “(b) EFFECTIVE DATE.—Paragraphs (1)(A), (2)(A),
16 and (3)(A) of subsection (a) shall apply to covered part
17 D drugs dispensed under this part on or after January
18 1, 2011, and before January 1, 2024, and paragraphs
19 (1)(B), (2)(B), and (3)(B) of such subsection shall apply
20 to covered part D drugs dispensed under this part on or
21 after January 1, 2024.”.

22 (8) Section 1927 of the Social Security Act (42
23 U.S.C. 1396r–8) is amended—

24 (A) in subsection (c)(1)(C)(i)(VI), by in-
25 serting before the period at the end the fol-

1 lowing: “or under the manufacturer discount
2 program under section 1860D–14C”; and

3 (B) in subsection (k)(1)(B)(i)(V), by in-
4 serting before the period at the end the fol-
5 lowing: “or under section 1860D–14C”.

6 (f) IMPLEMENTATION FOR 2024 AND 2025.—Not-
7 withstanding any other provision of this section, the Sec-
8 retary shall implement this section, including the amend-
9 ments made by this section, for 2024 and 2025 by pro-
10 gram instruction or otherwise.

11 (g) FUNDING.—In addition to amounts otherwise
12 available, there are appropriated to the Centers for Medi-
13 care & Medicaid Services, out of any money in the Treas-
14 ury not otherwise appropriated, \$44,000,000 for fiscal
15 year 2022, \$38,000,000 for fiscal year 2023, and
16 \$32,000,000 for each of fiscal years 2024 through 2031,
17 to remain available until expended, to carry out the provi-
18 sions of, including the amendments made by, this section.

19 **SEC. 139202. MAXIMUM MONTHLY CAP ON COST SHARING**
20 **PAYMENTS UNDER PRESCRIPTION DRUG**
21 **PLANS AND MA-PD PLANS.**

22 (a) IN GENERAL.—Section 1860D–2(b) of the Social
23 Security Act (42 U.S.C. 1395w–102(b)), as amended by
24 section 139201, is amended—

25 (1) in paragraph (2)—

1 (A) in subparagraph (A), by striking “and
2 (D)” and inserting “, (D), and (E)”; and

3 (B) by adding at the end the following new
4 subparagraph:

5 “(E) MAXIMUM MONTHLY CAP ON COST
6 SHARING PAYMENTS.—

7 “(i) IN GENERAL.—For plan years be-
8 ginning on or after January 1, 2025, each
9 PDP sponsor offering a prescription drug
10 plan and each MA organization offering an
11 MA–PD plan shall provide to any enrollee
12 of such plan, including an enrollee who is
13 a subsidy eligible individual (as defined in
14 paragraph (3) of section 1860D-14(a)), the
15 option to elect with respect to a plan year
16 to pay cost sharing under the plan in
17 monthly amounts that are capped in ac-
18 cordance with this subparagraph.

19 “(ii) DETERMINATION OF MAXIMUM
20 MONTHLY CAP.—For each month in the
21 plan year for which an enrollee in a pre-
22 scription drug plan or an MA–PD plan has
23 made an election pursuant to clause (i),
24 the PDP sponsor or MA organization shall

1 determine a maximum monthly cap (as de-
2 fined in clause (iv)) for such enrollee.

3 “(iii) BENEFICIARY MONTHLY PAY-
4 MENTS.—With respect to an enrollee who
5 has made an election pursuant to clause
6 (i), for each month described in clause (ii),
7 the PDP sponsor or MA organization shall
8 bill such enrollee an amount (not to exceed
9 the maximum monthly cap) for the out-of-
10 pocket costs of such enrollee in such
11 month.

