

# ***In the House of Representatives, U. S.,***

*October 28, 2015.*

*Resolved*, That the House agree to the amendment of the Senate to the bill (H.R. 1314) entitled “An Act to amend the Internal Revenue Code of 1986 to provide for a right to an administrative appeal relating to adverse determinations of tax-exempt status of certain organizations.”, with the following

## **HOUSE AMENDMENT TO SENATE AMENDMENT:**

In lieu of the matter proposed to be inserted by the amendment of the Senate, insert the following:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2       (a) *SHORT TITLE.*—*This Act may be cited as the “Bi-*  
3 *partisan Budget Act of 2015”.*

4       (b) *TABLE OF CONTENTS.*—*The table of contents of this*  
5 *Act is as follows:*

*Sec. 1. Short title; table of contents.*

### ***TITLE I—BUDGET ENFORCEMENT***

*Sec. 101. Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985.*

*Sec. 102. Authority for fiscal year 2017 budget resolution in the Senate.*

### ***TITLE II—AGRICULTURE***

*Sec. 201. Standard Reinsurance Agreement.*

### ***TITLE III—COMMERCE***

*Sec. 301. Debt collection improvements.*

*TITLE IV—STRATEGIC PETROLEUM RESERVE*

- Sec. 401. Strategic Petroleum Reserve test drawdown and sale notification and definition change.*
- Sec. 402. Strategic Petroleum Reserve mission readiness optimization.*
- Sec. 403. Strategic Petroleum Reserve drawdown and sale.*
- Sec. 404. Energy Security and Infrastructure Modernization Fund.*

*TITLE V—PENSIONS*

- Sec. 501. Single employer plan annual premium rates.*
- Sec. 502. Pension Payment Acceleration.*
- Sec. 503. Mortality tables.*
- Sec. 504. Extension of current funding stabilization percentages to 2018, 2019, and 2020.*

*TITLE VI—HEALTH CARE*

- Sec. 601. Maintaining 2016 Medicare part B premium and deductible levels consistent with actuarially fair rates.*
- Sec. 602. Applying the Medicaid additional rebate requirement to generic drugs.*
- Sec. 603. Treatment of off-campus outpatient departments of a provider.*
- Sec. 604. Repeal of automatic enrollment requirement.*

*TITLE VII—JUDICIARY*

- Sec. 701. Civil monetary penalty inflation adjustments.*
- Sec. 702. Crime Victims Fund.*
- Sec. 703. Assets Forfeiture Fund.*

*TITLE VIII—SOCIAL SECURITY*

- Sec. 801. Short title.*

*Subtitle A—Ensuring Correct Payments and Reducing Fraud*

- Sec. 811. Expansion of cooperative disability investigations units.*
- Sec. 812. Exclusion of certain medical sources of evidence.*
- Sec. 813. New and stronger penalties.*
- Sec. 814. References to Social Security and Medicare in electronic communications.*
- Sec. 815. Change to cap adjustment authority.*

*Subtitle B—Promoting Opportunity for Disability Beneficiaries*

- Sec. 821. Temporary reauthorization of disability insurance demonstration project authority.*
- Sec. 822. Modification of demonstration project authority.*
- Sec. 823. Promoting opportunity demonstration project.*
- Sec. 824. Use of electronic payroll data to improve program administration.*
- Sec. 825. Treatment of earnings derived from services.*
- Sec. 826. Electronic reporting of earnings.*

*Subtitle C—Protecting Social Security Benefits*

- Sec. 831. Closure of unintended loopholes.*
- Sec. 832. Requirement for medical review.*
- Sec. 833. Reallocation of payroll tax revenue.*
- Sec. 834. Access to financial information for waivers and adjustments of recovery.*

*Subtitle D—Relieving Administrative Burdens and Miscellaneous Provisions*

- Sec. 841. Interagency coordination to improve program administration.*  
*Sec. 842. Elimination of quinquennial determinations relating to wage credits for military service prior to 1957.*  
*Sec. 843. Certification of benefits payable to a divorced spouse of a railroad worker to the Railroad Retirement Board.*  
*Sec. 844. Technical amendments to eliminate obsolete provisions.*  
*Sec. 845. Reporting requirements to Congress.*  
*Sec. 846. Expedited examination of administrative law judges.*

*TITLE IX—TEMPORARY EXTENSION OF PUBLIC DEBT LIMIT*

- Sec. 901. Temporary extension of public debt limit.*  
*Sec. 902. Restoring congressional authority over the national debt.*

*TITLE X—SPECTRUM PIPELINE*

- Sec. 1001. Short title.*  
*Sec. 1002. Definitions.*  
*Sec. 1003. Rule of construction.*  
*Sec. 1004. Identification, reallocation, and auction of Federal spectrum.*  
*Sec. 1005. Additional uses of Spectrum Relocation Fund.*  
*Sec. 1006. Plans for auction of certain spectrum.*  
*Sec. 1007. FCC auction authority.*  
*Sec. 1008. Reports to Congress.*

*TITLE XI—REVENUE PROVISIONS RELATED TO TAX COMPLIANCE*

- Sec. 1101. Partnership audits and adjustments.*  
*Sec. 1102. Partnership interests created by gift.*

*TITLE XII—DESIGNATION OF SMALL HOUSE ROTUNDA*

- Sec. 1201. Designating small House rotunda as “Freedom Foyer”.*

- 1                                   **TITLE I—BUDGET**  
2                                   **ENFORCEMENT**  
3   **SEC. 101. AMENDMENTS TO THE BALANCED BUDGET AND**  
4                                   **EMERGENCY DEFICIT CONTROL ACT OF 1985.**  
5           (a) *REVISED DISCRETIONARY SPENDING LIMITS.—*  
6   *Section 251(c) of the Balanced Budget and Emergency Def-*  
7   *icit Control Act of 1985 (2 U.S.C. 901(c)) is amended by*  
8   *striking paragraphs (3) and (4) and inserting the following:*  
9                                   “(3) for fiscal year 2016—

1           “(A) for the revised security category,  
2           \$548,091,000,000 in new budget authority; and

3           “(B) for the revised nonsecurity category  
4           \$518,491,000,000 in new budget authority;

5           “(4) for fiscal year 2017—

6           “(A) for the revised security category,  
7           \$551,068,000,000 in new budget authority; and

8           “(B) for the revised nonsecurity category,  
9           \$518,531,000,000 in new budget authority;”.

10       (b) *DIRECT SPENDING ADJUSTMENTS FOR FISCAL*  
11 *YEARS 2016 AND 2017.*—Section 251A of the *Balanced*  
12 *Budget and Emergency Deficit Control Act of 1985* (2  
13 *U.S.C. 901a*), is amended—

14           (1) in paragraph (5)(B), by striking “paragraph  
15           (10)” and inserting “paragraphs (10) and (11)”; and

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

17           “(11) *IMPLEMENTING DIRECT SPENDING REDUC-*  
18 *TIONS FOR FISCAL YEARS 2016 AND 2017.*—(A) *OMB*  
19 *shall make the calculations necessary to implement*  
20 *the direct spending reductions calculated pursuant to*  
21 *paragraphs (3) and (4) without regard to the amend-*  
22 *ment made to section 251(c) revising the discre-*  
23 *tionary spending limits for fiscal years 2016 and*  
24 *2017 by the Bipartisan Budget Act of 2015.*

1           “(B) Paragraph (5)(B) shall not be implemented  
2           for fiscal years 2016 and 2017.”.

3           (c) *EXTENSION OF DIRECT SPENDING REDUCTIONS*  
4 *FOR FISCAL YEAR 2025.*—Section 251A(6) of the *Balanced*  
5 *Budget and Emergency Deficit Control Act of 1985* (2  
6 *U.S.C. 901a(6))* is amended—

7           (1) in subparagraph (B), in the matter pre-  
8           ceding clause (i), by striking “and for fiscal year  
9           2024” and by inserting “for fiscal year 2024, and for  
10          fiscal year 2025”;

11          (2) by striking subparagraph (C) and redesignig-  
12          nating subparagraph (D) as subparagraph (C); and

13          (3) in subparagraph (C) (as so redesignated), by  
14          striking “fiscal year 2024” and inserting “fiscal year  
15          2025”.

16          (d) *OVERSEAS CONTINGENCY OPERATIONS*  
17 *AMOUNTS.*—In fiscal years 2016 and 2017, the adjustments  
18 under section 251(b)(2)(A) of the *Balanced Budget and*  
19 *Emergency Deficit Control Act of 1985* (2 *U.S.C.*  
20 *901(b)(2)(A))* for *Overseas Contingency Operations/Global*  
21 *War on Terrorism appropriations* will be as follows:

22          (1) For budget function 150—

23                  (A) for fiscal year 2016, \$14,895,000,000;

24                  and

25                  (B) for fiscal year 2017, \$14,895,000,000.

1           (2) *For budget function 050—*

2                   (A) *for fiscal year 2016, \$58,798,000,000;*

3                   *and*

4                   (B) *for fiscal year 2017, \$58,798,000,000.*

5 *This subsection shall not affect the applicability of section*  
6 *251(b)(2)(A) of the Balanced Budget and Emergency Def-*  
7 *icit Control Act of 1985.*

8 **SEC. 102. AUTHORITY FOR FISCAL YEAR 2017 BUDGET RESO-**  
9 **LUTION IN THE SENATE.**

10           (a) *FISCAL YEAR 2017.—For the purpose of enforcing*  
11 *the Congressional Budget Act of 1974, after April 15, 2016,*  
12 *and enforcing budgetary points of order in prior concurrent*  
13 *resolutions on the budget, the allocations, aggregates, and*  
14 *levels provided for in subsection (b) shall apply in the Sen-*  
15 *ate in the same manner as for a concurrent resolution on*  
16 *the budget for fiscal year 2017 with appropriate budgetary*  
17 *levels for fiscal years 2018 through 2026.*

18           (b) *COMMITTEE ALLOCATIONS, AGGREGATES, AND*  
19 *LEVELS.—After April 15, 2016, but not later than May 15,*  
20 *2016, the Chairman of the Committee on the Budget of the*  
21 *Senate shall file—*

22                   (1) *for the Committee on Appropriations, com-*  
23 *mittee allocations for fiscal year 2017 consistent with*  
24 *discretionary spending limits set forth in section*  
25 *251(c)(4) of the Balanced Budget and Emergency*

1        *Deficit Control Act of 1985, as amended by this Act,*  
2        *for the purpose of enforcing section 302 of the Con-*  
3        *gressional Budget Act of 1974;*

4            (2) *for all committees other than the Committee*  
5        *on Appropriations, committee allocations for fiscal*  
6        *years 2017, 2017 through 2021, and 2017 through*  
7        *2026 consistent with the most recent baseline of the*  
8        *Congressional Budget Office, as adjusted for the budg-*  
9        *etary effects of any provision of law enacted during*  
10       *the period beginning on the date such baseline is*  
11       *issued and ending on the date of submission of such*  
12       *statement, for the purpose of enforcing section 302 of*  
13       *the Congressional Budget Act of 1974;*

14           (3) *aggregate spending levels for fiscal year 2017*  
15       *in accordance with the allocations established under*  
16       *paragraphs (1) and (2), for the purpose of enforcing*  
17       *section 311 of the Congressional Budget Act of 1974;*

18           (4) *aggregate revenue levels for fiscal years 2017,*  
19       *2017 through 2021, and 2017 through 2026 consistent*  
20       *with the most recent baseline of the Congressional*  
21       *Budget Office, as adjusted for the budgetary effects of*  
22       *any provision of law enacted during the period begin-*  
23       *ning on the date such baseline is issued and ending*  
24       *on the date of submission of such statement, for the*

1        *purpose of enforcing section 311 of the Congressional*  
2        *Budget Act of 1974; and*

3                *(5) levels of Social Security revenues and outlays*  
4        *for fiscal years 2017, 2017 through 2021, and 2017*  
5        *through 2026 consistent with the most recent baseline*  
6        *of the Congressional Budget Office, as adjusted for the*  
7        *budgetary effects of any provision of law enacted dur-*  
8        *ing the period beginning on the date such baseline is*  
9        *issued and ending on the date of submission of such*  
10       *statement, for the purpose of enforcing sections 302*  
11       *and 311 of the Congressional Budget Act of 1974.*

12        *(c) ADDITIONAL MATTER.—The filing referred to in*  
13       *subsection (b) may also include for fiscal year 2017 the*  
14       *matter contained in subtitles A and B of title IV of S. Con.*  
15       *Res. 11 (114th Congress) updated by 1 fiscal year.*

16        *(d) EXPIRATION.—This section shall expire if a con-*  
17       *current resolution on the budget for fiscal year 2017 is*  
18       *agreed to by the Senate and the House of Representatives*  
19       *pursuant to section 301 of the Congressional Budget Act*  
20       *of 1974.*

## 21                    **TITLE II—AGRICULTURE**

### 22        **SEC. 201. STANDARD REINSURANCE AGREEMENT.**

23                *Section 508(k)(8) of the Federal Crop Insurance Act*  
24        *(7 U.S.C. 1508(k)(8)) is amended—*



1           (1) in subparagraph (A), in the matter preceding  
 2           clause (i), by striking “may renegotiate” and all that  
 3           follows through the end of clause (ii) and inserting  
 4           the following: “shall renegotiate the financial terms  
 5           and conditions of each Standard Reinsurance Agree-  
 6           ment—

7                           “(i) not later than December 31, 2016;

8                           and

9                           “(ii) not less than once during each pe-  
 10                          riod of 5 reinsurance years thereafter.”; and

11           (2) by striking subparagraph (E) and inserting  
 12           the following:

13                           “(E) CAP ON OVERALL RATE OF RETURN.—

14                          Notwithstanding subparagraph (F), the Board  
 15                          shall ensure that the Standard Reinsurance  
 16                          Agreement renegotiated under subparagraph  
 17                          (A)(i) establishes a target rate of return for the  
 18                          approved insurance providers, taken as a whole,  
 19                          that does not exceed 8.9 percent of retained pre-  
 20                          mium for each of the 2017 through 2026 reinsur-  
 21                          ance years.”.

## 22           **TITLE III—COMMERCE**

### 23   **SEC. 301. DEBT COLLECTION IMPROVEMENTS.**

24           (a) *IN GENERAL.*—Section 227(b) of the Communica-  
 25           tions Act of 1934 (47 U.S.C. 227(b)) is amended—

1           (1) *in paragraph (1)—*

2                   (A) *in subparagraph (A)(iii), by inserting*  
3                   *“, unless such call is made solely to collect a debt*  
4                   *owed to or guaranteed by the United States”*  
5                   *after “charged for the call”; and*

6                   (B) *in subparagraph (B), by inserting “, is*  
7                   *made solely pursuant to the collection of a debt*  
8                   *owed to or guaranteed by the United States,”*  
9                   *after “purposes”; and*

10          (2) *in paragraph (2)—*

11                   (A) *in subparagraph (F), by striking “and”*  
12                   *at the end;*

13                   (B) *in subparagraph (G), by striking the*  
14                   *period at the end and inserting “; and”; and*

15                   (C) *by adding at the end the following:*

16                   *“(H) may restrict or limit the number and*  
17                   *duration of calls made to a telephone number as-*  
18                   *signed to a cellular telephone service to collect a*  
19                   *debt owed to or guaranteed by the United*  
20                   *States.”.*

21          (b) *DEADLINE FOR REGULATIONS.—Not later than 9*  
22          *months after the date of enactment of this Act, the Federal*  
23          *Communications Commission, in consultation with the De-*  
24          *partment of the Treasury, shall prescribe regulations to im-*  
25          *plement the amendments made by this section.*

1                   **TITLE IV—STRATEGIC**  
2                   **PETROLEUM RESERVE**

3   **SEC. 401. STRATEGIC PETROLEUM RESERVE TEST DRAW-**  
4                   **DOWN AND SALE NOTIFICATION AND DEFINI-**  
5                   **TION CHANGE.**

6           (a) *NOTICE TO CONGRESS.*—Section 161(g) of the *En-*  
7 *ergy Policy and Conservation Act* (42 U.S.C. 6241(g)) is  
8 *amended by striking paragraph (8) and inserting the fol-*  
9 *lowing:*

10           “(8) *NOTICE TO CONGRESS.*—

11                   “(A) *PRIOR NOTICE.*—Not less than 14 days  
12 *before the date on which a test is carried out*  
13 *under this subsection, the Secretary shall notify*  
14 *both Houses of Congress of the test.*

15                   “(B) *EMERGENCY.*—The prior notice re-  
16 *quirement in subparagraph (A) shall not apply*  
17 *if the Secretary determines that an emergency*  
18 *exists which requires a test to be carried out, in*  
19 *which case the Secretary shall notify both Houses*  
20 *of Congress of the test as soon as possible.*

21                   “(C) *DETAILED DESCRIPTION.*—

22                           “(i) *IN GENERAL.*—Not later than 180  
23 *days after the date on which a test is com-*  
24 *pleted under this subsection, the Secretary*

1                   *shall submit to both Houses of Congress a*  
2                   *detailed description of the test.*

3                   “(ii) *REPORT.*—*A detailed description*  
4                   *submitted under clause (i) may be included*  
5                   *as part of a report made to the President*  
6                   *and Congress under section 165.”.*

7           (b) *DEFINITION CHANGE.*—*Section 3(8)(C)(iii) of the*  
8 *Energy Policy and Conservation Act (42 U.S.C.*  
9 *6202(8)(C)(iii)) is amended by striking “sabotage or an act*  
10 *of God” and inserting “sabotage, an act of terrorism, or*  
11 *an act of God”.*

12 **SEC. 402. STRATEGIC PETROLEUM RESERVE MISSION READ-**  
13 **INESS OPTIMIZATION.**

14           *Not later than 180 days after the date of enactment*  
15 *of this Act, the Secretary shall—*

16                   (1) *complete a long-range strategic review of the*  
17 *Strategic Petroleum Reserve; and*

18                   (2) *develop and submit to Congress a proposed*  
19 *action plan, including a proposed implementation*  
20 *schedule, that—*

21                           (A) *specifies near- and long-term roles of*  
22 *the Strategic Petroleum Reserve relative to the*  
23 *energy and economic security goals and objec-*  
24 *tives of the United States;*

1           (B) describes whether existing legal authori-  
2           ties that govern the policies, configuration, and  
3           capabilities of the Strategic Petroleum Reserve  
4           are adequate to ensure that the Strategic Petro-  
5           leum Reserve can meet the current and future  
6           energy and economic security goals and objec-  
7           tives of the United States;

8           (C) identifies the configuration and per-  
9           formance capabilities of the Strategic Petroleum  
10          Reserve and recommends an action plan to  
11          achieve the optimal—

12                 (i) capacity, location, and composition  
13                 of petroleum products in the Strategic Pe-  
14                 troleum Reserve; and

15                 (ii) storage and distributional capa-  
16                 bilities; and

17          (D) estimates the resources required to at-  
18          tain and maintain the long-term sustainability  
19          and operational effectiveness of the Strategic Pe-  
20          troleum Reserve.