12 “(iv) MAXIMUM MONTHLY CAP DE-
13 FINED.—In this subparagraph, the term
14 ‘maximum monthly cap’ means, with re-
15 spect to an enrollee—

16 “(I) for the first month for which
17 the enrollee has made an election pur-
18 suant to clause (i), an amount deter-
19 mined by calculating—

20 “(aa) the annual out-of-
21 pocket threshold specified in
22 paragraph (4)(B) minus the in-
23 curred costs of the enrollee as de-
24 scribed in paragraph (4)(C); di-
25 vided by

1 “(bb) the number of months
2 remaining in the plan year; and

3 “(II) for a subsequent month, an
4 amount determined by calculating—

5 “(aa) the sum of any re-
6 maining out-of-pocket costs owed
7 by the enrollee from a previous
8 month that have not yet been
9 billed to the enrollee and any ad-
10 ditional out-of-pocket costs in-
11 curred by the enrollee; divided by

12 “(bb) the number of months
13 remaining in the plan year.

14 “(v) ADDITIONAL REQUIREMENTS.—
15 The following requirements shall apply
16 with respect to the option to make an elec-
17 tion pursuant to clause (i) under this sub-
18 paragraph:

19 “(I) SECRETARIAL RESPONSIBIL-
20 ITIES.—The Secretary shall provide
21 information to part D eligible individ-
22 uals on the option to make such elec-
23 tion through educational materials, in-
24 cluding through the notices provided
25 under section 1804(a).

1 “(II) TIMING OF ELECTION.—An
2 enrollee in a prescription drug plan or
3 an MA–PD plan may make such an
4 election—

5 “(aa) prior to the beginning
6 of the plan year; or

7 “(bb) in any month during
8 the plan year.

9 “(III) PDP SPONSOR AND MA OR-
10 GANIZATION RESPONSIBILITIES.—
11 Each PDP sponsor offering a pre-
12 scription drug plan or MA organiza-
13 tion offering an MA–PD plan—

14 “(aa) may not limit the op-
15 tion for an enrollee to make such
16 an election to certain covered
17 part D drugs;

18 “(bb) shall, prior to the plan
19 year, notify prospective enrollees
20 of the option to make such an
21 election in promotional materials;

22 “(cc) shall include informa-
23 tion on such option in enrollee
24 educational materials;

2111

1 “(dd) shall have in place a
2 mechanism to notify a pharmacy
3 during the plan year when an en-
4 rollee incurs out-of-pocket costs
5 with respect to covered part D
6 drugs that make it likely the en-
7 rollee may benefit from making
8 such an election;

9 “(ee) shall provide that a
10 pharmacy, after receiving a noti-
11 fication described in item (dd)
12 with respect to an enrollee, in-
13 forms the enrollee of such notifi-
14 cation;

15 “(ff) shall ensure that such
16 an election by an enrollee has no
17 effect on the amount paid to
18 pharmacies (or the timing of
19 such payments) with respect to
20 covered part D drugs dispensed
21 to the enrollee; and

22 “(gg) shall have in place a
23 financial reconciliation process to
24 correct inaccuracies in payments
25 made by an enrollee under this

2112

1 subparagraph with respect to
2 covered part D drugs during the
3 plan year.

4 “(IV) FAILURE TO PAY AMOUNT
5 BILLED.—If an enrollee fails to pay
6 the amount billed for a month as re-
7 quired under this subparagraph, the
8 election of the enrollee pursuant to
9 clause (i) shall be terminated and the
10 enrollee shall pay the cost sharing
11 otherwise applicable for any covered
12 part D drugs subsequently dispensed
13 to the enrollee up to the annual out-
14 of-pocket threshold specified in para-
15 graph (4)(B).

16 “(V) CLARIFICATION REGARDING
17 PAST DUE AMOUNTS.—Nothing in this
18 subparagraph shall be construed as
19 prohibiting a PDP sponsor or an MA
20 organization from billing an enrollee
21 for an amount owed under this sub-
22 paragraph.

23 “(VI) TREATMENT OF UNSET-
24 TLED BALANCES.—Any unsettled bal-
25 ances with respect to amounts owed

1 under this subparagraph shall be
2 treated as plan losses and the Sec-
3 retary shall not be liable for any such
4 balances outside of those assumed as
5 losses estimated in plan bids.”; and

6 (2) in paragraph (4)—

7 (A) in subparagraph (C), by striking “in
8 subparagraph (E)” and inserting “in subpara-
9 graph (E) and subject to subparagraph (F)”;
10 and

11 (B) by adding at the end the following new
12 subparagraph:

13 “(F) INCLUSION OF COSTS PAID UNDER
14 MAXIMUM MONTHLY CAP OPTION.—In applying
15 subparagraph (A), with respect to an enrollee
16 who has made an election pursuant to clause (i)
17 of paragraph (2)(E), costs shall be treated as
18 incurred if such costs are paid by a PDP spon-
19 sor or an MA organization under the option
20 provided under such paragraph.”.