21 **SEC. 403. STRATEGIC PETROLEUM RESERVE DRAWDOWN**  
22 **AND SALE.**

23          (a) *DRAWDOWN AND SALE.*—Notwithstanding section  
24 *161 of the Energy Policy and Conservation Act (42 U.S.C.*

1 6241), *except as provided in subsection (b), the Secretary*  
2 *of Energy shall draw down and sell—*

3 (1) *5,000,000 barrels of crude oil from the Stra-*  
4 *tegic Petroleum Reserve during fiscal year 2018;*

5 (2) *5,000,000 barrels of crude oil from the Stra-*  
6 *tegic Petroleum Reserve during fiscal year 2019;*

7 (3) *5,000,000 barrels of crude oil from the Stra-*  
8 *tegic Petroleum Reserve during fiscal year 2020;*

9 (4) *5,000,000 barrels of crude oil from the Stra-*  
10 *tegic Petroleum Reserve during fiscal year 2021;*

11 (5) *8,000,000 barrels of crude oil from the Stra-*  
12 *tegic Petroleum Reserve during fiscal year 2022;*

13 (6) *10,000,000 barrels of crude oil from the Stra-*  
14 *tegic Petroleum Reserve during fiscal year 2023;*

15 (7) *10,000,000 barrels of crude oil from the Stra-*  
16 *tegic Petroleum Reserve during fiscal year 2024; and*

17 (8) *10,000,000 barrels of crude oil from the Stra-*  
18 *tegic Petroleum Reserve during fiscal year 2025.*

19 (b) *EMERGENCY PROTECTION.—The Secretary shall*  
20 *not draw down and sell crude oil under this section in*  
21 *amounts that would limit the authority to sell petroleum*  
22 *products under section 161(h) of the Energy Policy and*  
23 *Conservation Act (42 U.S.C. 6241(h)) in the full amount*  
24 *authorized by that subsection.*

1       (c) *PROCEEDS.*—*Proceeds from a sale under this sec-*  
2 *tion shall be deposited into the general fund of the Treasury*  
3 *during the fiscal year in which the sale occurs.*

4 **SEC. 404. ENERGY SECURITY AND INFRASTRUCTURE MOD-**  
5 **ERNIZATION FUND.**

6       (a) *ESTABLISHMENT.*—*There is hereby established in*  
7 *the Treasury of the United States a fund to be known as*  
8 *the Energy Security and Infrastructure Modernization*  
9 *Fund (referred to in this section as the “Fund”), consisting*  
10 *of—*

11               (1) *collections deposited in the Fund under sub-*  
12 *section (c); and*

13               (2) *amounts otherwise appropriated to the Fund.*

14       (b) *PURPOSE.*—*The purpose of the Fund is to provide*  
15 *for the construction, maintenance, repair, and replacement*  
16 *of Strategic Petroleum Reserve facilities.*

17       (c) *COLLECTION AND DEPOSIT OF SALE PROCEEDS IN*  
18 *FUND.*—

19               (1) *DRAWDOWN AND SALE.*—*Notwithstanding*  
20 *section 161 of the Energy Policy and Conservation*  
21 *Act (42 U.S.C. 6241), to the extent provided in ad-*  
22 *vance in appropriation Acts, the Secretary of Energy*  
23 *shall draw down and sell crude oil from the Strategic*  
24 *Petroleum Reserve in amounts as authorized under*  
25 *subsection (e), except as provided in paragraph (2).*

1     *Amounts received for a sale under this paragraph*  
2     *shall be deposited into the Fund during the fiscal year*  
3     *in which the sale occurs. Such amounts shall remain*  
4     *available in the Fund without fiscal year limitation.*

5             (2) *EMERGENCY PROTECTION.*—*The Secretary*  
6     *shall not draw down and sell crude oil under this*  
7     *subsection in amounts that would limit the authority*  
8     *to sell petroleum products under section 161(h) of the*  
9     *Energy Policy and Conservation Act (42 U.S.C.*  
10    *6241(h)) in the full amount authorized by that sub-*  
11    *section.*

12            (d) *AUTHORIZED USES OF FUND.*—

13               (1) *IN GENERAL.*—*Amounts in the Fund may be*  
14    *used for, or may be credited as offsetting collections*  
15    *for amounts used for, carrying out the program de-*  
16    *scribed in paragraph (2)(B), to the extent provided in*  
17    *advance in appropriation Acts.*

18               (2) *PROGRAM TO MODERNIZE THE STRATEGIC*  
19    *PETROLEUM RESERVE.*—

20                    (A) *FINDINGS.*—*Congress finds the fol-*  
21    *lowing:*

22                               (i) *The Strategic Petroleum Reserve is*  
23    *one of the Nation's most valuable energy se-*  
24    *curity assets.*



1           (ii) *The age and condition of the Stra-*  
2           *tegic Petroleum Reserve have diminished its*  
3           *value as a Federal energy security asset.*

4           (iii) *Global oil markets and the loca-*  
5           *tion and amount of United States oil pro-*  
6           *duction and refining capacity have dra-*  
7           *matically changed in the 40 years since the*  
8           *establishment of the Strategic Petroleum Re-*  
9           *serve.*

10          (iv) *Maximizing the energy security*  
11          *value of the Strategic Petroleum Reserve re-*  
12          *quires a modernized infrastructure that*  
13          *meets the drawdown and distribution needs*  
14          *of changed domestic and international oil*  
15          *and refining market conditions.*

16          (B) *PROGRAM.—The Secretary of Energy*  
17          *shall establish a Strategic Petroleum Reserve*  
18          *modernization program to protect the United*  
19          *States economy from the impacts of emergency*  
20          *product supply disruptions. The program may*  
21          *include—*

22               (i) *operational improvements to extend*  
23               *the useful life of surface and subsurface in-*  
24               *frastructure;*

1                   (ii) maintenance of cavern storage in-  
2                   tegrity; and

3                   (iii) addition of infrastructure and fa-  
4                   cilities to optimize the drawdown and in-  
5                   cremental distribution capacity of the Stra-  
6                   tegic Petroleum Reserve.

7           (e) *AUTHORIZATION OF APPROPRIATIONS.*—There are  
8           authorized to be appropriated (and drawdowns and sales  
9           under subsection (c) in an equal amount are authorized)  
10          for carrying out subsection (d)(2)(B), \$2,000,000,000 for  
11          the period encompassing fiscal years 2017 through 2020.

12          (f) *TRANSMISSION OF DEPARTMENT BUDGET RE-*  
13          *QUESTS.*—The Secretary of Energy shall prepare and sub-  
14          mit in the Department’s annual budget request to Con-  
15          gress—

16               (1) an itemization of the amounts of funds nec-  
17               essary to carry out subsection (d); and

18               (2) a designation of any activities thereunder for  
19               which a multiyear budget authority would be appro-  
20               priate.

21          (g) *SUNSET.*—The authority of the Secretary to draw  
22          down and sell crude oil from the Strategic Petroleum Re-  
23          serve under this section shall expire at the end of fiscal year  
24          2020.

1                                   **TITLE V—PENSIONS**

2   **SEC. 501. SINGLE EMPLOYER PLAN ANNUAL PREMIUM**  
 3                                   **RATES.**

4           (a) *FLAT-RATE PREMIUM.*—

5                   (1) *IN GENERAL.*—Section 4006(a)(3)(A)(i) of  
 6           the *Employee Retirement Income Security Act of*  
 7           1974 (29 U.S.C. 1306(a)(3)(A)(i)) is amended by  
 8           striking “and” at the end of subclause (IV), by strik-  
 9           ing the period at the end of subclause (V) and insert-  
 10          ing a semicolon, and by inserting after subclause (V)  
 11          the following:

12                                   “(VI) for plan years beginning  
 13                                   after December 31, 2016, and before  
 14                                   January 1, 2018, \$69;

15                                   “(VII) for plan years beginning  
 16                                   after December 31, 2017, and before  
 17                                   January 1, 2019, \$74; and

18                                   “(VIII) for plan years beginning  
 19                                   after December 31, 2018, \$80.”.

20           (2) *PREMIUM RATES AFTER 2019.*—Section  
 21           4006(a)(3)(G) of such Act (29 U.S.C. 1306(a)(3)(G))  
 22           is amended—

23                   (A) in the matter preceding clause (i), by  
 24                   striking “2016” and inserting “2019”; and

1           (B) in clause (i)(II) by striking “2014” and  
2           inserting “2017”.

3           (b) *VARIABLE-RATE PREMIUM INCREASES.*—

4           (1) *IN GENERAL.*—Section 4006(a)(8)(C) of such  
5           Act (29 U.S.C. 1306(a)(8)(C)) is amended—

6           (A) in the subparagraph heading, by strik-  
7           ing “increase in 2014 and 2015” and inserting  
8           “increases”;

9           (B) in clause (ii), by striking “and” at the  
10           end;

11           (C) in clause (iii), by striking the period at  
12           the end and inserting a semicolon; and

13           (D) by adding at the end the following:

14                   “(iv) in the case of plan years begin-  
15                   ning in calendar year 2017, by \$3;

16                   “(v) in the case of plan years begin-  
17                   ning in calendar year 2018, by \$4; and

18                   “(vi) in the case of plan years begin-  
19                   ning in calendar year 2019, by \$4.”.

20           (2) *CONFORMING AMENDMENTS.*—Section  
21           4006(a)(8) of such Act (29 U.S.C. 1306(a)(8)) is  
22           amended—

23           (A) in subparagraph (A)—

24                   (i) in clause (iii), by striking “and” at  
25                   the end;

1           (ii) in clause (iv), by striking the pe-  
2           riod at the end and inserting a semicolon;  
3           and

4           (iii) by adding at the end the fol-  
5           lowing:

6           “(v) for plan years beginning after cal-  
7           endar year 2017, the amount in effect for  
8           plan years beginning in 2017 (determined  
9           after application of subparagraph (C));

10          “(vi) for plan years beginning after  
11          calendar year 2018, the amount in effect for  
12          plan years beginning in 2018 (determined  
13          after application of subparagraph (C)); and

14          “(vii) for plan years beginning after  
15          calendar year 2019, the amount in effect for  
16          plan years beginning in 2019 (determined  
17          after application of subparagraph (C)).”;  
18          and

19          (B) in subparagraph (D)—

20               (i) in clause (iii), by striking “and” at  
21               the end;

22               (ii) in clause (iv), by striking the pe-  
23               riod at the end and inserting a semicolon;  
24               and

1                   (iii) by adding at the end the fol-  
2                   lowing:

3                   “(v) 2015, in the case of plan years be-  
4                   ginning after calendar year 2017;

5                   “(vi) 2016, in the case of plan years  
6                   beginning after calendar year 2018; and

7                   “(vii) 2017, in the case of plan years  
8                   beginning after calendar year 2019.”.

9                   (3) *EFFECTIVE DATE.*—The amendments made  
10                  by this section shall apply to plan years beginning  
11                  after December 31, 2016.

12 **SEC. 502. PENSION PAYMENT ACCELERATION.**

13                  Notwithstanding section 4007(a) of the Employee Re-  
14                  tirement Income Security Act of 1974 (29 U.S.C. 1307(a))  
15                  and section 4007.11 of title 29, Code of Federal Regulations,  
16                  for plan years commencing after December 31, 2024, and  
17                  before January 1, 2026, the premium due date for such plan  
18                  years shall be the fifteenth day of the ninth calendar month  
19                  that begins on or after the first day of the premium pay-  
20                  ment year.

21 **SEC. 503. MORTALITY TABLES.**

22                  (a) *CREDIBILITY.*—For purposes of subclause (I) of  
23                  section 430(h)(3)(C)(iii) of the Internal Revenue Code of  
24                  1986 and subclause (I) of section 303(h)(3)(C)(iii) of the  
25                  Employee Retirement Income Security Act of 1974, the de-

1 *termination of whether plans have credible information*  
 2 *shall be made in accordance with established actuarial*  
 3 *credibility theory, which—*

4 *(1) is materially different from rules under such*  
 5 *section of such Code, including Revenue Procedure*  
 6 *2007–37, that are in effect on the date of the enact-*  
 7 *ment of this Act; and*

8 *(2) permits the use of tables that reflect adjust-*  
 9 *ments to the tables described in subparagraphs (A)*  
 10 *and (B) of section 430(h)(3) of such Code, and sub-*  
 11 *paragraphs (A) and (B) of section 303(h)(3) of such*  
 12 *Act, if such adjustments are based on the experience*  
 13 *described in subclause (II) of section 430(h)(3)(C)(iii)*  
 14 *of such Code and in subclause (II) of section*  
 15 *303(h)(3)(C)(iii) of such Act.*

16 *(b) EFFECTIVE DATE.—This section shall apply to*  
 17 *plan years beginning after December 31, 2015.*

18 **SEC. 504. EXTENSION OF CURRENT FUNDING STABILIZA-**  
 19 **TION PERCENTAGES TO 2018, 2019, AND 2020.**

20 *(a) FUNDING STABILIZATION UNDER THE INTERNAL*  
 21 *REVENUE CODE OF 1986.—The table in subclause (II) of*  
 22 *section 430(h)(2)(C)(iv) of the Internal Revenue Code of*  
 23 *1986 is amended to read as follows:*

<i>“If the calendar year is:</i>	<i>The applicable minimum percentage is:</i>	<i>The applicable maximum percentage is:</i>
<i>2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, or 2020.</i>	<i>90% .....</i>	<i>110%</i>
<i>2021 .....</i>	<i>85% .....</i>	<i>115%</i>
<i>2022 .....</i>	<i>80% .....</i>	<i>120%</i>
<i>2023 .....</i>	<i>75% .....</i>	<i>125%</i>
<i>After 2023 .....</i>	<i>70% .....</i>	<i>130%”.</i>

1           **(b) FUNDING STABILIZATION UNDER EMPLOYEE RE-**  
 2 **TIREMENT INCOME SECURITY ACT OF 1974.—**

3                   **(1) IN GENERAL.—***The table in subclause (II) of*  
 4 *section 303(h)(2)(C)(iv) of the Employee Retirement*  
 5 *Income Security Act of 1974 (29 U.S.C.*  
 6 *1083(h)(2)(C)(iv)) is amended to read as follows:*

<i>“If the calendar year is:</i>	<i>The applicable minimum percentage is:</i>	<i>The applicable maximum percentage is:</i>
<i>2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, or 2020.</i>	<i>90% .....</i>	<i>110%</i>
<i>2021 .....</i>	<i>85% .....</i>	<i>115%</i>
<i>2022 .....</i>	<i>80% .....</i>	<i>120%</i>
<i>2023 .....</i>	<i>75% .....</i>	<i>125%</i>
<i>After 2023 .....</i>	<i>70% .....</i>	<i>130%”.</i>

7                   **(2) CONFORMING AMENDMENTS.—**

8                   **(A) IN GENERAL.—***Section 101(f)(2)(D) of*  
 9 *such Act (29 U.S.C. 1021(f)(2)(D)) is amend-*  
 10 *ed—*

11                           *(i) in clause (i) by striking “and the*  
 12 *Highway and Transportation Funding Act*  
 13 *of 2014” both places it appears and insert-*  
 14 *ing “, the Highway and Transportation*



1                   *Funding Act of 2014, and the Bipartisan*  
 2                   *Budget Act of 2015*”; and

3                               *(ii) in clause (ii) by striking “2020”*  
 4                   and inserting “2023”.

5                   *(B) STATEMENTS.—The Secretary of Labor*  
 6                   *shall modify the statements required under sub-*  
 7                   *clauses (I) and (II) of section 101(f)(2)(D)(i) of*  
 8                   *such Act to conform to the amendments made by*  
 9                   *this section.*

10           *(c) EFFECTIVE DATE.—The amendments made by this*  
 11           *section shall apply with respect to plan years beginning*  
 12           *after December 31, 2015.*

## 13                   **TITLE VI—HEALTH CARE**

### 14           **SEC. 601. MAINTAINING 2016 MEDICARE PART B PREMIUM** 15                               **AND DEDUCTIBLE LEVELS CONSISTENT WITH** 16                               **ACTUARIALLY FAIR RATES.**

17           *(a) 2016 PREMIUM AND DEDUCTIBLE AND REPAY-*  
 18           *MENT THROUGH FUTURE PREMIUMS.—Section 1839(a) of*  
 19           *the Social Security Act (42 U.S.C. 1395r(a)) is amended—*

20                               *(1) in the second sentence of paragraph (1), by*  
 21                   *striking “Such” and inserting “Subject to paragraphs*  
 22                   *(5) and (6), such”;* and

23                               *(2) by adding at the end the following:*

24                   *“(5)(A) In applying this part (including subsection (i)*  
 25           *and section 1833(b)), the monthly actuarial rate for enroll-*

1 *ees age 65 and over for 2016 shall be determined as if sub-*  
2 *section (f) did not apply.*

3 *“(B) Subsection (f) shall continue to be applied to*  
4 *paragraph (6)(A) (during a repayment month, as described*  
5 *in paragraph (6)(B)) and without regard to the application*  
6 *of subparagraph (A).*

7 *“(6)(A) With respect to a repayment month (as de-*  
8 *scribed in subparagraph (B)), the monthly premium other-*  
9 *wise established under paragraph (3) shall be increased by,*  
10 *subject to subparagraph (D), \$3.*

11 *“(B) For purposes of this paragraph, a repayment*  
12 *month is a month during a year, beginning with 2016, for*  
13 *which a balance due amount is computed under subpara-*  
14 *graph (C) as greater than zero.*

15 *“(C) For purposes of this paragraph, the balance due*  
16 *amount computed under this subparagraph, with respect to*  
17 *a month, is the amount estimated by the Chief Actuary of*  
18 *the Centers for Medicare & Medicaid Services to be equal*  
19 *to—*

20 *“(i) the amount transferred under section*  
21 *1844(d)(1); plus*

22 *“(ii) the amount that is equal to the aggregate*  
23 *reduction, for all individuals enrolled under this part,*  
24 *in the income related monthly adjustment amount as*  
25 *a result of the application of paragraph (5); minus*

1           “(iii) the amounts payable under this part as a  
2           result of the application of this paragraph for pre-  
3           ceding months.

4           “(D) If the balance due amount computed under sub-  
5           paragraph (C), without regard to this subparagraph, for  
6           December of a year would be less than zero, the Chief Actu-  
7           ary of the Centers for Medicare & Medicaid Services shall  
8           estimate, and the Secretary shall apply, a reduction to the  
9           dollar amount increase applied under subparagraph (A) for  
10          each month during such year in a manner such that the  
11          balance due amount for January of the subsequent year is  
12          equal to zero.”.

13          (b) *TRANSITIONAL GOVERNMENT CONTRIBUTION.*—  
14          Section 1844 of the Social Security Act (42 U.S.C. 1395w)  
15          is amended—

16                 (1) in subsection (a), by adding at the end the  
17                 following:

18                 *“In applying paragraph (1), the amounts transferred under*  
19                 *subsection (d)(1) with respect to enrollees described in sub-*  
20                 *paragraphs (A) and (B) of such subsection shall be treated*  
21                 *as premiums payable and deposited in the Trust Fund*  
22                 *under subparagraphs (A) and (B), respectively, of para-*  
23                 *graph (1).”;* and

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

1       “(d)(1) For 2016, there shall be transferred from the  
2 General Fund to the Trust Fund an amount, as estimated  
3 by the Chief Actuary of the Centers for Medicare & Med-  
4 icaid Services, equal to the reduction in aggregate pre-  
5 miums payable under this part for a month in such year  
6 (excluding any changes in amounts collected under section  
7 1839(i)) that is attributable to the application of section  
8 1839(a)(5)(A) with respect to—

9       “(A) enrollees age 65 and over; and

10       “(B) enrollees under age 65.

11 Such amounts shall be transferred from time to time as ap-  
12 propriate.

13       “(2) Premium increases affected under section  
14 1839(a)(6) shall not be taken into account in applying sub-  
15 section (a).

16       “(3) There shall be transferred from the Trust Fund  
17 to the General Fund of the Treasury amounts equivalent  
18 to the additional premiums payable as a result of the appli-  
19 cation of section 1839(a)(6), excluding the aggregate pay-  
20 ments attributable to the application of section  
21 1839(i)(3)(A)(ii)(II).”.

22       (c) CONFORMING APPLICATION OF HIGH INCOME AD-  
23 JUSTMENTS TO INCREASED MONTHLY PREMIUM IN SAME  
24 MANNER AS FOR REGULAR MEDICARE PREMIUMS.—Sec-

1 *tion 1839(i)(3)(A)(ii) of the Social Security Act (42 U.S.C.*  
 2 *1395r(i)(3)(A)(ii)) is amended—*

3 *(1) by striking “AMOUNT.—200 percent” and in-*  
 4 *serting the following: “AMOUNT.—*

5 *“(I) 200 percent”; and*

6 *(2) by striking the period at the end and insert-*  
 7 *ing “; plus”; and*

8 *(3) by adding at the end the following new sub-*  
 9 *clause:*

10 *“(II) 4 times the amount of the*  
 11 *increase in the monthly premium*  
 12 *under subsection (a)(6) for a month in*  
 13 *the year.”.*

14 *(d) CONDITIONAL APPLICATION TO 2017 IF NO SOCIAL*  
 15 *SECURITY COLA FOR 2017.—If there is no increase in the*  
 16 *monthly insurance benefits payable under title II with re-*  
 17 *spect to December 2016 pursuant to section 215(i), then the*  
 18 *amendments made by this section shall be applied as if—*

19 *(1) the reference to “2016” in paragraph (5)(A)*  
 20 *of section 1839(a) of the Social Security Act (42*  
 21 *U.S.C. 1395r(a)), as added by subsection (a)(2), was*  
 22 *a reference to “2016 and 2017”;*

23 *(2) the reference to “a month during a year, be-*  
 24 *ginning with 2016” in paragraph (6)(B) of section*  
 25 *1839 of such Act (42 U.S.C. 1395r(a)), as added by*

1 subsection (a)(2), was a reference to “a month in a  
2 year, beginning with 2016 and beginning with 2017,  
3 respectively”; and

4 (3) the reference to “2016” in subsection (d)(1)  
5 of section 1844 of such Act (42 U.S.C. 1395w), as  
6 added by subsection (b)(2), was a reference to “each  
7 of 2016 and 2017”.

8 Any increase in premiums effected under this subsection  
9 shall be in addition to the increase effected by the amend-  
10 ments made by subsection (a).

11 (e) **CONSTRUCTION REGARDING NO AUTHORITY TO INI-**  
12 **TIATE APPLICATION TO YEARS AFTER 2017.**—Nothing in  
13 subsection (d) or the amendments made by this section shall  
14 be construed as authorizing the Secretary of Health and  
15 Human Services to initiate application of such subsection  
16 or amendments for a year after 2017.

17 **SEC. 602. APPLYING THE MEDICAID ADDITIONAL REBATE**  
18 **REQUIREMENT TO GENERIC DRUGS.**

19 (a) **IN GENERAL.**—Section 1927(c)(3) of the Social Se-  
20 curity Act (42 U.S.C. 1396r–8(c)(3)) is amended—

21 (1) in subparagraph (A), by striking “The  
22 amount” and inserting “Except as provided in sub-  
23 paragraph (C), the amount”; and

24 (2) by adding at the end the following new sub-  
25 paragraph:

1                   “(C) *ADDITIONAL REBATE.*—

2                   “(i) *IN GENERAL.*—*The amount of the*  
3                   *rebate specified in this paragraph for a re-*  
4                   *bate period, with respect to each dosage*  
5                   *form and strength of a covered outpatient*  
6                   *drug other than a single source drug or an*  
7                   *innovator multiple source drug of a manu-*  
8                   *facturer, shall be increased in the manner*  
9                   *that the rebate for a dosage form and*  
10                   *strength of a single source drug or an inno-*  
11                   *vator multiple source drug is increased*  
12                   *under subparagraphs (A) and (D) of para-*  
13                   *graph (2), except as provided in clause (ii).*

14                   “(ii) *SPECIAL RULES FOR APPLICATION*  
15                   *OF PROVISION.*—*In applying subparagraphs*  
16                   *(A) and (D) of paragraph (2) under clause*  
17                   *(i)—*

18                   “(I) *the reference in subparagraph*  
19                   *(A)(i) of such paragraph to ‘1990’*  
20                   *shall be deemed a reference to ‘2014’;*

21                   “(II) *subject to clause (iii), the*  
22                   *reference in subparagraph (A)(ii) of*  
23                   *such paragraph to ‘the calendar quar-*  
24                   *ter beginning July 1, 1990’ shall be*

1           deemed a reference to ‘the calendar  
2           quarter beginning July 1, 2014’; and

3           “(III) subject to clause (iii), the  
4           reference in subparagraph (A)(ii) of  
5           such paragraph to ‘September 1990’  
6           shall be deemed a reference to ‘Sep-  
7           tember 2014’;

8           “(IV) the references in subpara-  
9           graph (D) of such paragraph to ‘para-  
10          graph (1)(A)(ii)’, ‘this paragraph’, and  
11          ‘December 31, 2009’ shall be deemed  
12          references to ‘subparagraph (A)’, ‘this  
13          subparagraph’, and ‘December 31,  
14          2014’, respectively; and

15          “(V) any reference in such para-  
16          graph to a ‘single source drug or an  
17          innovator multiple source drug’ shall  
18          be deemed to be a reference to a drug  
19          to which clause (i) applies.

20          “(iii) *SPECIAL RULE FOR CERTAIN*  
21          *NONINNOVATOR MULTIPLE SOURCE*  
22          *DRUGS.—In applying paragraph*  
23          *(2)(A)(ii)(II) under clause (i) with respect*  
24          *to a covered outpatient drug that is first*  
25          *marketed as a drug other than a single*



1 source drug or an innovator multiple source  
 2 drug after April 1, 2013, such paragraph  
 3 shall be applied—

4 “(I) by substituting ‘the applica-  
 5 ble quarter’ for ‘the calendar quarter  
 6 beginning July 1, 1990’; and

7 “(II) by substituting ‘the last  
 8 month in such applicable quarter’ for  
 9 ‘September 1990’.

10 “(iv) *APPLICABLE QUARTER DE-*  
 11 *FINED.*—*In this subsection, the term ‘appli-*  
 12 *cable quarter’ means, with respect to a drug*  
 13 *described in clause (iii), the fifth full cal-*  
 14 *endar quarter after which the drug is mar-*  
 15 *keted as a drug other than a single source*  
 16 *drug or an innovator multiple source*  
 17 *drug.”.*

18 (b) *EFFECTIVE DATE.*—*The amendments made by sub-*  
 19 *section (a) shall apply to rebate periods beginning after the*  
 20 *date that is one year after the date of the enactment of this*  
 21 *Act.*

22 **SEC. 603. TREATMENT OF OFF-CAMPUS OUTPATIENT DE-**  
 23 **PARTMENTS OF A PROVIDER.**

24 Section 1833(t) of the Social Security Act (42 U.S.C.  
 25 1395l(t)) is amended—

1           (1) *in paragraph (1)(B)—*

2                   (A) *in clause (iii), by striking “but” at the*  
3                   *end;*

4                   (B) *in clause (iv), by striking the period at*  
5                   *the end and inserting “; and”; and*

6                   (C) *by adding at the end the following new*  
7                   *clause:*

8                           “(v) *does not include applicable items*  
9                           *and services (as defined in subparagraph*  
10                           *(A) of paragraph (21)) that are furnished*  
11                           *on or after January 1, 2017, by an off-cam-*  
12                           *pus outpatient department of a provider (as*  
13                           *defined in subparagraph (B) of such para-*  
14                           *graph).”; and*

15           (2) *by adding at the end the following new para-*  
16           *graph:*

17                           “(21) *SERVICES FURNISHED BY AN OFF-CAMPUS*  
18                           *OUTPATIENT DEPARTMENT OF A PROVIDER.—*

19                                   “(A) *APPLICABLE ITEMS AND SERVICES.—*  
20                                   *For purposes of paragraph (1)(B)(v) and this*  
21                                   *paragraph, the term ‘applicable items and serv-*  
22                                   *ices’ means items and services other than items*  
23                                   *and services furnished by a dedicated emergency*  
24                                   *department (as defined in section 489.24(b) of*  
25                                   *title 42 of the Code of Federal Regulations).*

1                   “(B) *OFF-CAMPUS OUTPATIENT DEPART-*  
2                   *MENT OF A PROVIDER.—*

3                   “(i) *IN GENERAL.—For purposes of*  
4                   *paragraph (1)(B)(v) and this paragraph,*  
5                   *subject to clause (ii), the term ‘off-campus*  
6                   *outpatient department of a provider’ means*  
7                   *a department of a provider (as defined in*  
8                   *section 413.65(a)(2) of title 42 of the Code*  
9                   *of Federal Regulations, as in effect as of the*  
10                   *date of the enactment of this paragraph)*  
11                   *that is not located—*

12                   “(I) *on the campus (as defined in*  
13                   *such section 413.65(a)(2)) of such pro-*  
14                   *vider; or*

15                   “(II) *within the distance (de-*  
16                   *scribed in such definition of campus)*  
17                   *from a remote location of a hospital fa-*  
18                   *cility (as defined in such section*  
19                   *413.65(a)(2)).*

20                   “(ii) *EXCEPTION.—For purposes of*  
21                   *paragraph (1)(B)(v) and this paragraph,*  
22                   *the term ‘off-campus outpatient department*  
23                   *of a provider’ shall not include a depart-*  
24                   *ment of a provider (as so defined) that was*  
25                   *billing under this subsection with respect to*

1           *covered OPD services furnished prior to the*  
2           *date of the enactment of this paragraph.*

3           “(C) *AVAILABILITY OF PAYMENT UNDER*  
4           *OTHER PAYMENT SYSTEMS.—Payments for ap-*  
5           *plicable items and services furnished by an off-*  
6           *campus outpatient department of a provider that*  
7           *are described in paragraph (1)(B)(v) shall be*  
8           *made under the applicable payment system*  
9           *under this part (other than under this sub-*  
10           *section) if the requirements for such payment are*  
11           *otherwise met.*

12           “(D) *INFORMATION NEEDED FOR IMPLE-*  
13           *MENTATION.—Each hospital shall provide to the*  
14           *Secretary such information as the Secretary de-*  
15           *termines appropriate to implement this para-*  
16           *graph and paragraph (1)(B)(v) (which may in-*  
17           *clude reporting of information on a hospital*  
18           *claim using a code or modifier and reporting in-*  
19           *formation about off-campus outpatient depart-*  
20           *ments of a provider on the enrollment form de-*  
21           *scribed in section 1866(j)).*

22           “(E) *LIMITATIONS.—There shall be no ad-*  
23           *ministrative or judicial review under section*  
24           *1869, section 1878, or otherwise of the following:*



1           (1) *in section 4—*

2                   (A) *by striking the matter preceding para-*  
3                   *graph (1) and inserting the following:*

4           “(a) *IN GENERAL.—Not later than July 1, 2016, and*  
5           *not later than January 15 of every year thereafter, and sub-*  
6           *ject to subsections (c) and (d), the head of each agency*  
7           *shall—*”;

8                   (B) *in paragraph (1)—*

9                           (i) *by striking “by regulation adjust”*  
10                           *and inserting “in accordance with sub-*  
11                           *section (b), adjust”; and*

12                           (ii) *by striking “, the Tariff Act of*  
13                           *1930, the Occupational Safety and Health*  
14                           *Act of 1970, or the Social Security Act”*  
15                           *and inserting “ or the Tariff Act of 1930”;*

16                   (C) *in paragraph (2), by striking “such reg-*  
17                   *ulation” and inserting “such adjustment”; and*

18                   (D) *by adding at the end the following:*

19           “(b) *PROCEDURES FOR ADJUSTMENTS.—*

20                   “(1) *CATCH UP ADJUSTMENT.—For the first ad-*  
21                   *justment made under subsection (a) after the date of*  
22                   *enactment of the Federal Civil Penalties Inflation Ad-*  
23                   *justment Act Improvements Act of 2015—*

1           “(A) the head of an agency shall adjust civil  
2           monetary penalties through an interim final  
3           rulemaking; and

4           “(B) the adjustment shall take effect not  
5           later than August 1, 2016.

6           “(2) *SUBSEQUENT ADJUSTMENTS.*—For the sec-  
7           ond adjustment made under subsection (a) after the  
8           date of enactment of the Federal Civil Penalties Infla-  
9           tion Adjustment Act Improvements Act of 2015, and  
10          each adjustment thereafter, the head of an agency  
11          shall adjust civil monetary penalties and shall make  
12          the adjustment notwithstanding section 553 of title 5,  
13          United States Code.

14          “(c) *EXCEPTION.*—For the first adjustment made  
15          under subsection (a) after the date of enactment of the Fed-  
16          eral Civil Penalties Inflation Adjustment Act Improvements  
17          Act of 2015, the head of an agency may adjust the amount  
18          of a civil monetary penalty by less than the otherwise re-  
19          quired amount if—

20                 “(1) the head of the agency, after publishing a  
21                 notice of proposed rulemaking and providing an op-  
22                 portunity for comment, determines in a final rule  
23                 that—

1           “(A) increasing the civil monetary penalty  
2           by the otherwise required amount will have a  
3           negative economic impact; or

4           “(B) the social costs of increasing the civil  
5           monetary penalty by the otherwise required  
6           amount outweigh the benefits; and

7           “(2) the Director of the Office of Management  
8           and Budget concurs with the determination of the  
9           head of the agency under paragraph (1).

10          “(d) OTHER ADJUSTMENTS MADE.—If a civil mone-  
11         tary penalty subject to a cost-of-living adjustment under  
12         this Act is, during the 12 months preceding a required cost-  
13         of-living adjustment, increased by an amount greater than  
14         the amount of the adjustment required under subsection (a),  
15         the head of the agency is not required to make the cost-  
16         of-living adjustment for that civil monetary penalty in that  
17         year.”;

18           (2) in section 5—

19           (A) in subsection (a), by striking “to the  
20           nearest—” and all that follows through the end  
21           of subsection (a) and inserting “to the nearest  
22           multiple of \$1.”; and

23           (B) by amending subsection (b) to read as  
24           follows:

25           “(b) DEFINITION.—



1           “(1) *IN GENERAL.*—*Except as provided in para-*  
2 *graph (2), for purposes of subsection (a), the term*  
3 *‘cost-of-living adjustment’ means the percentage (if*  
4 *any) for each civil monetary penalty by which—*

5                   “(A) *the Consumer Price Index for the*  
6 *month of October preceding the date of the ad-*  
7 *justment, exceeds*

8                   “(B) *the Consumer Price Index for the*  
9 *month of October 1 year before the month of Oc-*  
10 *tober referred to in subparagraph (A).*

11           “(2) *INITIAL ADJUSTMENT.*—

12                   “(A) *IN GENERAL.*—*Subject to subpara-*  
13 *graph (C), for the first inflation adjustment*  
14 *under section 4 made by an agency after the date*  
15 *of enactment of the Federal Civil Penalties Infla-*  
16 *tion Adjustment Act Improvements Act of 2015,*  
17 *the term ‘cost-of-living adjustment’ means the*  
18 *percentage (if any) for each civil monetary pen-*  
19 *alty by which the Consumer Price Index for the*  
20 *month of October, 2015 exceeds the Consumer*  
21 *Price Index for the month of October of the cal-*  
22 *endar year during which the amount of such*  
23 *civil monetary penalty was established or ad-*  
24 *justed under a provision of law other than this*  
25 *Act.*

1           “(B) *APPLICATION OF ADJUSTMENT.*—The  
2           *cost-of-living adjustment described in subpara-*  
3           *graph (A) shall be applied to the amount of the*  
4           *civil monetary penalty as it was most recently*  
5           *established or adjusted under a provision of law*  
6           *other than this Act.*

7           “(C) *MAXIMUM ADJUSTMENT.*—The amount  
8           *of the increase in a civil monetary penalty under*  
9           *subparagraph (A) shall not exceed 150 percent of*  
10           *the amount of that civil monetary penalty on the*  
11           *date of enactment of the Federal Civil Penalties*  
12           *Inflation Adjustment Act Improvements Act of*  
13           *2015.”;*

14           (3) *in section 6, by striking “violations which*  
15           *occur” and inserting “civil monetary penalties, in-*  
16           *cluding those whose associated violation predated such*  
17           *increase, which are assessed”;* and

18           (4) *by adding at the end the following:*

19           **“SEC. 7. IMPLEMENTATION AND OVERSIGHT ENHANCE-**  
20           **MENTS.**

21           “(a) *OMB GUIDANCE.*—Not later than February 29,  
22           *2016, not later than December 15, 2016, and December 15*  
23           *of every year thereafter, the Director of the Office of Man-*  
24           *agement and Budget shall issue guidance to agencies on im-*

1 *plementing the inflation adjustments required under this*  
2 *Act.*

3       “(b) *AGENCY FINANCIAL REPORTS.*—*The head of each*  
4 *agency shall include in the Agency Financial Report sub-*  
5 *mitted under OMB Circular A–136, or any successor there-*  
6 *to, information about the civil monetary penalties within*  
7 *the jurisdiction of the agency, including the adjustment of*  
8 *the civil monetary penalties by the head of the agency under*  
9 *this Act.*

10       “(c) *GAO REVIEW.*—*The Comptroller General of the*  
11 *United States shall annually submit to Congress a report*  
12 *assessing the compliance of agencies with the inflation ad-*  
13 *justments required under this Act, which may be included*  
14 *as part of another report submitted to Congress.”.*

15       “(c) *REPEAL.*—*Section 31001(s) of the Debt Collection*  
16 *Improvement Act of 1996 (28 U.S.C. 2461 note) is amended*  
17 *by striking paragraph (2).*

18 **SEC. 702. CRIME VICTIMS FUND.**

19       *There is hereby rescinded and permanently canceled*  
20 *\$1,500,000,000 of the funds deposited or available in the*  
21 *Crime Victims Fund created by section 1402 of the Victims*  
22 *of Crime Act of 1984 (42 U.S.C. 10601).*

1 **SEC. 703. ASSETS FORFEITURE FUND.**

2 *Of the amounts deposited in the Department of Justice*  
3 *Assets Forfeiture Fund, \$746,000,000 are hereby rescinded*  
4 *and permanently cancelled.*

5 **TITLE VIII—SOCIAL SECURITY**

6 **SEC. 801. SHORT TITLE.**

7 *This title may be cited as the “Social Security Benefit*  
8 *Protection and Opportunity Enhancement Act of 2015”.*

9 **Subtitle A—Ensuring Correct**  
10 **Payments and Reducing Fraud**

11 **SEC. 811. EXPANSION OF COOPERATIVE DISABILITY INVES-**  
12 **TIGATIONS UNITS.**

13 *(a) IN GENERAL.—Not later than October 1, 2022, the*  
14 *Commissioner of Social Security shall take any necessary*  
15 *actions, subject to the availability of appropriations, to en-*  
16 *sure that cooperative disability investigations units have*  
17 *been established, in areas where there is cooperation with*  
18 *local law enforcement agencies, that would cover each of the*  
19 *50 States, the District of Columbia, Puerto Rico, Guam,*  
20 *the Northern Mariana Islands, the Virgin Islands, and*  
21 *American Samoa.*

22 *(b) REPORT.—Not later than 90 days after the date*  
23 *of the enactment of this Act and annually thereafter until*  
24 *the earlier of 2022 or the date on which nationwide coverage*  
25 *is achieved, the Commissioner of Social Security shall sub-*  
26 *mit to the Committee on Ways and Means of the House*

1 *of Representatives and the Committee on Finance of the*  
2 *Senate a report describing a plan to implement the nation-*  
3 *wide coverage described in subsection (a) and outlining*  
4 *areas where the Social Security Administration did not re-*  
5 *ceive the cooperation of local law enforcement agencies.*

6 **SEC. 812. EXCLUSION OF CERTAIN MEDICAL SOURCES OF**  
7 **EVIDENCE.**

8 *(a) IN GENERAL.—Section 223(d)(5) of the Social Se-*  
9 *curity Act (42 U.S.C. 423(d)(5)) is amended by adding at*  
10 *the end the following:*

11 *“(C)(i) In making any determination with*  
12 *respect to whether an individual is under a dis-*  
13 *ability or continues to be under a disability, the*  
14 *Commissioner of Social Security may not con-*  
15 *sider (except for good cause as determined by the*  
16 *Commissioner) any evidence furnished by—*

17 *“(I) any individual or entity who has*  
18 *been convicted of a felony under section 208*  
19 *or under section 1632;*

20 *“(II) any individual or entity who has*  
21 *been excluded from participation in any*  
22 *Federal health care program under section*  
23 *1128; or*

24 *“(III) any person with respect to*  
25 *whom a civil money penalty or assessment*

1           *has been imposed under section 1129 for the*  
2           *submission of false evidence.*

3           “(i) *To the extent and at such times as is*  
4           *necessary for the effective implementation of*  
5           *clause (i) of this subparagraph—*

6                     “(I) *the Inspector General of the Social*  
7                     *Security Administration shall transmit to*  
8                     *the Commissioner information relating to*  
9                     *persons described in subclause (I) or (III) of*  
10                    *clause (i);*

11                   “(II) *the Secretary of Health and*  
12                    *Human Services shall transmit to the Com-*  
13                    *missioner information relating to persons*  
14                    *described in subclause (II) of clause (i);*  
15                    *and”.*

16           (b) *REGULATIONS.—Not later than 1 year after the*  
17           *date of the enactment of this Act, the Commissioner of So-*  
18           *cial Security shall issue regulations to carry out the amend-*  
19           *ment made by subsection (a).*

20           (c) *EFFECTIVE DATE.—The amendment made by sub-*  
21           *section (a) shall apply with respect to determinations of dis-*  
22           *ability made on or after the earlier of—*

23                   (1) *the effective date of the regulations issued by*  
24            *the Commissioner under subsection (b); or*

1           (2) *one year after the date of the enactment of*  
2       *this Act.*

3 **SEC. 813. NEW AND STRONGER PENALTIES.**

4       (a) *CONSPIRACY TO COMMIT SOCIAL SECURITY*  
5 *FRAUD.—*

6           (1) *AMENDMENT TO TITLE II.—Section 208(a) of*  
7 *the Social Security Act (42 U.S.C. 408(a)) is amend-*  
8 *ed—*

9                   (A) *in paragraph (7)(C), by striking “or”*  
10 *at the end;*

11                   (B) *in paragraph (8), by adding “or” at*  
12 *the end; and*

13                   (C) *by inserting after paragraph (8) the fol-*  
14 *lowing:*

15                   “*(9) conspires to commit any offense described in*  
16 *any of paragraphs (1) through (4),”.*

17           (2) *AMENDMENT TO TITLE VIII.—Section 811(a)*  
18 *of such Act (42 U.S.C. 1011(a)) is amended—*

19                   (A) *in paragraph (3), by striking “or” at*  
20 *the end;*

21                   (B) *in paragraph (4), by striking the*  
22 *comma and adding “; or” at the end; and*

23                   (C) *by inserting after paragraph (4) the fol-*  
24 *lowing:*

1           “(5) conspires to commit any offense described in  
2           any of paragraphs (1) through (3),”.

3           (3) *AMENDMENT TO TITLE XVI.—Section 1632(a)*  
4           *of such Act (42 U.S.C. 1383a(a)) is amended—*

5                     (A) *in paragraph (3), by striking “or” at*  
6                     *the end;*

7                     (B) *in paragraph (4), by adding “or” at*  
8                     *the end; and*

9                     (C) *by inserting after paragraph (4) the fol-*  
10                    *lowing:*

11           “(5) conspires to commit any offense described in  
12           any of paragraphs (1) through (3),”.