21 (b) APPLICATION TO ALTERNATIVE PRESCRIPTION
22 DRUG COVERAGE.—Section 1860D–2(c) of the Social Se-
23 curity Act (42 U.S.C. 1395w–102(c)) is amended by add-
24 ing at the end the following new paragraph:

1 Office of the Inspector General of the Department of
2 Health and Human Services on November 30, 2020, and
3 titled “Fraud and Abuse; Removal of Safe Harbor Protec-
4 tion for Rebates Involving Prescription Pharmaceuticals
5 and Creation of New Safe Harbor Protection for Certain
6 Point-of-Sale Reductions in Price on Prescription Phar-
7 maceuticals and Certain Pharmacy Benefit Manager Serv-
8 ices Fees” (85 Fed. Reg. 76666).

9 **PART 5—MISCELLANEOUS**
10 **SEC. 139401. APPROPRIATE COST-SHARING FOR CERTAIN**
11 **INSULIN PRODUCTS UNDER MEDICARE PART**
12 **D.**

13 (a) IN GENERAL.—Section 1860D–2 of the Social
14 Security Act (42 U.S.C. 1395w–102) is amended—

15 (1) in subsection (b)—

16 (A) in paragraph (1)(A), by striking “The
17 coverage” and inserting “Subject to paragraph
18 (8), the coverage”;

19 (B) in paragraph (2)(A), by striking “and
20 (D)” and inserting “and (D) and paragraph
21 (8)”;

22 (C) in paragraph (3)(A), by striking “and
23 (4)” and inserting “(4), and (8)”;

1 (D) in paragraph (4)(A)(i), by striking
2 “The coverage” and inserting “Subject to para-
3 graph (8), the coverage”; and

4 (E) by adding at the end the following new
5 paragraph:

6 “(8) TREATMENT OF COST-SHARING FOR CER-
7 TAIN INSULIN PRODUCTS.—

8 “(A) IN GENERAL.—For plan years begin-
9 ning on or after January 1, 2023, the following
10 shall apply with respect to insulin products (as
11 defined in subparagraph (B)):

12 “(i) NO APPLICATION OF DEDUCT-
13 IBLE.—The deductible under paragraph
14 (1) shall not apply with respect to such in-
15 sulin products.

16 “(ii) APPLICATION OF COST-SHAR-
17 ING.—

18 “(I) PLAN YEAR 2023.—For plan
19 year 2023, the coverage provides ben-
20 efits for such insulin products, regard-
21 less of whether an individual has
22 reached the initial coverage limit
23 under paragraph (3) or the out-of-
24 pocket threshold under paragraph (4),

1 with cost-sharing that is equal to the
2 applicable copayment amount.

3 “(II) PLAN YEAR 2024 AND SUB-
4 SEQUENT PLAN YEARS.—For plan
5 year 2024 and subsequent plan years,
6 the coverage provides benefits for
7 such insulin products, prior to an in-
8 dividual reaching the out-of-pocket
9 threshold under paragraph (4), with
10 cost-sharing that is equal to the appli-
11 cable copayment amount.

12 “(III) APPLICABLE COPAYMENT
13 AMOUNT.—For purposes of this
14 clause, the term ‘applicable copayment
15 amount’ means, with respect to an in-
16 sulin product under a prescription
17 drug plan or an MA–PD plan, an
18 amount that is not more than \$35.