13           (b) *INCREASED CRIMINAL PENALTIES FOR CERTAIN*  
14           *INDIVIDUALS VIOLATING POSITIONS OF TRUST.—*

15                     (1) *AMENDMENT TO TITLE II.—Section 208(a) of*  
16                     *the Social Security Act (42 U.S.C. 408(a)), as*  
17                     *amended by subsection (a), is further amended by*  
18                     *striking the period at the end and inserting “, except*  
19                     *that in the case of a person who receives a fee or other*  
20                     *income for services performed in connection with any*  
21                     *determination with respect to benefits under this title*  
22                     *(including a claimant representative, translator, or*  
23                     *current or former employee of the Social Security Ad-*  
24                     *ministration), or who is a physician or other health*  
25                     *care provider who submits, or causes the submission*



1       of, medical or other evidence in connection with any  
2       such determination, such person shall be guilty of a  
3       felony and upon conviction thereof shall be fined  
4       under title 18, United States Code, or imprisoned for  
5       not more than ten years, or both.”.

6               (2) AMENDMENT TO TITLE VIII.—Section 811(a)  
7       of such Act (42 U.S.C. 1011(a)), as amended by sub-  
8       section (a), is further amended by striking the period  
9       at the end and inserting “, except that in the case of  
10      a person who receives a fee or other income for serv-  
11      ices performed in connection with any determination  
12      with respect to benefits under this title (including a  
13      claimant representative, translator, or current or  
14      former employee of the Social Security Administra-  
15      tion), or who is a physician or other health care pro-  
16      vider who submits, or causes the submission of, med-  
17      ical or other evidence in connection with any such de-  
18      termination, such person shall be guilty of a felony  
19      and upon conviction thereof shall be fined under title  
20      18, United States Code, or imprisoned for not more  
21      than ten years, or both.”.

22              (3) AMENDMENT TO TITLE XVI.—Section 1632(a)  
23      of such Act (42 U.S.C. 1383a(a)), as amended by sub-  
24      section (a), is further amended by striking the period  
25      at the end and inserting “, except that in the case of

1        *a person who receives a fee or other income for serv-*  
2        *ices performed in connection with any determination*  
3        *with respect to benefits under this title (including a*  
4        *claimant representative, translator, or current or*  
5        *former employee of the Social Security Administra-*  
6        *tion), or who is a physician or other health care pro-*  
7        *vider who submits, or causes the submission of, med-*  
8        *ical or other evidence in connection with any such de-*  
9        *termination, such person shall be guilty of a felony*  
10       *and upon conviction thereof shall be fined under title*  
11       *18, United States Code, or imprisoned for not more*  
12       *than ten years, or both.”.*

13       *(c) INCREASED CIVIL MONETARY PENALTIES FOR*  
14       *CERTAIN INDIVIDUALS VIOLATING POSITIONS OF TRUST.—*  
15       *Section 1129(a)(1) of the Social Security Act (42 U.S.C.*  
16       *1320a–8(a)(1)) is amended, in the matter following sub-*  
17       *paragraph (C), by inserting after “withholding disclosure*  
18       *of such fact” the following: “, except that in the case of such*  
19       *a person who receives a fee or other income for services per-*  
20       *formed in connection with any such determination (includ-*  
21       *ing a claimant representative, translator, or current or*  
22       *former employee of the Social Security Administration) or*  
23       *who is a physician or other health care provider who sub-*  
24       *mits, or causes the submission of, medical or other evidence*

1 *in connection with any such determination, the amount of*  
 2 *such penalty shall be not more than \$7,500”.*

3 *(d) NO BENEFITS PAYABLE TO INDIVIDUALS FOR*  
 4 *WHOM A CIVIL MONETARY PENALTY IS IMPOSED FOR*  
 5 *FRAUDULENTLY CONCEALING WORK ACTIVITY.—Section*  
 6 *222(c)(5) of the Social Security Act (42 U.S.C. 422(c)(5))*  
 7 *is amended by inserting after “conviction by a Federal*  
 8 *court” the following: “, or the imposition of a civil mone-*  
 9 *tary penalty under section 1129,”.*

10 **SEC. 814. REFERENCES TO SOCIAL SECURITY AND MEDI-**  
 11 **CARE IN ELECTRONIC COMMUNICATIONS.**

12 *(a) IN GENERAL.—Section 1140(a)(1) of the Social Se-*  
 13 *curity Act (42 U.S.C. 1320b–10(a)(1)) is amended by in-*  
 14 *serting “(including any Internet or other electronic commu-*  
 15 *nication)” after “or other communication”.*

16 *(b) EACH COMMUNICATION TREATED AS SEPARATE*  
 17 *VIOLATION.—Section 1140(b) of such Act (42 U.S.C.*  
 18 *1320b–10(b)) is amended by inserting after the second sen-*  
 19 *tence the following: “In the case of any items referred to*  
 20 *in subsection (a)(1) consisting of Internet or other electronic*  
 21 *communications, each dissemination, viewing, or accessing*  
 22 *of such a communication which contains one or more words,*  
 23 *letters, symbols, or emblems in violation of subsection (a)*  
 24 *shall represent a separate violation”.*

1 **SEC. 815. CHANGE TO CAP ADJUSTMENT AUTHORITY.**

2 *Section 251(b)(2)(B) of the Balanced Budget and*  
3 *Emergency Deficit Control Act of 1985 (2 U.S.C.*  
4 *901(b)(2)(B)) is amended—*

5 *(1) in clause (i)—*

6 *(A) in the matter before subclause (I), by*  
7 *striking “and for the cost associated with con-*  
8 *ducting redeterminations of eligibility under title*  
9 *XVI of the Social Security Act” and inserting “,*  
10 *for the cost associated with conducting redeter-*  
11 *minations of eligibility under title XVI of the*  
12 *Social Security Act, for the cost of co-operative*  
13 *disability investigation units, and for the cost*  
14 *associated with the prosecution of fraud in the*  
15 *programs and operations of the Social Security*  
16 *Administration by Special Assistant United*  
17 *States Attorneys”;*

18 *(B) in subclause (VI), by striking*  
19 *“\$1,309,000,000” and inserting*  
20 *“\$1,546,000,000”;*

21 *(C) in subclause (VII), by striking*  
22 *“\$1,309,000,000” and inserting*  
23 *“\$1,462,000,000”;*

24 *(D) in subclause (VIII), by striking*  
25 *“\$1,309,000,000” and inserting*  
26 *“\$1,410,000,000”; and*

1           (E) in subclause (X), by striking  
2           “\$1,309,000,000” and inserting  
3           “\$1,302,000,000”;

4           (2) in clause (ii)(I), by inserting “, including  
5           work-related continuing disability reviews to deter-  
6           mine whether earnings derived from services dem-  
7           onstrate an individual’s ability to engage in substan-  
8           tial gainful activity” before the semicolon; and

9           (3) in clause (ii)(III), by striking “and redeter-  
10          minations” and inserting “, redeterminations, co-op-  
11          erative disability investigation units, and fraud pros-  
12          ecutions”.

13       ***Subtitle B—Promoting Opportunity***  
14       ***for Disability Beneficiaries***

15       ***SEC. 821. TEMPORARY REAUTHORIZATION OF DISABILITY***  
16               ***INSURANCE DEMONSTRATION PROJECT AU-***  
17               ***THORITY.***

18           (a) *TERMINATION DATE.*—Section 234(d)(2) of the So-  
19           cial Security Act (42 U.S.C. 434(d)(2)) is amended by  
20           striking “December 18, 2005” and inserting “December 31,  
21           2021, and the authority to carry out such projects shall ter-  
22           minate on December 31, 2022”.

23           (b) *AUTHORITY TO WAIVE COMPLIANCE WITH BENE-*  
24           *FITS REQUIREMENTS.*—Section 234(c) of such Act is

1 amended by striking “December 17, 2005” and inserting  
2 “December 30, 2021”.

3 **SEC. 822. MODIFICATION OF DEMONSTRATION PROJECT**

4 **AUTHORITY.**

5 (a) *IN GENERAL.*—Section 234(a)(1) of the Social Se-  
6 curity Act (42 U.S.C. 434(a)(1)) is amended in the matter  
7 preceding subparagraph (A) by inserting “to promote at-  
8 tachment to the labor force and” after “designed”.

9 (b) *CONGRESSIONAL REVIEW PERIOD.*—Section 234(c)  
10 of the Social Security Act (42 U.S.C. 434(c)), as amended  
11 by section 821(b) of this Act, is further amended by insert-  
12 ing “including the objectives of the experiment or dem-  
13 onstration project, the expected annual and total costs, and  
14 the dates on which the experiment or demonstration project  
15 is expected to start and finish,” after “thereof,”

16 (c) *ADDITIONAL REQUIREMENTS.*—Section 234 of the  
17 Social Security Act (42 U.S.C. 434), as amended by sub-  
18 section (b), is further amended by adding at the end the  
19 following:

20 “(e) *ADDITIONAL REQUIREMENTS.*—In developing and  
21 carrying out any experiment or demonstration project  
22 under this section, the Commissioner may not require any  
23 individual to participate in such experiment or demonstra-  
24 tion project and shall ensure—



1           “(1) *IN GENERAL.*—*The Commissioner shall*  
2           *carry out a demonstration project under this sub-*  
3           *section as described in paragraph (2) during a 5-year*  
4           *period beginning not later than January 1, 2017.*

5           “(2) *BENEFIT OFFSET.*—*Under the demonstra-*  
6           *tion project described in this paragraph, with respect*  
7           *to any individual participating in the project who is*  
8           *otherwise entitled to a benefit under section 223(a)(1)*  
9           *for a month—*

10           “(A) *any such benefit otherwise payable to*  
11           *the individual for such month (other than a ben-*  
12           *efit payable for any month prior to the 1st*  
13           *month beginning after the date on which the in-*  
14           *dividual’s entitlement to such benefit is deter-*  
15           *mined) shall be reduced by \$1 for each \$2 by*  
16           *which the individual’s earnings derived from*  
17           *services paid during such month exceeds an*  
18           *amount equal to the individual’s impairment-re-*  
19           *lated work expenses for such month (as deter-*  
20           *mined under paragraph (3)), except that such*  
21           *benefit may not be reduced below \$0;*

22           “(B) *no benefit shall be payable under sec-*  
23           *tion 202 on the basis of the wages and self-em-*  
24           *ployment income of the individual for any*  
25           *month for which the benefit of such individual*



1           *under section 223(a)(1) is reduced to \$0 pursu-*  
2           *ant to subparagraph (A);*

3           *“(C) entitlement to any benefit described in*  
4           *subparagraph (A) or (B) shall not terminate due*  
5           *to earnings derived from services except following*  
6           *the first month for which such benefit has been*  
7           *reduced to \$0 pursuant to subparagraph (A)*  
8           *(and the trial work period (as defined in section*  
9           *222(c)) and extended period of eligibility shall*  
10           *not apply to any such individual for any such*  
11           *month); and*

12           *“(D) in any case in which such an indi-*  
13           *vidual is entitled to hospital insurance benefits*  
14           *under part A of title XVIII by reason of section*  
15           *226(b) and such individual’s entitlement to a*  
16           *benefit described in subparagraph (A) or (B) or*  
17           *status as a qualified railroad retirement bene-*  
18           *ficiary is terminated pursuant to subparagraph*  
19           *(C), such individual shall be deemed to be enti-*  
20           *tled to such benefits or to occupy such status*  
21           *(notwithstanding the termination of such entitle-*  
22           *ment or status) for the period of consecutive*  
23           *months throughout all of which the physical or*  
24           *mental impairment, on which such entitlement*  
25           *or status was based, continues, and throughout*

1           *all of which such individual would have been en-*  
2           *titled to monthly insurance benefits under title*  
3           *II or as a qualified railroad retirement bene-*  
4           *ficiary had such termination of entitlement or*  
5           *status not occurred, but not in excess of 93 such*  
6           *months.*

7           “(3) *IMPAIRMENT-RELATED WORK EXPENSES.*—

8                   “(A) *IN GENERAL.*—*For purposes of para-*  
9                   *graph (2)(A) and except as provided in subpara-*  
10                   *graph (C), the amount of an individual’s im-*  
11                   *pairment-related work expenses for a month is*  
12                   *deemed to be the minimum threshold amount.*

13                   “(B) *MINIMUM THRESHOLD AMOUNT.*—*In*  
14                   *this paragraph, the term ‘minimum threshold*  
15                   *amount’ means an amount, to be determined by*  
16                   *the Commissioner, which shall not exceed the*  
17                   *amount sufficient to demonstrate that an indi-*  
18                   *vidual has rendered services in a month, as de-*  
19                   *termined by the Commissioner under section*  
20                   *222(c)(4)(A). The Commissioner may test mul-*  
21                   *tiple minimum threshold amounts.*

22                   “(C) *EXCEPTION FOR ITEMIZED IMPAIR-*  
23                   *MENT-RELATED WORK EXPENSES.*—

24                           “(i) *IN GENERAL.*—*Notwithstanding*  
25                           *subparagraph (A), in any case in which the*

1           *amount of such an individual's itemized*  
2           *impairment-related work expenses (as de-*  
3           *defined in clause (ii)) for a month is greater*  
4           *than the minimum threshold amount, the*  
5           *amount of the individual's impairment-re-*  
6           *lated work expenses for the month shall be*  
7           *equal to the amount of the individual's*  
8           *itemized impairment-related work expenses*  
9           *(as so defined) for the month.*

10           “(i) *DEFINITION.*—*In this subpara-*  
11           *graph, the term ‘itemized impairment-re-*  
12           *lated work expenses’ means the amount ex-*  
13           *cluded under section 223(d)(4)(A) from an*  
14           *individual's earnings for a month in deter-*  
15           *mining whether an individual is able to en-*  
16           *gage in substantial gainful activity by rea-*  
17           *son of such earnings in such month, except*  
18           *that such amount does not include the cost*  
19           *to the individual of any item or service for*  
20           *which the individual does not provide to the*  
21           *Commissioner a satisfactory itemized ac-*  
22           *counting.*

23           “(D) *LIMITATION.*—*Notwithstanding the*  
24           *other provisions of this paragraph, for purposes*  
25           *of paragraph (2)(A), the amount of an individ-*

1           *ual’s impairment-related work expenses for a*  
2           *month shall not exceed the amount of earnings*  
3           *derived from services, prescribed by the Commis-*  
4           *sioner under regulations issued pursuant to sec-*  
5           *tion 223(d)(4)(A), sufficient to demonstrate an*  
6           *individual’s ability to engage in substantial*  
7           *gainful activity.”.*

8   **SEC. 824. USE OF ELECTRONIC PAYROLL DATA TO IMPROVE**  
9                           **PROGRAM ADMINISTRATION.**

10           *(a) IN GENERAL.—Title XI of the Social Security Act*  
11           *(42 U.S.C. 1301 et seq.) is amended by inserting after sec-*  
12           *tion 1183 the following:*

13                           *“INFORMATION EXCHANGE WITH PAYROLL DATA*  
14   *PROVIDERS*

15           *“SEC. 1184. (a) IN GENERAL.—The Commissioner of*  
16           *Social Security may enter into an information exchange*  
17           *with a payroll data provider for purposes of—*

18                           *“(1) efficiently administering—*

19   *“(A) monthly insurance benefits under sub-*  
20   *sections (d)(1)(B)(ii), (d)(6)(A)(ii), (d)(6)(B),*  
21   *(e)(1)(B)(ii), and (f)(1)(B)(ii) of section 202 and*  
22   *subsection (a)(1) of section 223; and*

23   *“(B) supplemental security income benefits*  
24   *under title XVI; and*

1           “(2) preventing improper payments of such bene-  
2           fits without the need for verification by independent  
3           or collateral sources.

4           “(b) NOTIFICATION REQUIREMENTS.—Before entering  
5           into an information exchange pursuant to subsection (a),  
6           the Commissioner shall publish in the Federal Register a  
7           notice describing the information exchange and the extent  
8           to which the information received through such exchange  
9           is—

10           “(1) relevant and necessary to—

11           “(A) accurately determine entitlement to,  
12           and the amount of, benefits described under sub-  
13           paragraph (A) of subsection (a)(1);

14           “(B) accurately determine eligibility for,  
15           and the amount of, benefits described in sub-  
16           paragraph (B) of such subsection; and

17           “(C) prevent improper payment of such  
18           benefits; and

19           “(2) sufficiently accurate, up-to-date, and com-  
20           plete.

21           “(c) DEFINITIONS.—For purposes of this section:

22           “(1) PAYROLL DATA PROVIDER.—The term ‘pay-  
23           roll data provider’ means payroll providers, wage  
24           verification companies, and other commercial or non-  
25           commercial entities that collect and maintain data

1       *regarding employment and wages, without regard to*  
 2       *whether the entity provides such data for a fee or*  
 3       *without cost.*

4               “(2) *INFORMATION EXCHANGE.*—*The term ‘infor-*  
 5       *mation exchange’ means the automated comparison of*  
 6       *a system of records maintained by the commissioner*  
 7       *of Social Security with records maintained by a pay-*  
 8       *roll data provider.’”.*

9       *(b) AUTHORIZATION TO ACCESS INFORMATION HELD*  
 10    *BY PAYROLL DATA PROVIDERS.—*

11               *(1) AMENDMENT TO TITLE II.—Section 225 of*  
 12       *the Social Security Act (42 U.S.C. 425) is amended*  
 13       *by adding at the end the following:*

14       “(c) *ACCESS TO INFORMATION HELD BY PAYROLL*  
 15    *DATA PROVIDERS.—(1) The Commissioner of Social Secu-*  
 16    *rity may require each individual who applies for or is enti-*  
 17    *tled to monthly insurance benefits under subsections*  
 18    *(d)(1)(B)(ii), (d)(6)(A)(ii), (d)(6)(B), (e)(1)(B)(ii), and*  
 19    *(f)(1)(B)(ii) of section 202 and subsection (a)(1) of section*  
 20    *223 to provide authorization by the individual for the Com-*  
 21    *missioner to obtain from any payroll data provider (as de-*  
 22    *finied in section 1184(c)(1)) any record held by the payroll*  
 23    *data provider with respect to the individual whenever the*  
 24    *Commissioner determines the record is needed in connection*

1 *with a determination of initial or ongoing entitlement to*  
2 *such benefits.*

3       “(2) *An authorization provided by an individual*  
4 *under this subsection shall remain effective until the earliest*  
5 *of—*

6               “(A) *the rendering of a final adverse decision on*  
7 *the individual’s application or entitlement to benefits*  
8 *under this title;*

9               “(B) *the termination of the individual’s entitle-*  
10 *ment to benefits under this title; or*

11               “(C) *the express revocation by the individual of*  
12 *the authorization, in a written notification to the*  
13 *Commissioner.*

14       “(3) *The Commissioner of Social Security is not re-*  
15 *quired to furnish any authorization obtained pursuant to*  
16 *this subsection to the payroll data provider.*

17       “(4) *The Commissioner shall inform any person who*  
18 *provides authorization pursuant to this clause of the dura-*  
19 *tion and scope of the authorization.*

20       “(5) *If an individual who applies for or is entitled*  
21 *to benefits under this title refuses to provide, or revokes,*  
22 *any authorization under this subsection, subsection (d)*  
23 *shall not apply to such individual beginning with the first*  
24 *day of the first month in which he or she refuses or revokes*  
25 *such authorization.”.*

1           (2) *TITLE XVI.—Section 1631(e)(1)(B) of the So-*  
2           *cial Security Act (42 U.S.C. 1383(e)(1)(B)) is amend-*  
3           *ed by adding at the end the following:*

4           “(iii)(I) *The Commissioner of Social Security may re-*  
5           *quire each applicant for, or recipient of, benefits under this*  
6           *title to provide authorization by the applicant, recipient or*  
7           *legal guardian (or by any other person whose income or*  
8           *resources are material to the determination of the eligibility*  
9           *of the applicant or recipient for such benefits) for the Com-*  
10           *missioner to obtain from any payroll data provider (as de-*  
11           *finied in section 1184(c)(1)) any record held by the payroll*  
12           *data provider with respect to the applicant or recipient (or*  
13           *any such other person) whenever the Commissioner deter-*  
14           *mines the record is needed in connection with a determina-*  
15           *tion of initial or ongoing eligibility or the amount of such*  
16           *benefits.*

17           “(II) *An authorization provided by an applicant, re-*  
18           *ipient or legal guardian (or any other person whose income*  
19           *or resources are material to the determination of the eligi-*  
20           *bility of the applicant or recipient) under this clause shall*  
21           *remain effective until the earliest of—*

22           “(aa) *the rendering of a final adverse decision*  
23           *on the applicant’s application for eligibility for bene-*  
24           *fits under this title;*



1           “(bb) the cessation of the recipient’s eligibility  
2           for benefits under this title;

3           “(cc) the express revocation by the applicant, or  
4           recipient (or such other person referred to in sub-  
5           clause (I)) of the authorization, in a written notifica-  
6           tion to the Commissioner; or

7           “(dd) the termination of the basis upon which  
8           the Commissioner considers another person’s income  
9           and resources available to the applicant or recipient.

10          “(III) The Commissioner of Social Security is not re-  
11          quired to furnish any authorization obtained pursuant to  
12          this clause to the payroll data provider.

13          “(IV) The Commissioner shall inform any person who  
14          provides authorization pursuant to this clause of the dura-  
15          tion and scope of the authorization.