19 “(B) INSULIN PRODUCT.—For purposes of
20 this paragraph, the term ‘insulin product’
21 means an insulin product that is approved
22 under section 505 of the Federal Food, Drug,
23 and Cosmetic Act or licensed under section 351
24 of the Public Health Service Act and marketed
25 pursuant to such approval or licensure, includ-

1 ing any insulin product that has been deemed
2 to be licensed under section 351 of the Public
3 Health Service Act pursuant to section
4 7002(e)(4) of the Biologics Price Competition
5 and Innovation Act of 2009 and marketed pur-
6 suant to such section.”; and

7 (2) in subsection (c), by adding at the end the
8 following new paragraph:

9 “(4) TREATMENT OF COST-SHARING FOR INSU-
10 LIN PRODUCTS.—The coverage is provided in accord-
11 ance with subsection (b)(8).”.

12 (b) CONFORMING AMENDMENTS TO COST-SHARING
13 FOR LOW-INCOME INDIVIDUALS.—Section 1860D–14(a)
14 of the Social Security Act (42 U.S.C. 1395w–114(a)) is
15 amended—

16 (1) in paragraph (1)—

17 (A) in subparagraph (D)(iii), by adding at
18 the end the following new sentence: “For plan
19 year 2023 and subsequent plan years, the co-
20 payment amount applicable under the preceding
21 sentence to an insulin product (as defined in
22 section 1860D–2(b)(8)(B)) furnished to the in-
23 dividual may not exceed the applicable copay-
24 ment amount for the product under the pre-

1 description drug plan or MA–PD plan in which
2 the individual is enrolled.”; and

3 (B) in subparagraph (E), by inserting the
4 following before the period at the end “or under
5 section 1860D–2(b)(8) in the case of an insulin
6 product (as defined in subparagraph (B) of
7 such section)”; and

8 (2) in paragraph (2)—

9 (A) in subparagraph (D), by adding at the
10 end the following new sentence: “For plan year
11 2023 and subsequent plan years, the amount of
12 the coinsurance applicable under the preceding
13 sentence to an insulin product (as defined in
14 section 1860D–2(b)(8)(B)) furnished to the in-
15 dividual may not exceed the applicable copay-
16 ment amount for the product under the pre-
17 scription drug plan or MA–PD plan in which
18 the individual is enrolled.”; and

19 (B) in subparagraph (E), by adding at the
20 end the following new sentence: “For plan year
21 2023, the amount of the copayment or coinsur-
22 ance applicable under the preceding sentence to
23 an insulin product (as defined in section
24 1860D–2(b)(8)(B)) furnished to the individual
25 may not exceed the applicable copayment

1 amount for the product under the prescription
2 drug plan or MA–PD plan in which the indi-
3 vidual is enrolled.”

4 (c) IMPLEMENTATION.—The Secretary shall imple-
5 ment this section for plan years 2023 and 2024 by pro-
6 gram instruction or otherwise.

7 **SEC. 139402. COVERAGE OF ADULT VACCINES REC-**
8 **COMMENDED BY THE ADVISORY COMMITTEE**
9 **ON IMMUNIZATION PRACTICES UNDER MEDI-**
10 **CARE PART D.**

11 (a) ENSURING TREATMENT OF COST SHARING IS
12 CONSISTENT WITH TREATMENT OF VACCINES UNDER
13 MEDICARE PART B.—Section 1860D–2 of the Social Se-
14 curity Act (42 U.S.C. 1395w–102), as amended by section
15 139401, is further amended—

16 (1) in subsection (b)—

17 (A) in paragraph (1)(A), by striking
18 “paragraph (8)” and inserting “paragraphs (8)
19 and (9)”;

20 (B) in paragraph (2)(A), by striking
21 “paragraph (8)” and inserting “paragraphs (8)
22 and (9)”;

23 (C) in paragraph (3)(A), by striking “and
24 (8)” and inserting “(8), and (9)”;

1 (D) in paragraph (4)(A)(i), by striking
2 “paragraph (8)” and inserting “paragraphs (8)
3 and (9)”; and

4 (E) by adding at the end the following new
5 paragraph:

6 “(9) TREATMENT OF COST SHARING FOR
7 ADULT VACCINES RECOMMENDED BY THE ADVISORY
8 COMMITTEE ON IMMUNIZATION PRACTICES CON-
9 SISTENT WITH TREATMENT OF VACCINES UNDER
10 PART B.—

11 “(A) IN GENERAL.—For plan years begin-
12 ning on or after January 1, 2024 , the fol-
13 lowing shall apply with respect to an adult vac-
14 cine recommended by the Advisory Committee
15 on Immunization Practices (as defined in sub-
16 paragraph (B)):

17 “(i) NO APPLICATION OF DEDUCT-
18 IBLE.—The deductible under paragraph
19 (1) shall not apply with respect to such
20 vaccine.