16          “(V) If an applicant for, or recipient of, benefits under  
17          this title (or any such other person referred to in subclause  
18          (I)) refuses to provide, or revokes, any authorization re-  
19          quired by subclause (I), paragraph (2)(B) and paragraph  
20          (10) shall not apply to such applicant or recipient begin-  
21          ning with the first day of the first month in which he or  
22          she refuses or revokes such authorization.”.

23          (c) *REPORTING RESPONSIBILITIES FOR BENE-*  
24          *FICIARIES SUBJECT TO INFORMATION EXCHANGE WITH*  
25          *PAYROLL DATA PROVIDER.—*

1           (1) *AMENDMENT TO TITLE II.—Section 225 of*  
2           *the Social Security (42 U.S.C. 425), as amended by*  
3           *subsection (b)(1), is further amended by adding at the*  
4           *end the following:*

5           “*(d) An individual who has authorized the Commis-*  
6           *sioner of Social Security to obtain records from a payroll*  
7           *data provider under subsection (c) shall not be subject to*  
8           *a penalty under section 1129A for any omission or error*  
9           *with respect to such individual’s wages as reported by the*  
10           *payroll data provider.”.*

11           (2) *AMENDMENT TO TITLE XVI.—Section 1631(e)*  
12           *of the Social Security Act (42 U.S.C. 1383(e)) is*  
13           *amended—*

14                   (A) *in paragraph (2)—*

15                           (i) *by striking “In the case of the fail-*  
16                           *ure” and inserting “(A) In the case of the*  
17                           *failure”;*

18                           (ii) *by redesignating subparagraphs*  
19                           *(A) through (C) as clauses (i) through (iii),*  
20                           *respectively; and*

21                           (iii) *by adding at the end the fol-*  
22                           *lowing:*

23           “*(B) For purposes of subparagraph (A), the Commis-*  
24           *sioner of Social Security shall find that good cause exists*  
25           *for the failure of, or delay by, an individual in submitting*

1 a report of an event or change in circumstances relevant  
2 to eligibility for or amount of benefits under this title in  
3 any case where—

4 “(i) the individual (or another person referred to  
5 in paragraph (1)(B)(iii)(I)) has provided authoriza-  
6 tion to the Commissioner to access payroll data  
7 records related to the individual; and

8 “(ii) the event or change in circumstance is a  
9 change in the individual’s employer.”; and

10 (B) by adding at the end the following:

11 “(10) An individual who has authorized the Commis-  
12 sioner of Social Security to obtain records from a payroll  
13 data provider under paragraph (1)(B)(iii) (or on whose be-  
14 half another person described in subclause (I) of such para-  
15 graph has provided such authorization) shall not be subject  
16 to a penalty under section 1129A for any omission or error  
17 with respect to such individual’s wages as reported by the  
18 payroll data provider.”.

19 (d) REGULATIONS.—Not later than 1 year after the  
20 date of the enactment of this Act, the Commissioner of So-  
21 cial Security shall prescribe by regulation procedures for  
22 implementing the Commissioner’s access to and use of infor-  
23 mation held by payroll providers, including—

1           (1) *guidelines for establishing and maintaining*  
2 *information exchanges with payroll providers, pursu-*  
3 *ant to section 1184 of the Social Security Act;*

4           (2) *beneficiary authorizations;*

5           (3) *reduced wage reporting responsibilities for*  
6 *individuals who authorize the Commissioner to access*  
7 *information held by payroll data providers through*  
8 *an information exchange; and*

9           (4) *procedures for notifying individuals in writ-*  
10 *ing when they become subject to such reduced wage re-*  
11 *porting requirements and when such reduced wage re-*  
12 *porting requirements no longer apply to them.*

13       (e) *EFFECTIVE DATE.*—*The amendments made by this*  
14 *section shall take effect on the date that is 1 year after the*  
15 *date of the enactment of this Act.*

16 **SEC. 825. TREATMENT OF EARNINGS DERIVED FROM SERV-**  
17 **ICES.**

18       (a) *IN GENERAL.*—*Section 223(d)(4) of the Social Se-*  
19 *curity Act (42 U.S.C. 423(d)(4)) is amended by adding at*  
20 *the end the following:*

21       “(C)(i) *Subject to clause (ii), in determining when*  
22 *earnings derived from services demonstrate an individual’s*  
23 *ability to engage in substantial gainful activity, such earn-*  
24 *ings shall be presumed to have been earned—*

1           “(I) in making a determination of initial enti-  
2           tlement on the basis of disability, in the month in  
3           which the services were performed from which such  
4           earnings were derived; and

5           “(II) in any other case, in the month in which  
6           such earnings were paid.

7           “(ii) A presumption made under clause (i) shall not  
8           apply to a determination described in such clause if—

9           “(I) the Commissioner can reasonably establish,  
10          based on evidence readily available at the time of  
11          such determination, that the earnings were earned in  
12          a different month than when paid; or

13          “(II) in any case in which there is a determina-  
14          tion that no benefit is payable due to earnings, after  
15          the individual is notified of the presumption made  
16          and provided with an opportunity to submit addi-  
17          tional information along with an explanation of what  
18          additional information is needed, the individual  
19          shows to the satisfaction of the Commissioner that  
20          such earnings were earned in another month.”.

21          (b) *EFFECTIVE DATE.*—The amendment made by sub-  
22          section (a) shall take effect upon the date of the enactment  
23          of this Act, or as soon as practicable thereafter.

1 **SEC. 826. ELECTRONIC REPORTING OF EARNINGS.**

2 (a) *IN GENERAL.*—Not later than September 30, 2017,  
3 the Commissioner of Social Security shall establish and im-  
4 plement a system that—

5 (1) allows an individual entitled to a monthly  
6 insurance benefit based on disability under title II of  
7 the Social Security Act (or a representative of the in-  
8 dividual) to report to the Commissioner the individ-  
9 ual’s earnings derived from services through electronic  
10 means, including by telephone and Internet; and

11 (2) automatically issues a receipt to the indi-  
12 vidual (or representative) after receiving each such re-  
13 port.

14 (b) *SUPPLEMENTAL SECURITY INCOME REPORTING*  
15 *SYSTEM AS MODEL.*—The Commissioner shall model the  
16 system established under subsection (a) on the electronic  
17 wage reporting systems for recipients of supplemental secu-  
18 rity income under title XVI of such Act.

19 ***Subtitle C—Protecting Social***  
20 ***Security Benefits***

21 **SEC. 831. CLOSURE OF UNINTENDED LOOPHOLES.**

22 (a) *PRESUMED FILING OF APPLICATION BY INDIVID-*  
23 *UALS ELIGIBLE FOR OLD-AGE INSURANCE BENEFITS AND*  
24 *FOR WIFE’S OR HUSBAND’S INSURANCE BENEFITS.*—

25 (1) *IN GENERAL.*—Section 202(r) of the Social  
26 Security Act (42 U.S.C. 402(r)) is amended by strik-

1        *ing paragraphs (1) and (2) and inserting the fol-*  
2        *lowing:*

3                *“(1) If an individual is eligible for a wife’s or*  
4        *husband’s insurance benefit (except in the case of eli-*  
5        *gibility pursuant to clause (ii) of subsection (b)(1)(B)*  
6        *or subsection (c)(1)(B), as appropriate), in any*  
7        *month for which the individual is entitled to an old-*  
8        *age insurance benefit, such individual shall be deemed*  
9        *to have filed an application for wife’s or husband’s*  
10        *insurance benefits for such month.*

11                *“(2) If an individual is eligible (but for section*  
12        *202(k)(4)) for an old-age insurance benefit in any*  
13        *month for which the individual is entitled to a wife’s*  
14        *or husband’s insurance benefit (except in the case of*  
15        *entitlement pursuant to clause (ii) of subsection*  
16        *(b)(1)(B) or subsection (c)(1)(B), as appropriate),*  
17        *such individual shall be deemed to have filed an ap-*  
18        *plication for old-age insurance benefits—*

19                        *“(A) for such month, or*

20                        *“(B) if such individual is also entitled to a*  
21        *disability insurance benefit for such month, in*  
22        *the first subsequent month for which such indi-*  
23        *vidual is not entitled to a disability insurance*  
24        *benefit.”.*

1           (2) *CONFORMING AMENDMENT.*—Section 202 of  
2     *the Social Security Act (42 U.S.C. 402) is amended—*

3           (A) *in subsection (b)(1), by striking sub-*  
4     *paragraph (B) and inserting the following:*

5           “(B)(i) *has attained age 62, or*

6           “(ii) *in the case of a wife, has in her care (indi-*  
7     *vidually or jointly with such individual) at the time*  
8     *of filing such application a child entitled to a child’s*  
9     *insurance benefit on the basis of the wages and self-*  
10    *employment income of such individual,”; and*

11          (B) *in subsection (c)(1), by striking sub-*  
12    *paragraph (B) and inserting the following:*

13          “(B)(i) *has attained age 62, or*

14          “(ii) *in the case of a husband, has in his care*  
15    *(individually or jointly with such individual) at the*  
16    *time of filing such application a child entitled to a*  
17    *child’s insurance benefit on the basis of the wages and*  
18    *self-employment income of such individual,”.*

19          (3) *EFFECTIVE DATE.*—*The amendments made*  
20    *by this subsection shall apply with respect to individ-*  
21    *uals who attain age 62 in any calendar year after*  
22    *2015.*

23    (b) *VOLUNTARY SUSPENSION OF BENEFITS.*—



1           (1) *IN GENERAL.*—Section 202 of the Social Se-  
2           curity Act (42 U.S.C. 402) is amended by adding at  
3           the end the following:

4           “(z) *VOLUNTARY SUSPENSION.*—(1)(A) *Except as oth-*  
5           *erwise provided in this subsection, any individual who has*  
6           *attained retirement age (as defined in section 216(l)) and*  
7           *is entitled to old-age insurance benefits may request that*  
8           *payment of such benefits be suspended—*

9                     “(i) *beginning with the month following the*  
10                    *month in which such request is received by the*  
11                    *Commissioner, and*

12                   “(ii) *ending with the earlier of the month*  
13                    *following the month in which a request by the*  
14                    *individual for a resumption of such benefits is so*  
15                    *received or the month following the month in*  
16                    *which the individual attains the age of 70.*

17           “(2) *An individual may not suspend such benefits*  
18           *under this subsection, and any suspension of such benefits*  
19           *under this subsection shall end, effective with respect to any*  
20           *month in which the individual becomes subject to—*

21                   “(A) *mandatory suspension of such benefits*  
22                    *under section 202(x);*

23                   “(B) *termination of such benefits under section*  
24                    *202(n);*

1           “(C) a penalty under section 1129A imposing  
2           nonpayment of such benefits; or

3           “(D) any other withholding, in whole or in part,  
4           of such benefits under any other provision of law that  
5           authorizes recovery of a debt by withholding such ben-  
6           efits.

7           “(3) In the case of an individual who requests that  
8           such benefits be suspended under this subsection, for any  
9           month during the period in which the suspension is in ef-  
10          fect—

11           “(A) no retroactive benefits (as defined in sub-  
12           section (j)(4)(B)(iii)) shall be payable to such indi-  
13           vidual;

14           “(B) no monthly benefit shall be payable to any  
15           other individual on the basis of such individual’s  
16           wages and self-employment income; and

17           “(C) no monthly benefit shall be payable to such  
18           individual on the basis of another individual’s wages  
19           and self-employment income.”.

20           (2)       CONFORMING       AMENDMENT.—Section  
21           202(w)(2)(B)(ii) of the Social Security Act (42  
22           U.S.C. 402(w)(2)(B)(ii)) is amended by inserting  
23           “under section 202(z)” after “request”.

24           (3)       EFFECTIVE DATE.—The amendments made  
25           by this subsection shall apply with respect to requests

1        *for benefit suspension submitted beginning at least*  
2        *180 days after the date of the enactment of this Act.*

3        **SEC. 832. REQUIREMENT FOR MEDICAL REVIEW.**

4        *(a) IN GENERAL.—Section 221(h) of the Social Secu-*  
5        *urity Act (42 U.S.C. 421(h)) is amended to read as follows:*

6        *“(h) An initial determination under subsection (a),*  
7        *(c), (g), or (i) shall not be made until the Commissioner*  
8        *of Social Security has made every reasonable effort to en-*  
9        *sure—*

10        *“(1) in any case where there is evidence which*  
11        *indicates the existence of a mental impairment, that*  
12        *a qualified psychiatrist or psychologist has completed*  
13        *the medical portion of the case review and any appli-*  
14        *cable residual functional capacity assessment; and*

15        *“(2) in any case where there is evidence which*  
16        *indicates the existence of a physical impairment, that*  
17        *a qualified physician has completed the medical por-*  
18        *tion of the case review and any applicable residual*  
19        *functional capacity assessment.”.*

20        *(b) EFFECTIVE DATE.—The amendment made by sub-*  
21        *section (a) shall apply with respect to determinations of dis-*  
22        *ability made on or after the date that is 1 year after the*  
23        *date of the enactment of this Act.*

1 **SEC. 833. REALLOCATION OF PAYROLL TAX REVENUE.**

2           (1) *WAGES.*—Section 201(b)(1) of the Social Se-  
3           curity Act (42 U.S.C. 401(b)(1)) is amended by strik-  
4           ing “and (R) 1.80 per centum of the wages (as so de-  
5           fined) paid after December 31, 1999, and so reported”  
6           and inserting “(R) 1.80 per centum of the wages (as  
7           so defined) paid after December 31, 1999, and before  
8           January 1, 2016, and so reported, (S) 2.37 per cen-  
9           tum of the wages (as so defined) paid after December  
10          31, 2015, and before January 1, 2019, and so re-  
11          ported, and (T) 1.80 per centum of the wages (as so  
12          defined) paid after December 31, 2018, and so re-  
13          ported,”.

14          (2) *SELF-EMPLOYMENT INCOME.*—Section  
15          201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is amend-  
16          ed by striking “and (R) 1.80 per centum of the  
17          amount of self-employment income (as so defined) so  
18          reported for any taxable year beginning after Decem-  
19          ber 31, 1999” and inserting “(R) 1.80 per centum of  
20          the amount of self-employment income (as so defined)  
21          so reported for any taxable year beginning after De-  
22          cember 31, 1999, and before January 1, 2016, (S)  
23          2.37 per centum of the amount of self-employment in-  
24          come (as so defined) so reported for any taxable year  
25          beginning after December 31, 2015, and before Janu-  
26          ary 1, 2019, and (T) 1.80 per centum of the amount

1       *of self-employment income (as so defined) so reported*  
2       *for any taxable year beginning after December 31,*  
3       *2018”.*

4               (3) *EFFECTIVE DATE.*—*The amendments made*  
5       *by this section shall apply with respect to wages paid*  
6       *after December 31, 2015, and self-employment income*  
7       *for taxable years beginning after such date.*

8       **SEC. 834. ACCESS TO FINANCIAL INFORMATION FOR WAIV-**  
9               **ERS AND ADJUSTMENTS OF RECOVERY.**

10       (a) *ACCESS TO FINANCIAL INFORMATION FOR OLD-*  
11       *AGE, SURVIVORS, AND DISABILITY INSURANCE WAIVERS.*—  
12       *Section 204(b) of the Social Security Act (42 U.S.C. 404(b))*  
13       *is amended to read as follows:*

14               “(b)(1) *In any case in which more than the correct*  
15       *amount of payment has been made, there shall be no adjust-*  
16       *ment of payments to, or recovery by the United States from,*  
17       *any person who is without fault if such adjustment or recov-*  
18       *ery would defeat the purpose of this title or would be*  
19       *against equity and good conscience.*

20               “(2) *In making for purposes of this subsection any de-*  
21       *termination of whether any individual is without fault, the*  
22       *Commissioner of Social Security shall specifically take into*  
23       *account any physical, mental, educational, or linguistic*  
24       *limitation such individual may have (including any lack*  
25       *of facility with the English language).*

1           “(3)(A) *In making for purposes of this subsection any*  
2 *determination of whether such adjustment or recovery*  
3 *would defeat the purpose of this title, the Commissioner of*  
4 *Social Security shall require an individual to provide au-*  
5 *thorization for the Commissioner to obtain (subject to the*  
6 *cost reimbursement requirements of section 1115(a) of the*  
7 *Right to Financial Privacy Act) from any financial insti-*  
8 *tution (within the meaning of section 1101(1) of such Act)*  
9 *any financial record (within the meaning of section 1101(2)*  
10 *of such Act) held by the institution with respect to such*  
11 *individual whenever the Commissioner determines the*  
12 *record is needed in connection with a determination with*  
13 *respect to such adjustment or recovery.*

14           “(B) *Notwithstanding section 1104(a)(1) of the Right*  
15 *to Financial Privacy Act, an authorization provided by an*  
16 *individual pursuant this paragraph shall remain effective*  
17 *until the earlier of—*

18                   “(i) *the rendering of a final decision on whether*  
19 *adjustment or recovery would defeat the purpose of*  
20 *this title; or*

21                   “(ii) *the express revocation by the individual of*  
22 *the authorization, in a written notification to the*  
23 *Commissioner.*

24           “(C)(i) *An authorization obtained by the Commis-*  
25 *sioner of Social Security pursuant this paragraph shall be*

1 *considered to meet the requirements of the Right to Finan-*  
2 *cial Privacy Act for purposes of section 1103(a) of such Act,*  
3 *and need not be furnished to the financial institution, not-*  
4 *withstanding section 1104(a) of such Act.*

5       “(ii) *The certification requirements of section 1103(b)*  
6 *of the Right to Financial Privacy Act shall not apply to*  
7 *requests by the Commissioner of Social Security pursuant*  
8 *to an authorization provided under this paragraph.*

9       “(iii) *A request by the Commissioner pursuant to an*  
10 *authorization provided under this paragraph is deemed to*  
11 *meet the requirements of section 1104(a)(3) of the Right to*  
12 *Financial Privacy Act and the flush language of section*  
13 *1102 of such Act.*

14       “(D) *The Commissioner shall inform any person who*  
15 *provides authorization pursuant to this paragraph of the*  
16 *duration and scope of the authorization.*

17       “(E) *If an individual refuses to provide, or revokes,*  
18 *any authorization for the Commissioner of Social Security*  
19 *to obtain from any financial institution any financial*  
20 *record, the Commissioner may, on that basis, determine*  
21 *that adjustment or recovery would not defeat the purpose*  
22 *of this title.”.*

23       (b) *ACCESS TO FINANCIAL INFORMATION FOR SUPPLE-*  
24 *MENTAL SECURITY INCOME WAIVERS.—*

1           (1) *IN GENERAL.*—Section 1631(b)(1)(B) of the  
2           *Social Security Act* (42 U.S.C. 1383(b)(1)(B)) is  
3           amended by adding at the end the following: “In  
4           making for purposes of this subparagraph a deter-  
5           mination of whether an adjustment or recovery would  
6           defeat the purpose of this title, the Commissioner of  
7           *Social Security* shall require an individual to provide  
8           authorization for the Commissioner to obtain (subject  
9           to the cost reimbursement requirements of section  
10          1115(a) of the *Right to Financial Privacy Act*) from  
11          any financial institution (within the meaning of sec-  
12          tion 1101(1) of such Act) any financial record (with-  
13          in the meaning of section 1101(2) of such Act) held  
14          by the institution with respect to such individual  
15          whenever the Commissioner determines that the record  
16          is needed in connection with a determination with re-  
17          spect to such adjustment or recovery, under the terms  
18          and conditions established under subsection  
19          (e)(1)(B).”.

20          (2) *CONFORMING AMENDMENT.*—Section  
21          1631(e)(1)(B)(ii)(V) of such Act (42 U.S.C.  
22          1383(e)(1)(B)(ii)(V)) is amended by inserting “, de-  
23          termine that adjustment or recovery on account of an  
24          overpayment with respect to the applicant or recipi-



1        *ent would not defeat the purpose of this title, or both”*  
2        *before the period at the end.*

3        (c) *EFFECTIVE DATE.*—*The amendments made by this*  
4        *section shall apply with respect to determinations made on*  
5        *or after the date that is 3 months after the date of the enact-*  
6        *ment of this section.*

7        ***Subtitle D—Relieving Administra-***  
8        ***tive Burdens and Miscellaneous***  
9        ***Provisions***

10        ***SEC. 841. INTERAGENCY COORDINATION TO IMPROVE PRO-***  
11        ***GRAM ADMINISTRATION.***

12        (a) *IN GENERAL.*—*Title XI of the Social Security Act*  
13        *(42 U.S.C. 1301 et seq.) is amended by inserting after sec-*  
14        *tion 1127 the following:*

15        “*INTERAGENCY COORDINATION TO IMPROVE PROGRAM*  
16        *ADMINISTRATION*

17        “*SEC. 1127A. (a) COORDINATION AGREEMENT.*—*Not-*  
18        *withstanding any other provision of law, including section*  
19        *207 of this Act, the Commissioner of Social Security (re-*  
20        *ferred to in this section as ‘the Commissioner’) and the Di-*  
21        *rector of the Office of Personnel Management (referred to*  
22        *in this section as ‘the Director’) shall enter into an agree-*  
23        *ment under which a system is established to carry out the*  
24        *following procedure:*

25                “(1) *The Director shall notify the Commissioner*  
26        *when any individual is determined to be entitled to*

1        *a monthly disability annuity payment pursuant to*  
2        *subchapter V of chapter 84 of subpart G of part III*  
3        *of title 5, United States Code, and shall certify that*  
4        *such individual has provided the authorization de-*  
5        *scribed in subsection (f).*

6                *“(2) If the Commissioner determines that an in-*  
7        *dividual described in paragraph (1) is also entitled to*  
8        *past-due benefits under section 223, the Commissioner*  
9        *shall notify the Director of such fact.*

10                *“(3) Not later than 30 days after receiving a no-*  
11        *tification described in paragraph (2) with respect to*  
12        *an individual, the Director shall provide the Commis-*  
13        *sioner with the total amount of any disability annu-*  
14        *ity overpayments made to such individual, as well as*  
15        *any other information (in such form and manner as*  
16        *the Commissioner shall require) that the Commis-*  
17        *sioner determines is necessary to carry out this sec-*  
18        *tion.*

19                *“(4) If the Director provides the Commissioner*  
20        *with the information described in paragraph (3) in*  
21        *a timely manner, the Commissioner may withhold*  
22        *past-due benefits under section 223 to which such in-*  
23        *dividual is entitled and may pay the amount de-*  
24        *scribed in paragraph (3) to the Office of Personnel*

1        *Management for any disability annuity overpayments*  
2        *made to such individual.*

3            *“(5) The Director shall credit any amount re-*  
4        *ceived under paragraph (4) with respect to an indi-*  
5        *vidual toward any disability annuity overpayment*  
6        *owed by such individual.*

7        *“(b) LIMITATIONS.—*

8            *“(1) PRIORITY OF OTHER REDUCTIONS.—Benefits*  
9        *shall only be withheld under this section after any other*  
10       *reduction applicable under this Act, including sections*  
11       *206(a)(4), 224, and 1127(a).*

12          *“(2) TIMELY NOTIFICATION REQUIRED.—The Com-*  
13       *missioner may not withhold benefits under this section if*  
14       *the Director does not provide the notice described in sub-*  
15       *section (a)(3) within the time period described in such sub-*  
16       *section.*

17          *“(c) DELAYED PAYMENT OF PAST-DUE BENEFITS.—*  
18       *If the Commissioner is required to make a notification de-*  
19       *scribed in subsection (a)(2) with respect to an individual,*  
20       *the Commissioner shall not make any payment of past-due*  
21       *benefits under section 223 to such individual until after the*  
22       *period described in subsection (a)(3).*

23          *“(d) REVIEW.—Notwithstanding section 205 or any*  
24       *other provision of law, any determination regarding the*  
25       *withholding of past-due benefits under this section shall*

1 *only be subject to adjudication and review by the Director*  
2 *under section 8461 of title 5, United States Code.*

3       “(e) *DISABILITY ANNUITY OVERPAYMENT DEFINED.*—  
4 *For purposes of this section, the term ‘disability annuity*  
5 *overpayment’ means the amount of the reduction under sec-*  
6 *tion 8452(a)(2) of title 5, United States Code, applicable*  
7 *to a monthly annuity payment made to an individual pur-*  
8 *suant to subchapter V of chapter 84 of subpart G of part*  
9 *III of such title due to the individual’s concurrent entitle-*  
10 *ment to a disability insurance benefit under section 223*  
11 *during such month.*

12       “(f) *AUTHORIZATION TO WITHHOLD BENEFITS.*—*The*  
13 *authorization described in this subsection, with respect to*  
14 *an individual, is written authorization provided by the in-*  
15 *dividual to the Director which authorizes the Commissioner*  
16 *to withhold past-due benefits under section 223 to which*  
17 *such individual is entitled in order to pay the amount with-*  
18 *held to the Office of Personnel Management for any dis-*  
19 *ability overpayments made to such individual.*

20       “(g) *EXPENSES.*—*The Director shall pay to the Social*  
21 *Security Administration an amount equal to the amount*  
22 *estimated by the Commissioner as the total cost incurred*  
23 *by the Social Security Administration in carrying out this*  
24 *section for each calendar quarter.”.*

1       (b) *EFFECTIVE DATE.*—*The amendment made by this*  
2 *section shall apply to past-due disability insurance benefits*  
3 *payable on or after the date that is 1 year after the date*  
4 *of the enactment of this section.*

5 **SEC. 842. ELIMINATION OF QUINQUENNIAL DETERMINA-**  
6 **TIONS RELATING TO WAGE CREDITS FOR**  
7 **MILITARY SERVICE PRIOR TO 1957.**

8       *Section 217(g)(2) of the Social Security Act (42 U.S.C.*  
9 *417(g)(2)) is amended—*

10           (1) *by inserting “through 2010” after “each fifth*  
11 *year thereafter”;* and

12           (2) *by inserting after the first sentence the fol-*  
13 *lowing: “The Secretary of Health and Human Serv-*  
14 *ices shall revise the amount determined under para-*  
15 *graph (1) with respect to the Federal Hospital Insur-*  
16 *ance Trust Fund under title XVIII in 2015 and each*  
17 *fifth year thereafter through such date, and using*  
18 *such data, as the Secretary determines appropriate on*  
19 *the basis of the amount of benefits and administrative*  
20 *expenses actually paid from such Trust Fund under*  
21 *title XVIII and the relevant actuarial assumptions set*  
22 *forth in the report of the Board of Trustees of such*  
23 *Trust Fund for such year under section 1817(b).”.*

1 **SEC. 843. CERTIFICATION OF BENEFITS PAYABLE TO A DI-**  
2 **VORCED SPOUSE OF A RAILROAD WORKER TO**  
3 **THE RAILROAD RETIREMENT BOARD.**

4 *Section 205(i) of the Social Security Act (42 U.S.C.*  
5 *405(i)) is amended by inserting “or divorced wife or di-*  
6 *vorced husband” after “the wife or husband”.*

7 **SEC. 844. TECHNICAL AMENDMENTS TO ELIMINATE OBSO-**  
8 **LETE PROVISIONS.**

9 *(a) ELIMINATION OF REFERENCE IN SECTION 226 TO*  
10 *A REPEALED PROVISION.—Section 226 of the Social Secu-*  
11 *rity Act (42 U.S.C. 426) is amended—*

12 *(1) by striking subsection (i); and*

13 *(2) by redesignating subsection (j) as subsection*  
14 *(i).*

15 *(b) ELIMINATION OF REFERENCE IN SECTION 226A TO*  
16 *A REPEALED PROVISION.—Section 226A of such Act (42*  
17 *U.S.C. 426–1) is amended by striking the second subsection*  
18 *(c).*

19 **SEC. 845. REPORTING REQUIREMENTS TO CONGRESS.**

20 *(a) REPORT ON FRAUD AND IMPROPER PAYMENT PRE-*  
21 *VENTION ACTIVITIES.—Section 704(b) of the Social Secu-*  
22 *rity Act (42 U.S.C. 904(b)) is amended by adding at the*  
23 *end the following:*

24 *“(3) For each fiscal year beginning with 2016*  
25 *and ending with 2021, the Commissioner shall in-*  
26 *clude in the annual budget prepared pursuant to sub-*

1        *paragraph (A) a report describing the purposes for*  
2        *which amounts made available for purposes described*  
3        *in section 251(b)(2)(B) of the Balanced Budget and*  
4        *Emergency Deficit Control Act of 1985 for the fiscal*  
5        *year were expended by the Social Security Adminis-*  
6        *tration and the purposes for which the Commissioner*  
7        *plans for the Administration to expend such funds in*  
8        *the succeeding fiscal year, including—*

9                *“(A) the total such amount expended;*

10                *“(B) the amount expended on co-operative*  
11                *disability investigation units;*

12                *“(C) the number of cases of fraud prevented*  
13                *by co-operative disability investigation units and*  
14                *the amount expended on such cases (as reported*  
15                *to the Commissioner by the Inspector General of*  
16                *the Social Security Administration);*

17                *“(D) the number of felony cases prosecuted*  
18                *under section 208 (as reported to the Commis-*  
19                *sioner by the Inspector General) and the amount*  
20                *expended by the Social Security Administration*  
21                *in supporting the prosecution of such cases;*

22                *“(E) the amount of such felony cases suc-*  
23                *cessfully prosecuted (as reported to the Commis-*  
24                *sioner by the Inspector General) and the amount*

1           *expended by the Social Security Administration*  
2           *in supporting the prosecution of such cases;*

3           “(F) *the amount expended on and the num-*  
4           *ber of completed—*

5                   “(i) *continuing disability reviews con-*  
6                   *ducted by mail;*

7                   “(ii) *redeterminations conducted by*  
8                   *mail;*

9                   “(iii) *medical continuing disability re-*  
10                   *views conducted pursuant to section 221(i);*

11                   “(iv) *medical continuing disability re-*  
12                   *views conducted pursuant to 1614(a)(3)(H);*

13                   “(v) *redeterminations conducted pursu-*  
14                   *ant to section 1611(c); and*

15                   “(vi) *work-related continuing dis-*  
16                   *ability reviews to determine whether earn-*  
17                   *ings derived from services demonstrate an*  
18                   *individual’s ability to engage in substantial*  
19                   *gainful activity;*

20           “(G) *the number of cases of fraud identified*  
21           *for which benefits were terminated as a result of*  
22           *medical continuing disability reviews (as re-*  
23           *ported to the Commissioner by the Inspector*  
24           *General), work-related continuing disability re-*  
25           *views, and redeterminations, and the amount of*



1           *resulting savings for each such type of review or*  
2           *redetermination; and*

3           *“(H) the number of work-related continuing*  
4           *disability reviews in which a beneficiary im-*  
5           *properly reported earnings derived from services*  
6           *for more than 3 consecutive months, and the*  
7           *amount of resulting savings.”.*

8           **(b) REPORT ON WORK-RELATED CONTINUING DIS-**  
9           **ABILITY REVIEWS.**—*The Commissioner of Social Security*  
10          *shall annually submit to the Committee on Ways and*  
11          *Means of the House of Representatives and the Committee*  
12          *on Finance of the Senate a report on the number of work-*  
13          *related continuing disability reviews conducted each year*  
14          *to determine whether earnings derived from services dem-*  
15          *onstrate an individual’s ability to engage in substantial*  
16          *gainful activity. Such report shall include—*

17                 *(1) the number of individuals receiving benefits*  
18                 *based on disability under title II of such Act for*  
19                 *whom reports of earnings were received from any*  
20                 *source by the Commissioner in the previous calendar*  
21                 *year, reported as a total number and separately by*  
22                 *the source of the report;*

23                 *(2) the number of individuals for whom such re-*  
24                 *ports resulted in a determination to conduct a work-*

1        *related continuing disability review, and the basis on*  
2        *which such determinations were made;*

3                *(3) in the case of a beneficiary selected for a*  
4        *work-related continuing disability review on the basis*  
5        *of a report of earnings from any source—*

6                *(A) the average number of days—*

7                        *(i) between the receipt of the report*  
8                        *and the initiation of the review;*

9                        *(ii) between the initiation and the*  
10                        *completion of the review; and*

11                        *(iii) the average amount of overpay-*  
12                        *ment, if any;*

13                *(B) the number of such reviews completed*  
14        *during such calendar year, and the number of*  
15        *such reviews that resulted in a suspension or ter-*  
16        *mination of benefits;*

17                *(C) the number of such reviews initiated in*  
18        *the current year that had not been completed as*  
19        *of the end of such calendar year;*

20                *(D) the number of such reviews initiated in*  
21        *a prior year that had not been completed as of*  
22        *the end of such calendar year;*

23                *(4) the total savings to the Trust Funds and the*  
24        *Treasury generated from benefits suspended or termi-*  
25        *nated as a result of such reviews; and*

1           (5) *with respect to individuals for whom a work-*  
2 *related continuing disability review was completed*  
3 *during such calendar year—*

4           (A) *the number who participated in the*  
5 *Ticket to Work program under section 1148 dur-*  
6 *ing such calendar year;*

7           (B) *the number who used any program*  
8 *work incentives during such calendar year; and*

9           (C) *the number who received vocational re-*  
10 *habilitation services during such calendar year*  
11 *with respect to which the Commissioner of Social*  
12 *Security reimbursed a State agency under sec-*  
13 *tion 222(d).*

14       (c) *REPORT ON OVERPAYMENT WAIVERS.—Not later*  
15 *than January 1 of each calendar year, the Commissioner*  
16 *of Social Security shall submit to the Committee on Ways*  
17 *and Means of the House of Representatives and the Com-*  
18 *mittee on Finance of the Senate a report on—*

19           (1) *the number and total value of overpayments*  
20 *recovered or scheduled to be recovered by the Social*  
21 *Security Administration during the previous fiscal*  
22 *year of benefits under title II and title XVI, respec-*  
23 *tively, including the terms and conditions of repay-*  
24 *ment of such overpayments; and*

1           (2) *the number and total value of overpayments*  
2           *waived by the Social Security Administration during*  
3           *the previous fiscal year of benefits under title II and*  
4           *title XVI, respectively.*

5 **SEC. 846. EXPEDITED EXAMINATION OF ADMINISTRATIVE**  
6                                   **LAW JUDGES.**

7           (a) *IN GENERAL.*—*Notwithstanding any other provi-*  
8           *sion of law, the Office of Personnel Management shall, upon*  
9           *request of the Commissioner of Social Security, expedi-*  
10           *tiously administer a sufficient number of competitive ex-*  
11           *aminations, as determined by the Commissioner, for the*  
12           *purpose of identifying an adequate number of candidates*  
13           *to be appointed as Administrative Law Judges under sec-*  
14           *tion 3105 of title 5, United States Code. The first such ex-*  
15           *amination shall take place not later than April 1, 2016 and*  
16           *other examinations shall take place at such time or times*  
17           *requested by the Commissioner, but not later than December*  
18           *31, 2022. Such examinations shall proceed even if one or*  
19           *more individuals who took a prior examination have ap-*  
20           *pealed an adverse determination and one or more of such*  
21           *appeals have not concluded, provided that—*

22                           (1) *the Commissioner of Social Security has*  
23           *made a determination that delaying the examination*  
24           *poses a significant risk that an adequate number of*  
25           *Administrative Law Judges will not be available to*

1       *meet the need of the Social Security Administration*  
2       *to reduce or prevent a backlog of cases awaiting a*  
3       *hearing;*

4             (2) *an individual whose appeal is pending is*  
5       *provided an option to continue their appeal or elects*  
6       *to take the new examination, in which case the appeal*  
7       *is considered vacated; and*

8             (3) *an individual who decides to continue his or*  
9       *her appeal and who ultimately prevails in the appeal*  
10       *shall receive expeditious consideration for hire by the*  
11       *Office Personnel Management and the Commissioner*  
12       *of Social Security.*

13       (b) *PAYMENT OF COSTS.—Notwithstanding any other*  
14       *provision of law, the Commissioner of Social Security shall*  
15       *pay the full cost associated with each examination con-*  
16       *ducted pursuant to subsection (a).*

17       ***TITLE IX—TEMPORARY EXTEN-***  
18       ***SION OF PUBLIC DEBT LIMIT***

19       ***SEC. 901. TEMPORARY EXTENSION OF PUBLIC DEBT LIMIT.***

20       (a) *IN GENERAL.—Section 3101(b) of title 31, United*  
21       *States Code, shall not apply for the period beginning on*  
22       *the date of the enactment of this Act and ending on March*  
23       *15, 2017.*

24       (b) *SPECIAL RULE RELATING TO OBLIGATIONS*  
25       *ISSUED DURING EXTENSION PERIOD.—Effective March 16,*

1 2017, the limitation in effect under section 3101(b) of title  
2 31, United States Code, shall be increased to the extent  
3 that—

4 (1) the face amount of obligations issued under  
5 chapter 31 of such title and the face amount of obliga-  
6 tions whose principal and interest are guaranteed by  
7 the United States Government (except guaranteed ob-  
8 ligations held by the Secretary of the Treasury) out-  
9 standing on March 16, 2017, exceeds

10 (2) the face amount of such obligations out-  
11 standing on the date of the enactment of this Act.

12 **SEC. 902. RESTORING CONGRESSIONAL AUTHORITY OVER**  
13 **THE NATIONAL DEBT.**

14 (a) **EXTENSION LIMITED TO NECESSARY OBLIGA-**  
15 **TIONS.**—An obligation shall not be taken into account  
16 under section 901(b)(1) unless the issuance of such obliga-  
17 tion was necessary to fund a commitment incurred pursu-  
18 ant to law by the Federal Government that required pay-  
19 ment before March 16, 2017.

20 (b) **PROHIBITION ON CREATION OF CASH RESERVE**  
21 **DURING EXTENSION PERIOD.**—The Secretary of the Treas-  
22 ury shall not issue obligations during the period specified  
23 in section 901(a) for the purpose of increasing the cash bal-  
24 ance above normal operating balances in anticipation of  
25 the expiration of such period.

1     **TITLE X—SPECTRUM PIPELINE**

2     **SEC. 1001. SHORT TITLE.**

3             *This title may be cited as the “Spectrum Pipeline Act*  
4 *of 2015”.*

5     **SEC. 1002. DEFINITIONS.**

6             *In this title:*

7                 (1) *ASSISTANT SECRETARY.*—*The term “Assist-*  
8 *ant Secretary” means the Assistant Secretary of Com-*  
9 *merce for Communications and Information.*

10                (2) *COMMISSION.*—*The term “Commission”*  
11 *means the Federal Communications Commission.*

12                (3) *FEDERAL ENTITY.*—*The term “Federal enti-*  
13 *ty” has the meaning given such term in section 113(l)*  
14 *of the National Telecommunications and Information*  
15 *Administration Organization Act (47 U.S.C. 923(l)).*

16                (4) *SECRETARY.*—*The term “Secretary” means*  
17 *the Secretary of Commerce.*

18     **SEC. 1003. RULE OF CONSTRUCTION.**

19             *Each range of frequencies described in this title shall*  
20 *be construed to be inclusive of the upper and lower fre-*  
21 *quencies in the range.*

22     **SEC. 1004. IDENTIFICATION, REALLOCATION, AND AUCTION**  
23 **OF FEDERAL SPECTRUM.**

24             (a) *IDENTIFICATION OF SPECTRUM.*—*Not later than*  
25 *January 1, 2022, the Secretary shall submit to the Presi-*

1 *dent and to the Commission a report identifying 30 mega-*  
2 *hertz of electromagnetic spectrum (in bands of not less than*  
3 *10 megahertz of contiguous frequencies) below the frequency*  
4 *of 3 gigahertz (except for the spectrum between the fre-*  
5 *quencies of 1675 megahertz and 1695 megahertz) for re-*  
6 *allocation from Federal use to non-Federal use or shared*  
7 *Federal and non-Federal use, or a combination thereof.*

8 *(b) CLEARING OF SPECTRUM.—The President shall—*

9 *(1) not later than January 1, 2022, begin the*  
10 *process of withdrawing or modifying the assignment*  
11 *to a Federal Government station of the electro-*  
12 *magnetic spectrum identified under subsection (a);*  
13 *and*

14 *(2) not later than 30 days after completing the*  
15 *withdrawal or modification, notify the Commission*  
16 *that the withdrawal or modification is complete.*

17 *(c) REALLOCATION AND AUCTION.—*

18 *(1) IN GENERAL.—The Commission shall—*

19 *(A) reallocate the electromagnetic spectrum*  
20 *identified under subsection (a) for non-Federal*  
21 *use or shared Federal and non-Federal use, or a*  
22 *combination thereof; and*

23 *(B) notwithstanding paragraph (15)(A) of*  
24 *section 309(j) of the Communications Act of*  
25 *1934 (47 U.S.C. 309(j)), not later than July 1,*





1           *tor of OMB for use in accordance with para-*  
2           *graph (2), not more than \$500,000,000 from*  
3           *amounts in the Fund on such date of enactment;*  
4           *and*

5           *“(B) there are appropriated from the Fund*  
6           *after such date of enactment, and available to the*  
7           *Director of OMB for use in accordance with such*  
8           *paragraph, not more than 10 percent of the*  
9           *amounts deposited in the Fund after such date*  
10          *of enactment.*

11          *“(2) USE OF AMOUNTS.—*

12           *“(A) IN GENERAL.—The Director of OMB*  
13           *may use amounts made available under para-*  
14           *graph (1) to make payments requested by Fed-*  
15           *eral entities for research and development, engi-*  
16           *neering studies, economic analyses, activities*  
17           *with respect to systems, or other planning activi-*  
18           *ties intended to improve the efficiency and effec-*  
19           *tiveness of the spectrum use of Federal entities in*  
20           *order to make available frequencies described in*  
21           *subparagraph (C) for reallocation for non-Fed-*  
22           *eral use or shared Federal and non-Federal use,*  
23           *or a combination thereof, and for auction in ac-*  
24           *cordance with such reallocation.*

1           “(B) *SYSTEMS THAT IMPROVE EFFICIENCY*  
2           *AND EFFECTIVENESS OF FEDERAL SPECTRUM*  
3           *USE.—For purposes of a payment under sub-*  
4           *paragraph (A) for activities with respect to sys-*  
5           *tems that improve the efficiency and effectiveness*  
6           *of the spectrum use of Federal entities, such sys-*  
7           *tems include the following:*

8                   “(i) *Systems that have increased*  
9                   *functionality or that increase the ability of*  
10                  *a Federal entity to accommodate spectrum*  
11                  *sharing with non-Federal entities.*

12                  “(ii) *Systems that consolidate func-*  
13                  *tions or services that have been provided*  
14                  *using separate systems.*

15                  “(iii) *Non-spectrum technology or sys-*  
16                  *tems.*

17           “(C) *FREQUENCIES DESCRIBED.—The fre-*  
18           *quencies described in this subparagraph are,*  
19           *with respect to a payment under subparagraph*  
20           *(A), frequencies that—*

21                   “(i) *are assigned to a Federal entity;*  
22                   *and*

23                   “(ii) *at the time of the activities con-*  
24                   *ducted with such payment, are not identi-*  
25                   *fied for auction.*

1           “(D) *CONDITIONS.—The Director of OMB*  
2           *may not make a payment to a Federal entity*  
3           *under subparagraph (A)—*

4           “(i) *unless—*

5           “(I) *the Federal entity has sub-*  
6           *mitted to the Technical Panel estab-*  
7           *lished under section 113(h)(3) a plan*  
8           *describing the activities that the Fed-*  
9           *eral entity will conduct with such pay-*  
10          *ment;*

11          “(II) *the Technical Panel has ap-*  
12          *proved such plan under subparagraph*  
13          *(E); and*

14          “(III) *the Director of OMB has*  
15          *submitted the plan approved under*  
16          *subparagraph (E) to the congressional*  
17          *committees described in subsection*  
18          *(d)(2)(C); and*

19          “(ii) *until 60 days have elapsed after*  
20          *submission of the plan under clause (i)(III).*

21          “(E) *REVIEW BY TECHNICAL PANEL.—*

22          “(i) *IN GENERAL.—Not later than 120*  
23          *days after a Federal entity submits a plan*  
24          *under subparagraph (D)(i)(I) to the Tech-*  
25          *nical Panel established under section*

1           113(h)(3), the Technical Panel shall ap-  
2           prove or disapprove such plan.