21 “(ii) NO APPLICATION OF COINSUR-
22 ANCE OR ANY OTHER COST-SHARING.—
23 There shall be no coinsurance or other
24 cost-sharing under this part with respect
25 to such vaccine, regardless of whether for

1 costs below, at, or above the initial cov-
2 erage limit under paragraph (3) or the
3 out-of-pocket threshold under paragraph
4 (4).

5 “(B) ADULT VACCINES RECOMMENDED BY
6 THE ADVISORY COMMITTEE ON IMMUNIZATION
7 PRACTICES.—For purposes of this paragraph,
8 the term ‘adult vaccine recommended by the
9 Advisory Committee on Immunization Prac-
10 tices’ means a covered part D drug that is a
11 vaccine licensed under section 351 of the Public
12 Health Service Act for use by adult populations
13 and administered in accordance with rec-
14 ommendations of the Advisory Committee on
15 Immunization Practices of the Centers for Dis-
16 ease Control and Prevention.”; and

17 (2) in subsection (c), by adding at the end the
18 following new paragraph:

19 “(5) TREATMENT OF COST SHARING FOR
20 ADULT VACCINES RECOMMENDED BY THE ADVISORY
21 COMMITTEE ON IMMUNIZATION PRACTICES.—The
22 coverage is in accordance with subsection (b)(9).”.

23 (b) CONFORMING AMENDMENTS TO COST SHARING
24 FOR LOW-INCOME INDIVIDUALS.—Section 1860D–14(a)

1 of the Social Security Act (42 U.S.C. 1395w–114(a)), as
2 amended by section 139401, is further amended—

3 (1) in paragraph (1)(D), in each of clauses (ii)
4 and (iii), by striking “In the case” and inserting
5 “Subject to paragraph (6), in the case”;

6 (2) in paragraph (2)—

7 (A) in subparagraph (B), by striking “A
8 reduction” and inserting “Subject to paragraph
9 (6), a reduction”

10 (B) in subparagraph (D), by striking “The
11 substitution” and inserting “Subject to para-
12 graph (6), the substitution”; and

13 (C) in subparagraph (E), by striking “sub-
14 section (c)” and inserting “paragraph (6) and
15 subsection (c)”; and

16 (3) by adding at the end the following new
17 paragraph:

18 “(6) NO APPLICATION OF COST SHARING FOR
19 ADULT VACCINES RECOMMENDED BY THE ADVISORY
20 COMMITTEE ON IMMUNIZATION PRACTICES.—For
21 plan years beginning on or after January 1, 2024,
22 there shall be no cost sharing under this section, in-
23 cluding no annual deductible applicable under this
24 section, with respect to an adult vaccine rec-
25 ommended by the Advisory Committee on Immuniza-

1 tion Practices (as defined in subparagraph (B) of
2 such section).”.

3 (c) **RULE OF CONSTRUCTION.**—Nothing in this sec-
4 tion shall be construed as limiting coverage under part D
5 of title XVIII of the Social Security Act for vaccines that
6 are not recommended by the Advisory Committee on Im-
7 munization Practices.

8 (d) **IMPLEMENTATION FOR 2024.**—The Secretary
9 shall implement this section, including the amendments
10 made by this section, for 2024 by program instruction or
11 otherwise.