3           “(ii) *CRITERIA FOR REVIEW.*—In con-  
4           sidering whether to approve or disapprove a  
5           plan under this subparagraph, the Tech-  
6           nical Panel shall consider whether—

7                   “(I) the activities that the Federal  
8                   entity will conduct with the payment  
9                   will—

10                           “(aa) increase the probability  
11                           of relocation from or sharing of  
12                           Federal spectrum;

13                           “(bb) facilitate an auction  
14                           intended to occur not later than 8  
15                           years after the payment; and

16                           “(cc) increase the net ex-  
17                           pected auction proceeds in an  
18                           amount not less than the time  
19                           value of the amount of the pay-  
20                           ment; and

21                           “(II) the transfer will leave suffi-  
22                           cient amounts in the Fund for the  
23                           other purposes of the Fund.

24           “(h) *PRIORITIZATION OF PAYMENTS.*—In determining  
25           whether to make payments under subsections (f) and (g),

1 *the Director of OMB shall, to the extent practicable,*  
2 *prioritize payments under subsection (g).”.*

3 (b) *ADMINISTRATIVE SUPPORT FOR TECHNICAL*  
4 *PANEL.—Section 113(h)(3)(C) of the National Tele-*  
5 *communications and Information Administration Organi-*  
6 *zation Act (47 U.S.C. 923(h)(3)(C)) is amended by striking*  
7 *“this subsection and subsection (i)” and inserting “this sub-*  
8 *section, subsection (i), and section 118(g)(2)(E)”.*

9 (c) *ELIGIBLE FEDERAL ENTITIES.—Section 113 of the*  
10 *National Telecommunications and Information Adminis-*  
11 *tration Organization Act (47 U.S.C. 923) is amended—*

12 (1) *in subsection (g)—*

13 (A) *in paragraph (1)—*

14 (i) *by striking “authorized to use a*  
15 *band of eligible frequencies described in*  
16 *paragraph (2) and”;*

17 (ii) *by inserting “eligible” after “auc-*  
18 *tion of”;*

19 (iii) *by inserting “eligible” after “re-*  
20 *allocation of”; and*

21 (B) *in paragraph (3)(A), by striking “pre-*  
22 *viously assigned to such entity or the sharing of*  
23 *spectrum frequencies assigned to such entity”*  
24 *and inserting “or the sharing of spectrum fre-*  
25 *quencies”; and*

1           (2) *in subsection (h)(1), by striking “authorized*  
2           *to use any such frequency”.*

3 **SEC. 1006. PLANS FOR AUCTION OF CERTAIN SPECTRUM.**

4           (a) *REPORTS TO CONGRESS.—In accordance with each*  
5 *paragraph of subsection (c), the Commission, in coordina-*  
6 *tion with the Assistant Secretary, shall submit to the Com-*  
7 *mittee on Energy and Commerce of the House of Represent-*  
8 *atives and the Committee on Commerce, Science, and*  
9 *Transportation of the Senate a report containing a pro-*  
10 *posed plan for the assignment of new licenses for non-Fed-*  
11 *eral use of the spectrum identified under such paragraph,*  
12 *including—*

13           (1) *an assessment of the operations of Federal*  
14 *entities that operate Federal Government stations au-*  
15 *thorized to use such spectrum;*

16           (2) *an estimated timeline for the competitive bid-*  
17 *ding process; and*

18           (3) *a proposed plan for balance between unli-*  
19 *censed and licensed use.*

20           (b) *INFORMATION FOR ASSESSMENT OF FEDERAL EN-*  
21 *TITY OPERATIONS.—The Assistant Secretary, in coordina-*  
22 *tion with the affected Federal entities, shall provide to the*  
23 *Commission the necessary information to carry out sub-*  
24 *section (a)(1).*

1           (c) *REPORT DEADLINES; IDENTIFICATION OF SPEC-*  
2 *TRUM.—The Commission shall submit reports under sub-*  
3 *section (a) as follows:*

4           (1) *Not later than January 1, 2022, for at least*  
5 *50 megahertz of spectrum (in bands of not less than*  
6 *10 megahertz of contiguous frequencies) below 6*  
7 *gigahertz, to be identified by the Commission, in co-*  
8 *ordination with the Assistant Secretary, from spec-*  
9 *trum other than the spectrum identified under section*  
10 *1004(a).*

11           (2) *Not later than January 1, 2024, for at least*  
12 *50 megahertz of spectrum (in bands of not less than*  
13 *10 megahertz of contiguous frequencies) below 6*  
14 *gigahertz, to be identified by the Commission, in co-*  
15 *ordination with the Assistant Secretary, from spec-*  
16 *trum other than the spectrum identified under para-*  
17 *graph (1) or section 1004(a).*

18 **SEC. 1007. FCC AUCTION AUTHORITY.**

19           *Section 309(j)(11) of the Communications Act of 1934*  
20 *(47 U.S.C. 309(j)(11)) is amended by inserting before the*  
21 *period at the end the following: “, except that, with respect*  
22 *to the electromagnetic spectrum identified under section*  
23 *1004(a) of the Spectrum Pipeline Act of 2015, such author-*  
24 *ity shall expire on September 30, 2025”.*



1 **SEC. 1008. REPORTS TO CONGRESS.**

2 *Not later than 3 years after the date of the enactment*  
 3 *of this Act, the Commission shall submit to Congress—*

4 *(1) a report containing an analysis of the results*  
 5 *of the rules changes relating to the frequencies between*  
 6 *3550 megahertz and 3650 megahertz; and*

7 *(2) a report containing an analysis of proposals*  
 8 *to promote and identify additional spectrum bands*  
 9 *that can be shared between incumbent uses and new*  
 10 *licensed, and unlicensed services under such rules and*  
 11 *identification of at least 1 gigahertz between 6*  
 12 *gigahertz and 57 GHz for such use.*

13 **TITLE XI—REVENUE PROVI-**  
 14 **SIONS RELATED TO TAX COM-**  
 15 **PLIANCE**

16 **SEC. 1101. PARTNERSHIP AUDITS AND ADJUSTMENTS.**

17 *(a) REPEAL OF TEFRA PARTNERSHIP AUDIT*  
 18 *RULES.—Chapter 63 of the Internal Revenue Code of 1986*  
 19 *is amended by striking subchapter C (and by striking the*  
 20 *item relating to such subchapter in the table of subchapters*  
 21 *for such chapter).*

22 *(b) REPEAL OF ELECTING LARGE PARTNERSHIP*  
 23 *RULES.—*

24 *(1) IN GENERAL.—Subchapter K of chapter 1 of*  
 25 *such Code is amended by striking part IV (and by*

1 *striking the item relating to such part in the table of*  
 2 *parts for such subchapter).*

3 (2) *ASSESSMENT RULES RELATING TO ELECTING*  
 4 *LARGE PARTNERSHIPS.*—Chapter 63 of such Code is  
 5 *amended by striking subchapter D (and by striking*  
 6 *the item relating to such subchapter in the table of*  
 7 *subchapters for such chapter).*

8 (c) *PARTNERSHIP AUDIT REFORM.*—

9 (1) *IN GENERAL.*—Chapter 63 of such Code, as  
 10 *amended by the preceding provisions of this section,*  
 11 *is amended by inserting after subchapter B the fol-*  
 12 *lowing new subchapter:*

13 **“Subchapter C—Treatment of Partnerships**

“PART I—IN GENERAL

“PART II—PARTNERSHIP ADJUSTMENTS

“PART III—PROCEDURE

“PART IV—DEFINITIONS AND SPECIAL RULES

14 **“PART I—IN GENERAL**

“Sec. 6221. Determination at partnership level.

“Sec. 6222. Partner’s return must be consistent with partnership return.

“Sec. 6223. Designation of partnership representative.

15 **“SEC. 6221. DETERMINATION AT PARTNERSHIP LEVEL.**

16 “(a) *IN GENERAL.*—Any adjustment to items of in-  
 17 come, gain, loss, deduction, or credit of a partnership for  
 18 a partnership taxable year (and any partner’s distributive  
 19 share thereof) shall be determined, any tax attributable  
 20 thereto shall be assessed and collected, and the applicability

1 of any penalty, addition to tax, or additional amount  
2 which relates to an adjustment to any such item or share  
3 shall be determined, at the partnership level pursuant to  
4 this subchapter.

5 “(b) *ELECTION OUT FOR CERTAIN PARTNERSHIPS*  
6 *WITH 100 OR FEWER PARTNERS, ETC.—*

7 “(1) *IN GENERAL.—This subchapter shall not*  
8 *apply with respect to any partnership for any taxable*  
9 *year if—*

10 “(A) *the partnership elects the application*  
11 *of this subsection for such taxable year,*

12 “(B) *for such taxable year the partnership*  
13 *is required to furnish 100 or fewer statements*  
14 *under section 6031(b) with respect to its part-*  
15 *ners,*

16 “(C) *each of the partners of such partner-*  
17 *ship is an individual, a C corporation, any for-*  
18 *ign entity that would be treated as a C corpora-*  
19 *tion were it domestic, an S corporation, or an*  
20 *estate of a deceased partner,*

21 “(D) *the election—*

22 “(i) *is made with a timely filed return*  
23 *for such taxable year, and*

24 “(ii) *includes (in the manner pre-*  
25 *scribed by the Secretary) a disclosure of the*

1           *name and taxpayer identification number*  
2           *of each partner of such partnership, and*

3           “(E) *the partnership notifies each such*  
4           *partner of such election in the manner prescribed*  
5           *by the Secretary.*

6           “(2) *SPECIAL RULES RELATING TO CERTAIN*  
7           *PARTNERS.—*

8           “(A) *S CORPORATION PARTNERS.—In the*  
9           *case of a partner that is an S corporation—*

10           “(i) *the partnership shall only be treat-*  
11           *ed as meeting the requirements of para-*  
12           *graph (1)(C) with respect to such partner if*  
13           *such partnership includes (in the manner*  
14           *prescribed by the Secretary) a disclosure of*  
15           *the name and taxpayer identification num-*  
16           *ber of each person with respect to whom*  
17           *such S corporation is required to furnish a*  
18           *statement under section 6037(b) for the tax-*  
19           *able year of the S corporation ending with*  
20           *or within the partnership taxable year for*  
21           *which the application of this subsection is*  
22           *elected, and*

23           “(ii) *the statements such S corporation*  
24           *is required to so furnish shall be treated as*

1           *statements furnished by the partnership for*  
2           *purposes of paragraph (1)(B).*

3           “(B) *FOREIGN PARTNERS.*—*For purposes of*  
4           *paragraph (1)(D)(ii), the Secretary may provide*  
5           *for alternative identification of any foreign part-*  
6           *ners.*

7           “(C) *OTHER PARTNERS.*—*The Secretary*  
8           *may by regulation or other guidance prescribe*  
9           *rules similar to the rules of subparagraph (A)*  
10          *with respect to any partners not described in*  
11          *such subparagraph or paragraph (1)(C).*

12   **“SEC. 6222. PARTNER’S RETURN MUST BE CONSISTENT**  
13                   **WITH PARTNERSHIP RETURN.**

14          “(a) *IN GENERAL.*—*A partner shall, on the partner’s*  
15          *return, treat each item of income, gain, loss, deduction, or*  
16          *credit attributable to a partnership in a manner which is*  
17          *consistent with the treatment of such income, gain, loss, de-*  
18          *duction, or credit on the partnership return.*

19          “(b) *UNDERPAYMENT DUE TO INCONSISTENT TREAT-*  
20          *MENT ASSESSED AS MATH ERROR.*—*Any underpayment of*  
21          *tax by a partner by reason of failing to comply with the*  
22          *requirements of subsection (a) shall be assessed and collected*  
23          *in the same manner as if such underpayment were on ac-*  
24          *count of a mathematical or clerical error appearing on the*  
25          *partner’s return. Paragraph (2) of section 6213(b) shall not*

1 *apply to any assessment of an underpayment referred to*  
2 *in the preceding sentence.*

3 “(c) *EXCEPTION FOR NOTIFICATION OF INCONSISTENT*  
4 *TREATMENT.—*

5 “(1) *IN GENERAL.—In the case of any item re-*  
6 *ferred to in subsection (a), if—*

7 “(A)(i) *the partnership has filed a return*  
8 *but the partner’s treatment on the partner’s re-*  
9 *turn is (or may be) inconsistent with the treat-*  
10 *ment of the item on the partnership return, or*

11 “(ii) *the partnership has not filed a return,*  
12 *and*

13 “(B) *the partner files with the Secretary a*  
14 *statement identifying the inconsistency,*  
15 *subsections (a) and (b) shall not apply to such item.*

16 “(2) *PARTNER RECEIVING INCORRECT INFORMA-*  
17 *TION.—A partner shall be treated as having complied*  
18 *with subparagraph (B) of paragraph (1) with respect*  
19 *to an item if the partner—*

20 “(A) *demonstrates to the satisfaction of the*  
21 *Secretary that the treatment of the item on the*  
22 *partner’s return is consistent with the treatment*  
23 *of the item on the statement furnished to the*  
24 *partner by the partnership, and*

1                   “(B) elects to have this paragraph apply  
2                   with respect to that item.

3                   “(d) *FINAL DECISION ON CERTAIN POSITIONS NOT*  
4 *BINDING ON PARTNERSHIP.*—Any final decision with re-  
5 spect to an inconsistent position identified under subsection  
6 (c) in a proceeding to which the partnership is not a party  
7 shall not be binding on the partnership.

8                   “(e) *ADDITION TO TAX FOR FAILURE TO COMPLY*  
9 *WITH SECTION.*—For addition to tax in the case of a part-  
10 ner’s disregard of the requirements of this section, see part  
11 II of subchapter A of chapter 68.

12 **“SEC. 6223. PARTNERS BOUND BY ACTIONS OF PARTNER-**  
13 **SHIP.**

14                   “(a) *DESIGNATION OF PARTNERSHIP REPRESENTA-*  
15 *TIVE.*—Each partnership shall designate (in the manner  
16 prescribed by the Secretary) a partner (or other person)  
17 with a substantial presence in the United States as the  
18 partnership representative who shall have the sole authority  
19 to act on behalf of the partnership under this subchapter.  
20 In any case in which such a designation is not in effect,  
21 the Secretary may select any person as the partnership rep-  
22 resentative.

23                   “(b) *BINDING EFFECT.*—A partnership and all part-  
24 ners of such partnership shall be bound—

1           “(1) by actions taken under this subchapter by  
2           the partnership, and

3           “(2) by any final decision in a proceeding  
4           brought under this subchapter with respect to the  
5           partnership.

6           **“PART II—PARTNERSHIP ADJUSTMENTS**

          “Sec. 6225. Partnership adjustment by Secretary.

          “Sec. 6226. Alternative to payment of imputed underpayment by partnership.

          “Sec. 6227. Administrative adjustment request by partnership.

7           **“SEC. 6225. PARTNERSHIP ADJUSTMENT BY SECRETARY.**

8           “(a) *IN GENERAL.*—In the case of any adjustment by  
9           the Secretary in the amount of any item of income, gain,  
10          loss, deduction, or credit of a partnership, or any partner’s  
11          distributive share thereof—

12                  “(1) the partnership shall pay any imputed un-  
13                  derpayment with respect to such adjustment in the  
14                  adjustment year as provided in section 6232, and

15                  “(2) any adjustment that does not result in an  
16                  imputed underpayment shall be taken into account by  
17                  the partnership in the adjustment year—

18                          “(A) except as provided in subparagraph  
19                          (B), as a reduction in non-separately stated in-  
20                          come or an increase in non-separately stated loss  
21                          (whichever is appropriate) under section  
22                          702(a)(8), or

23                          “(B) in the case of an item of credit, as a  
24                          separately stated item.



1       “(b) *DETERMINATION OF IMPUTED UNDERPAY-*  
2 *MENTS.—For purposes of this subchapter—*

3               “(1) *IN GENERAL.—Except as provided in sub-*  
4 *section (c), any imputed underpayment with respect*  
5 *to any partnership adjustment for any reviewed year*  
6 *shall be determined—*

7                       “(A) *by netting all adjustments of items of*  
8 *income, gain, loss, or deduction and multiplying*  
9 *such net amount by the highest rate of tax in ef-*  
10 *fect for the reviewed year under section 1 or 11,*

11                       “(B) *by treating any net increase or de-*  
12 *crease in loss under subparagraph (A) as a de-*  
13 *crease or increase, respectively, in income, and*

14                       “(C) *by taking into account any adjust-*  
15 *ments to items of credit as an increase or de-*  
16 *crease, as the case may be, in the amount deter-*  
17 *mined under subparagraph (A).*

18               “(2) *ADJUSTMENTS TO DISTRIBUTIVE SHARES*  
19 *OF PARTNERS NOT NETTED.—In the case of any ad-*  
20 *justment which reallocates the distributive share of*  
21 *any item from one partner to another, such adjust-*  
22 *ment shall be taken into account under paragraph (1)*  
23 *by disregarding—*

24                       “(A) *any decrease in any item of income or*  
25 *gain, and*

1           “(B) any increase in any item of deduction,  
2           loss, or credit.