12 **SEC. 139403. PAYMENT FOR BIOSIMILAR BIOLOGICAL**
13 **PRODUCTS DURING INITIAL PERIOD.**

14 Section 1847A(c)(4) of the Social Security Act (42
15 U.S.C. 1395w–3a(c)(4)) is amended—

16 (1) in each of subparagraphs (A) and (B), by
17 redesignating clauses (i) and (ii) as subclauses (I)
18 and (II), respectively, and moving such subclauses 2
19 ems to the right;

20 (2) by redesignating subparagraphs (A) and
21 (B) as clauses (i) and (ii) and moving such clauses
22 2 ems to the right;

23 (3) by striking “UNAVAILABLE.—In the case”
24 and inserting “UNAVAILABLE.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graph (B), in the case”; and

3 (4) by adding at the end the following new sub-
4 paragraph:

5 “(B) LIMITATION ON PAYMENT AMOUNT
6 FOR BIOSIMILAR BIOLOGICAL PRODUCTS DUR-
7 ING INITIAL PERIOD.—In the case of a bio-
8 similar biological product furnished on or after
9 July 1, 2023, during the initial period described
10 in subparagraph (A) with respect to the bio-
11 similar biological product, the amount payable
12 under this section for the biosimilar biological
13 product is the lesser of the following:

14 “(i) The amount determined under
15 clause (ii) of such subparagraph for the
16 biosimilar biological product.

17 “(ii) The amount determined under
18 subsection (b)(1)(B) for the reference bio-
19 logical product.”.

20 **SEC. 139404. TEMPORARY INCREASE IN MEDICARE PART B**
21 **PAYMENT FOR CERTAIN BIOSIMILAR BIO-**
22 **LOGICAL PRODUCTS.**

23 Section 1847A(b)(8) of the Social Security Act (42
24 U.S.C. 1395w-3a(b)(8)) is amended—

1 (1) by redesignating subparagraphs (A) and
2 (B) as clauses (i) and (ii), respectively, and moving
3 the margin of each such redesignated clause 2 ems
4 to the right;

5 (2) by striking “PRODUCT.—The amount” and
6 inserting the following: “PRODUCT.—

7 “(A) IN GENERAL.—Subject to subpara-
8 graph (B), the amount”; and

9 (3) by adding at the end the following new sub-
10 paragraph:

11 “(B) TEMPORARY PAYMENT INCREASE.—

12 “(i) IN GENERAL.—In the case of a
13 qualifying biosimilar biological product
14 that is furnished during the applicable 5-
15 year period for such product, the amount
16 specified in this paragraph for such prod-
17 uct with respect to such period is the sum
18 determined under subparagraph (A), ex-
19 cept that clause (ii) of such subparagraph
20 shall be applied by substituting ‘8 percent’
21 for ‘6 percent’.

22 “(ii) APPLICABLE 5-YEAR PERIOD.—
23 For purposes of clause (i), the applicable
24 5-year period for a qualifying biosimilar bi-
25 ological product is—

1 “(I) in the case of such a product
2 for which payment was made under
3 this paragraph as of March 31, 2022,
4 the 5-year period beginning on April
5 1, 2022; and

6 “(II) in the case of such a prod-
7 uct for which payment is first made
8 under this paragraph during a cal-
9 endar quarter during the period be-
10 ginning April 1, 2022, and ending
11 March 31, 2027, the 5-year period be-
12 ginning on the first day of such cal-
13 endar quarter during which such pay-
14 ment is first made.

15 “(iii) QUALIFYING BIOSIMILAR BIO-
16 LOGICAL PRODUCT DEFINED.—For pur-
17 poses of this subparagraph, the term
18 ‘qualifying biosimilar biological product’
19 means a biosimilar biological product de-
20 scribed in paragraph (1)(C) with respect to
21 which—

22 “(I) in the case of a product de-
23 scribed in clause (ii)(I), the average
24 sales price under paragraph (8)(A)(i)
25 for a calendar quarter during the 5-

1 year period described in such clause is
2 not more than the average sales price
3 under paragraph (4)(A) for such
4 quarter for the reference biological
5 product; and

6 “(II) in the case of a product de-
7 scribed in clause (ii)(II), the average
8 sales price under paragraph (8)(A)(i)
9 for a calendar quarter during the 5-
10 year period described in such clause is
11 not more than the average sales price
12 under paragraph (4)(A) for such
13 quarter for the reference biological
14 product.”.

15 **SEC. 139405. IMPROVING ACCESS TO ADULT VACCINES**
16 **UNDER MEDICAID AND CHIP.**

17 (a) MEDICAID.—

18 (1) REQUIRING COVERAGE OF ADULT VACCINA-
19 TIONS.—

20 (A) IN GENERAL.—Section 1902(a)(10)(A)
21 of the Social Security Act (42 U.S.C.
22 1396a(a)(10)(A)) is amended in the matter pre-
23 ceding clause (i) by inserting “(13)(B),” after
24 “(5),”.

1 (B) MEDICALLY NEEDY.— Section
2 1902(a)(10)(C)(iv) of such Act (42 U.S.C.
3 1396a(a)(10)(C)(iv)) is amended by inserting “,
4 (13)(B),” after “(5)”.

5 (2) NO COST SHARING FOR VACCINATIONS.—

6 (A) GENERAL COST-SHARING LIMITA-
7 TIONS.—Section 1916 of the Social Security
8 Act (42 U.S.C. 1396o) is amended—

9 (i) in subsection (a)(2)—

10 (I) in subparagraph (G), by in-
11 serting a comma after “State plan”;

12 (II) in subparagraph (H), by
13 striking “; or” and inserting a
14 comma;

15 (III) in subparagraph (I), by
16 striking “; and” and inserting “, or”;
17 and

18 (IV) by adding at the end the fol-
19 lowing new subparagraph:

20 “(J) vaccines described in section
21 1905(a)(13)(B) and the administration of such
22 vaccines; and”;

23 (ii) in subsection (b)(2)—

24 (I) in subparagraph (G), by in-
25 serting a comma after “State plan”;

1 (II) in subparagraph (H), by
2 striking “; or” and inserting a
3 comma;

4 (III) in subparagraph (I), by
5 striking “; and” and inserting “, or”;
6 and

7 (IV) by adding at the end the fol-
8 lowing new subparagraph:

9 “(J) vaccines described in section
10 1905(a)(13)(B) and the administration of such
11 vaccines; and”.

12 (B) APPLICATION TO ALTERNATIVE COST
13 SHARING.—Section 1916A(b)(3)(B) of the So-
14 cial Security Act (42 U.S.C. 1396o–1(b)(3)(B))
15 is amended by adding at the end the following
16 new clause:

17 “(xiv) Vaccines described in section
18 1905(a)(13)(B) and the administration of
19 such vaccines.”.

20 (3) INCREASED FMAP FOR ADULT VACCINES.—
21 Section 1905(b) of the Social Security Act (42
22 U.S.C. 1396d(b)) is amended—

23 (A) by striking “and (5)” and inserting
24 “(5)”;

1 (B) by striking “services and vaccines de-
2 scribed in subparagraphs (A) and (B) of sub-
3 section (a)(13), and prohibits cost-sharing for
4 such services and vaccines” and inserting “serv-
5 ices described in subsection (a)(13)(A), and
6 prohibits cost-sharing for such services”;

7 (C) by striking “medical assistance for
8 such services and vaccines” and inserting “med-
9 ical assistance for such services”; and

10 (D) by inserting “, and (6) during the first
11 8 fiscal quarters beginning on or after the effec-
12 tive date of this clause, in the case of a State
13 which, as of the date of enactment of the Act
14 titled ‘An Act to provide for reconciliation pur-
15 suant to title II of S. Con. Res. 14’, provides
16 medical assistance for vaccines described in
17 subsection (a)(13)(B) and their administration
18 and prohibits cost-sharing for such vaccines, the
19 Federal medical assistance percentage, as deter-
20 mined under this subsection and subsection (y),
21 shall be increased by 1 percentage point with
22 respect to medical assistance for such vaccines”
23 before the first period.

24 (b) CHIP.—

1 (1) REQUIRING COVERAGE OF ADULT VACCINA-
2 TIONS.—Section 2103(c) of the Social Security Act
3 (42 U.S.C. 1397cc(c)) is amended by adding at the
4 end the following paragraph:

5 “(12) REQUIRED COVERAGE OF APPROVED,
6 RECOMMENDED ADULT VACCINES AND THEIR AD-
7 MINISTRATION.—Regardless of the type of coverage
8 elected by a State under subsection (a), if the State
9 child health plan or a waiver of such plan provides
10 child health assistance or pregnancy-related assist-
11 ance (as defined in section 2112) to an individual
12 who is 19 years of age or older, such assistance shall
13 include coverage of vaccines described in section
14 1905(a)(13)(B) and their administration.”.

15 (2) NO COST-SHARING FOR VACCINATIONS.—
16 Section 2103(e)(2) of such Act (42 U.S.C.
17 1397cc(e)(2)) is amended by inserting “vaccines de-
18 scribed in subsection (c)(12) (and the administration
19 of such vaccines),” after “in vitro diagnostic prod-
20 ucts described in subsection (c)(10) (and administra-
21 tion of such products),”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section take effect on the 1st day of the 1st fiscal
24 quarter that begins on or after the date that is 1 year
25 after the date of enactment of this Act and shall apply

1 to expenditures made under a State plan or waiver of such
2 plan under title XIX of the Social Security Act (42 U.S.C.
3 1396 through 1396w-6) or under a State child health plan
4 or waiver of such plan under title XXI of such Act (42
5 U.S.C. 1397aa through 1397mm) on or after such effec-
6 tive date.

7 **Subtitle J—Supplemental Security**
8 **Income for the Territories**

9 **SECTION 131001. EXTENSION OF THE SUPPLEMENTAL SE-**
10 **CURITY INCOME PROGRAM TO PUERTO RICO,**
11 **THE UNITED STATES VIRGIN ISLANDS, GUAM,**
12 **AND AMERICAN SAMOA.**

13 (a) IN GENERAL.—Section 303 of the Social Security
14 Amendments of 1972 (86 Stat. 1484) is amended by strik-
15 ing subsection (b).

16 (b) CONFORMING AMENDMENTS.—

17 (1) DEFINITION OF STATE.—Section
18 1101(a)(1) of the Social Security Act (42 U.S.C.
19 1301(a)(1)) is amended by striking the 5th sentence
20 and inserting the following: “Such term when used
21 in title XVI includes Puerto Rico, the United States
22 Virgin Islands, Guam, and American Samoa.”.

23 (2) EXEMPTION OF SSI PAYMENTS FROM LIMIT
24 ON TOTAL PAYMENTS TO THE TERRITORIES.—Sec-
25 tion 1108(a)(1) of such Act (42 U.S.C. 1308(a)(1))

1 is amended by striking “under titles I, X, XIV, and
2 XVI”.

3 (3) UNITED STATES NATIONALS TREATED THE
4 SAME AS CITIZENS.—Section 1614(a)(1)(B) of such
5 Act (42 U.S.C. 1382c(a)(1)(B)) is amended—

6 (A) in clause (i)(I), by inserting “or na-
7 tional of the United States,” after “citizen”;

8 (B) in clause (i)(II), by adding “; or” at
9 the end; and

10 (C) in clause (ii), by inserting “or na-
11 tional” after “citizen”.

12 (4) TERRITORIES INCLUDED IN GEOGRAPHIC
13 MEANING OF UNITED STATES.—Section 1614(e) of
14 such Act (42 U.S.C. 1382c(e)) is amended by strik-
15 ing “and the District of Columbia” and inserting “,
16 the District of Columbia, Puerto Rico, the United
17 States Virgin Islands, Guam, and American
18 Samoa”.

19 (c) WAIVER AUTHORITY.—The Commissioner of So-
20 cial Security may waive or modify any statutory require-
21 ment relating to the provision of benefits under the Sup-
22 plemental Security Income Program under title XVI of the
23 Social Security Act in Puerto Rico, the United States Vir-
24 gin Islands, Guam, or American Samoa, to the extent that

1 the Commissioner deems it necessary in order to adapt
2 the program to the needs of the territory involved.

3 (d) EFFECTIVE DATE.—This section and the amend-
4 ments made by this section shall take effect on January
5 1, 2024.