3           “(c) *MODIFICATION OF IMPUTED UNDERPAYMENTS.*—

4           “(1) *IN GENERAL.*—*The Secretary shall establish*  
5           *procedures under which the imputed underpayment*  
6           *amount may be modified consistent with the require-*  
7           *ments of this subsection.*

8           “(2) *AMENDED RETURNS OF PARTNERS.*—

9           “(A) *IN GENERAL.*—*Such procedures shall*  
10          *provide that if—*

11               “(i) *one or more partners file returns*  
12               *(notwithstanding section 6511) for the tax-*  
13               *able year of the partners which includes the*  
14               *end of the reviewed year of the partnership,*

15               “(ii) *such returns take into account all*  
16               *adjustments under subsection (a) properly*  
17               *allocable to such partners (and for any*  
18               *other taxable year with respect to which*  
19               *any tax attribute is affected by reason of*  
20               *such adjustments), and*

21               “(iii) *payment of any tax due is in-*  
22               *cluded with such return,*

23           *then the imputed underpayment amount shall be*  
24           *determined without regard to the portion of the*  
25           *adjustments so taken into account.*

1           “(B) *REALLOCATION OF DISTRIBUTIVE*  
2           *SHARE.—In the case of any adjustment which*  
3           *reallocates the distributive share of any item*  
4           *from one partner to another, paragraph (2) shall*  
5           *apply only if returns are filed by all partners af-*  
6           *ected by such adjustment.*

7           “(3) *TAX-EXEMPT PARTNERS.—Such procedures*  
8           *shall provide for determining the imputed under-*  
9           *payment without regard to the portion thereof that*  
10           *the partnership demonstrates is allocable to a partner*  
11           *that would not owe tax by reason of its status as a*  
12           *tax-exempt entity (as defined in section 168(h)(2)).*

13           “(4) *MODIFICATION OF APPLICABLE HIGHEST*  
14           *TAX RATES.—*

15           “(A) *IN GENERAL.—Such procedures shall*  
16           *provide for taking into account a rate of tax*  
17           *lower than the rate of tax described in subsection*  
18           *(b)(1)(A) with respect to any portion of the im-*  
19           *puted underpayment that the partnership dem-*  
20           *onstrates is allocable to a partner which—*

21                   “(i) *in the case of ordinary income, is*  
22                   *a C corporation, or*

23                   “(ii) *in the case of a capital gain or*  
24                   *qualified dividend, is an individual.*

1           *In no event shall the lower rate determined*  
2           *under the preceding sentence be less than the*  
3           *highest rate in effect with respect to the income*  
4           *and taxpayer described in clause (i) or clause*  
5           *(ii), as the case may be. For purposes of clause*  
6           *(ii), an S corporation shall be treated as an in-*  
7           *dividual.*

8                   “(B) *PORTION OF IMPUTED UNDERPAYMENT*  
9           *TO WHICH LOWER RATE APPLIES.—*

10                   “(i) *IN GENERAL.—Except as provided*  
11           *in clause (ii), the portion of the imputed*  
12           *underpayment to which the lower rate ap-*  
13           *plies with respect to a partner under sub-*  
14           *paragraph (A) shall be determined by ref-*  
15           *erence to the partners’ distributive share of*  
16           *items to which the imputed underpayment*  
17           *relates.*

18                   “(ii) *RULE IN CASE OF VARIED TREAT-*  
19           *MENT OF ITEMS AMONG PARTNERS.—If the*  
20           *imputed underpayment is attributable to*  
21           *the adjustment of more than 1 item, and*  
22           *any partner’s distributive share of such*  
23           *items is not the same with respect to all*  
24           *such items, then the portion of the imputed*  
25           *underpayment to which the lower rate ap-*

1            *plies with respect to a partner under sub-*  
2            *paragraph (A) shall be determined by ref-*  
3            *erence to the amount which would have been*  
4            *the partner's distributive share of net gain*  
5            *or loss if the partnership had sold all of its*  
6            *assets at their fair market value as of the*  
7            *close of the reviewed year of the partnership.*

8            *“(5) OTHER PROCEDURES FOR MODIFICATION OF*  
9            *IMPUTED UNDERPAYMENT.—The Secretary may by*  
10           *regulations or guidance provide for additional proce-*  
11           *dures to modify imputed underpayment amounts on*  
12           *the basis of such other factors as the Secretary deter-*  
13           *mines are necessary or appropriate to carry out the*  
14           *purposes of this subsection.*

15           *“(6) YEAR AND DAY FOR SUBMISSION TO SEC-*  
16           *RETARY.—Anything required to be submitted pursu-*  
17           *ant to paragraph (1) shall be submitted to the Sec-*  
18           *retary not later than the close of the 270-day period*  
19           *beginning on the date on which the notice of a pro-*  
20           *posed partnership adjustment is mailed under section*  
21           *6231 unless such period is extended with the consent*  
22           *of the Secretary.*

23           *“(7) DECISION OF SECRETARY.—Any modifica-*  
24           *tion of the imputed underpayment amount under this*

1 *subsection shall be made only upon approval of such*  
 2 *modification by the Secretary.*

3 *“(d) DEFINITIONS.—For purposes of this subchapter—*

4 *“(1) REVIEWED YEAR.—The term ‘reviewed year’*  
 5 *means the partnership taxable year to which the item*  
 6 *being adjusted relates.*

7 *“(2) ADJUSTMENT YEAR.—The term ‘adjustment*  
 8 *year’ means the partnership taxable year in which—*

9 *“(A) in the case of an adjustment pursuant*  
 10 *to the decision of a court in a proceeding brought*  
 11 *under section 6234, such decision becomes final,*

12 *“(B) in the case of an administrative ad-*  
 13 *justment request under section 6227, such ad-*  
 14 *ministrative adjustment request is made, or*

15 *“(C) in any other case, notice of the final*  
 16 *partnership adjustment is mailed under section*  
 17 *6231.*

18 **“SEC. 6226. ALTERNATIVE TO PAYMENT OF IMPUTED UN-**

19 ***DERPAYMENT BY PARTNERSHIP.***

20 *“(a) IN GENERAL.—If the partnership—*

21 *“(1) not later than 45 days after the date of the*  
 22 *notice of final partnership adjustment, elects the ap-*  
 23 *plication of this section with respect to an imputed*  
 24 *underpayment, and*

1           “(2) at such time and in such manner as the  
2           Secretary may provide, furnishes to each partner of  
3           the partnership for the reviewed year and to the Sec-  
4           retary a statement of the partner’s share of any ad-  
5           justment to income, gain, loss, deduction, or credit (as  
6           determined in the notice of final partnership adjust-  
7           ment),  
8           section 6225 shall not apply with respect to such under-  
9           payment and each such partner shall take such adjustment  
10          into account as provided in subsection (b). The election  
11          under paragraph (1) shall be made in such manner as the  
12          Secretary may provide and, once made, shall be revocable  
13          only with the consent of the Secretary.

14          “(b) *ADJUSTMENTS TAKEN INTO ACCOUNT BY PART-*  
15          *NER.*—

16                 “(1) *TAX IMPOSED IN YEAR OF STATEMENT.*—  
17                 Each partner’s tax imposed by chapter 1 for the tax-  
18                 able year which includes the date the statement was  
19                 furnished under subsection (a) shall be increased by  
20                 the aggregate of the adjustment amounts determined  
21                 under paragraph (2) for the taxable years referred to  
22                 therein.

23                 “(2) *ADJUSTMENT AMOUNTS.*—The adjustment  
24                 amounts determined under this paragraph are—

1           “(A) in the case of the taxable year of the  
2 partner which includes the end of the reviewed  
3 year, the amount by which the tax imposed  
4 under chapter 1 would increase if the partner’s  
5 share of the adjustments described in subsection  
6 (a) were taken into account for such taxable  
7 year, plus

8           “(B) in the case of any taxable year after  
9 the taxable year referred to in subparagraph (A)  
10 and before the taxable year referred to in para-  
11 graph (1), the amount by which the tax imposed  
12 under chapter 1 would increase by reason of the  
13 adjustment to tax attributes under paragraph  
14 (3).

15           “(3) ADJUSTMENT OF TAX ATTRIBUTES.—Any  
16 tax attribute which would have been affected if the ad-  
17 justments described in subsection (a) were taken into  
18 account for the taxable year referred to in paragraph  
19 (2)(A) shall—

20           “(A) in the case of any taxable year referred  
21 to in paragraph (2)(B), be appropriately ad-  
22 justed for purposes of applying such paragraph,  
23 and

24           “(B) in the case of any subsequent taxable  
25 year, be appropriately adjusted.



1 “(c) *PENALTIES AND INTEREST.*—

2 “(1) *PENALTIES.*—*Notwithstanding subsections*  
3 *(a) and (b), any penalties, additions to tax, or addi-*  
4 *tional amount shall be determined as provided under*  
5 *section 6221 and the partners of the partnership for*  
6 *the reviewed year shall be liable for any such penalty,*  
7 *addition to tax, or additional amount.*

8 “(2) *INTEREST.*—*In the case of an imputed un-*  
9 *derpayment with respect to which the application of*  
10 *this section is elected, interest shall be determined—*

11 “(A) *at the partner level,*

12 “(B) *from the due date of the return for the*  
13 *taxable year to which the increase is attributable*  
14 *(determined by taking into account any in-*  
15 *creases attributable to a change in tax attributes*  
16 *for a taxable year under subsection (b)(2)), and*

17 “(C) *at the underpayment rate under sec-*  
18 *tion 6621(a)(2), determined by substituting ‘5*  
19 *percentage points’ for ‘3 percentage points’ in*  
20 *subparagraph (B) thereof.*

21 **“SEC. 6227. ADMINISTRATIVE ADJUSTMENT REQUEST BY**  
22 ***PARTNERSHIP.***

23 “(a) *IN GENERAL.*—*A partnership may file a request*  
24 *for an administrative adjustment in the amount of one or*

1 *more items of income, gain, loss, deduction, or credit of the*  
2 *partnership for any partnership taxable year.*

3       “(b) *ADJUSTMENT.*—*Any such adjustment under sub-*  
4 *section (a) shall be determined and taken into account for*  
5 *the partnership taxable year in which the administrative*  
6 *adjustment request is made—*

7               “(1) *by the partnership under rules similar to*  
8 *the rules of section 6225 (other than paragraphs (2),*  
9 *(6) and (7) of subsection (c) thereof) for the partner-*  
10 *ship taxable year in which the administrative adjust-*  
11 *ment request is made, or*

12               “(2) *by the partnership and partners under rules*  
13 *similar to the rules of section 6226 (determined with-*  
14 *out regard to the substitution described in subsection*  
15 *(c)(2)(C) thereof).*

16 *In the case of an adjustment that would not result in an*  
17 *imputed underpayment, paragraph (1) shall not apply and*  
18 *paragraph (2) shall apply with appropriate adjustments.*

19       “(c) *PERIOD OF LIMITATIONS.*—*A partnership may*  
20 *not file such a request more than 3 years after the later*  
21 *of—*

22               “(1) *the date on which the partnership return for*  
23 *such year is filed, or*



1 address of the partnership representative or the partnership  
2 (even if the partnership has terminated its existence). The  
3 first sentence shall apply to any proceeding with respect  
4 to an administrative adjustment request filed by a partner-  
5 ship under section 6227.

6 “(b) *FURTHER NOTICES RESTRICTED.*—If the Sec-  
7 retary mails a notice of a final partnership adjustment to  
8 any partnership for any partnership taxable year and the  
9 partnership files a petition under section 6234 with respect  
10 to such notice, in the absence of a showing of fraud, malfea-  
11 sance, or misrepresentation of a material fact, the Secretary  
12 shall not mail another such notice to such partnership with  
13 respect to such taxable year.

14 “(c) *AUTHORITY TO RESCIND NOTICE WITH PARTNER-*  
15 *SHIP CONSENT.*—The Secretary may, with the consent of  
16 the partnership, rescind any notice of a partnership adjust-  
17 ment mailed to such partnership. Any notice so rescinded  
18 shall not be treated as a notice of a partnership adjustment  
19 for purposes of this subchapter, and the taxpayer shall have  
20 no right to bring a proceeding under section 6234 with re-  
21 spect to such notice.

22 **“SEC. 6232. ASSESSMENT, COLLECTION, AND PAYMENT.**

23 “(a) *IN GENERAL.*—Any imputed underpayment shall  
24 be assessed and collected in the same manner as if it were  
25 a tax imposed for the adjustment year by subtitle A, except

1 *that in the case of an administrative adjustment request*  
2 *to which section 6227(b)(1) applies, the underpayment shall*  
3 *be paid when the request is filed.*

4       “(b) *LIMITATION ON ASSESSMENT.—Except as other-*  
5 *wise provided in this chapter, no assessment of a deficiency*  
6 *may be made (and no levy or proceeding in any court for*  
7 *the collection of any amount resulting from such adjustment*  
8 *may be made, begun or prosecuted) before—*

9               “(1) *the close of the 90th day after the day on*  
10 *which a notice of a final partnership adjustment was*  
11 *mailed, and*

12               “(2) *if a petition is filed under section 6234*  
13 *with respect to such notice, the decision of the court*  
14 *has become final.*

15       “(c) *PREMATURE ACTION MAY BE ENJOINED.—Not-*  
16 *withstanding section 7421(a), any action which violates*  
17 *subsection (b) may be enjoined in the proper court, includ-*  
18 *ing the Tax Court. The Tax Court shall have no jurisdiction*  
19 *to enjoin any action under this subsection unless a timely*  
20 *petition has been filed under section 6234 and then only*  
21 *in respect of the adjustments that are the subject of such*  
22 *petition.*

23       “(d) *EXCEPTIONS TO RESTRICTIONS ON ADJUST-*  
24 *MENTS.—*

1           “(1) *ADJUSTMENTS ARISING OUT OF MATH OR*  
2           *CLERICAL ERRORS.*—

3           “(A) *IN GENERAL.*— *If the partnership is*  
4           *notified that, on account of a mathematical or*  
5           *clerical error appearing on the partnership re-*  
6           *turn, an adjustment to a item is required, rules*  
7           *similar to the rules of paragraphs (1) and (2) of*  
8           *section 6213(b) shall apply to such adjustment.*

9           “(B) *SPECIAL RULE.*—*If a partnership is a*  
10           *partner in another partnership, any adjustment*  
11           *on account of such partnership’s failure to com-*  
12           *ply with the requirements of section 6222(a)*  
13           *with respect to its interest in such other partner-*  
14           *ship shall be treated as an adjustment referred to*  
15           *in subparagraph (A), except that paragraph (2)*  
16           *of section 6213(b) shall not apply to such adjust-*  
17           *ment.*

18           “(2) *PARTNERSHIP MAY WAIVE RESTRICTIONS.*—  
19           *The partnership may at any time (whether or not*  
20           *any notice of partnership adjustment has been*  
21           *issued), by a signed notice in writing filed with the*  
22           *Secretary, waive the restrictions provided in sub-*  
23           *section (b) on the making of any partnership adjust-*  
24           *ment.*

1       “(e) *LIMIT WHERE NO PROCEEDING BEGUN.*—If no  
2 proceeding under section 6234 is begun with respect to any  
3 notice of a final partnership adjustment during the 90-day  
4 period described in subsection (b) thereof, the amount for  
5 which the partnership is liable under section 6225 shall not  
6 exceed the amount determined in accordance with such no-  
7 tice.

8       “**SEC. 6233. INTEREST AND PENALTIES.**

9       “(a) *INTEREST AND PENALTIES DETERMINED FROM*  
10 *REVIEWED YEAR.*—

11               “(1) *IN GENERAL.*—Except to the extent provided  
12 in section 6226(c), in the case of a partnership ad-  
13 justment for a reviewed year—

14                       “(A) *interest shall be computed under para-*  
15 *graph (2), and*

16                       “(B) *the partnership shall be liable for any*  
17 *penalty, addition to tax, or additional amount*  
18 *as provided in paragraph (3).*

19               “(2) *DETERMINATION OF AMOUNT OF INTER-*  
20 *EST.*—The interest computed under this paragraph  
21 with respect to any partnership adjustment is the in-  
22 terest which would be determined under chapter 67  
23 for the period beginning on the day after the return  
24 due date for the reviewed year and ending on the re-  
25 turn due date for the adjustment year (or, if earlier,

1       *the date payment of the imputed underpayment is*  
2       *made). Proper adjustments in the amount determined*  
3       *under the preceding sentence shall be made for adjust-*  
4       *ments required for partnership taxable years after the*  
5       *reviewed year and before the adjustment year by rea-*  
6       *son of such partnership adjustment.*

7               “(3) *PENALTIES.*—*Any penalty, addition to tax,*  
8       *or additional amount shall be determined at the part-*  
9       *nership level as if such partnership had been an indi-*  
10       *vidual subject to tax under chapter 1 for the reviewed*  
11       *year and the imputed underpayment were an actual*  
12       *underpayment (or understatement) for such year.*

13       “(b) *INTEREST AND PENALTIES WITH RESPECT TO*  
14 *ADJUSTMENT YEAR RETURN.*—

15               “(1) *IN GENERAL.*—*In the case of any failure to*  
16       *pay an imputed underpayment on the date prescribed*  
17       *therefor, the partnership shall be liable—*

18                       “(A) *for interest as determined under para-*  
19       *graph (2), and*

20                       “(B) *for any penalty, addition to tax, or*  
21       *additional amount as determined under para-*  
22       *graph (3).*

23               “(2) *INTEREST.*—*Interest determined under this*  
24       *paragraph is the interest that would be determined by*



1       *treating the imputed underpayment as an under-*  
 2       *payment of tax imposed in the adjustment year.*

3               “(3) *PENALTIES.*—*Penalties, additions to tax, or*  
 4       *additional amounts determined under this paragraph*  
 5       *are the penalties, additions to tax, or additional*  
 6       *amounts that would be determined—*

7                       “(A) *by applying section 6651(a)(2) to such*  
 8               *failure to pay, and*

9                       “(B) *by treating the imputed underpayment*  
 10               *as an underpayment of tax for purposes of part*  
 11               *II of subchapter A of chapter 68.*

12       **“SEC. 6234. JUDICIAL REVIEW OF PARTNERSHIP ADJUST-**  
 13               **MENT.**

14               “(a) *IN GENERAL.*—*Within 90 days after the date on*  
 15       *which a notice of a final partnership adjustment is mailed*  
 16       *under section 6231 with respect to any partnership taxable*  
 17       *year, the partnership may file a petition for a readjustment*  
 18       *for such taxable year with—*

19                       “(1) *the Tax Court,*

20                       “(2) *the district court of the United States for*  
 21               *the district in which the partnership’s principal place*  
 22               *of business is located, or*

23                       “(3) *the Claims Court.*

24               “(b) *JURISDICTIONAL REQUIREMENT FOR BRINGING*  
 25       *ACTION IN DISTRICT COURT OR CLAIMS COURT.—*

1           “(1) *IN GENERAL.*—A readjustment petition  
2           under this section may be filed in a district court of  
3           the United States or the Claims Court only if the  
4           partnership filing the petition deposits with the Sec-  
5           retary, on or before the date the petition is filed, the  
6           amount of the imputed underpayment (as of the date  
7           of the filing of the petition) if the partnership adjust-  
8           ment was made as provided by the notice of final  
9           partnership adjustment. The court may by order pro-  
10          vide that the jurisdictional requirements of this para-  
11          graph are satisfied where there has been a good faith  
12          attempt to satisfy such requirement and any shortfall  
13          of the amount required to be deposited is timely cor-  
14          rected.

15           “(2) *INTEREST PAYABLE.*—Any amount depos-  
16          ited under paragraph (1), while deposited, shall not  
17          be treated as a payment of tax for purposes of this  
18          title (other than chapter 67).

19           “(c) *SCOPE OF JUDICIAL REVIEW.*—A court with  
20          which a petition is filed in accordance with this section  
21          shall have jurisdiction to determine all items of income,  
22          gain, loss, deduction, or credit of the partnership for the  
23          partnership taxable year to which the notice of final part-  
24          nership adjustment relates, the proper allocation of such  
25          items among the partners, and the applicability of any pen-



1           “(B) the return due date for the taxable  
2           year, or

3           “(C) the date on which the partnership filed  
4           an administrative adjustment request with re-  
5           spect to such year under section 6227, or

6           “(2) in the case of any modification of an im-  
7           puted underpayment under section 6225(c), the date  
8           that is 270 days (plus the number of days of any ex-  
9           tension consented to by the Secretary under para-  
10          graph (4) thereof) after the date on which everything  
11          required to be submitted to the Secretary pursuant to  
12          such section is so submitted, or

13          “(3) in the case of any notice of a proposed part-  
14          nership adjustment under section 6231(a)(2), the date  
15          that is 270 days after the date of such notice.

16          “(b) *EXTENSION BY AGREEMENT.*—The period de-  
17          scribed in subsection (a) (including an extension period  
18          under this subsection) may be extended by an agreement  
19          entered into by the Secretary and the partnership before  
20          the expiration of such period.

21          “(c) *SPECIAL RULE IN CASE OF FRAUD, ETC.*—

22                 “(1) *FALSE RETURN.*—In the case of a false or  
23                 fraudulent partnership return with intent to evade  
24                 tax, the adjustment may be made at any time.

1           “(2) *SUBSTANTIAL OMISSION OF INCOME.*—If  
2           *any partnership omits from gross income an amount*  
3           *properly includible therein and such amount is de-*  
4           *scribed in section 6501(e)(1)(A), subsection (a) shall*  
5           *be applied by substituting ‘6 years’ for ‘3 years’.*

6           “(3) *NO RETURN.*—In the case of a failure by a  
7           *partnership to file a return for any taxable year, the*  
8           *adjustment may be made at any time.*

9           “(4) *RETURN FILED BY SECRETARY.*—For pur-  
10          *poses of this section, a return executed by the Sec-*  
11          *retary under subsection (b) of section 6020 on behalf*  
12          *of the partnership shall not be treated as a return of*  
13          *the partnership.*

14          “(d) *SUSPENSION WHEN SECRETARY MAILS NOTICE*  
15          *OF ADJUSTMENT.*—If notice of a final partnership adjust-  
16          *ment with respect to any taxable year is mailed under sec-*  
17          *tion 6231, the running of the period specified in subsection*  
18          *(a) (as modified by the other provisions of this section) shall*  
19          *be suspended—*

20                 “(1) *for the period during which an action may*  
21                 *be brought under section 6234 (and, if a petition is*  
22                 *filed under such section with respect to such notice,*  
23                 *until the decision of the court becomes final), and*

24                 “(2) *for 1 year thereafter.*

1     **“PART 2—DEFINITIONS AND SPECIAL RULES**

*“Sec. 6241. Definitions and special rules.*

2     **“SEC. 6241. DEFINITIONS AND SPECIAL RULES.**3     *“For purposes of this subchapter—*4             *“(1) PARTNERSHIP.—The term ‘partnership’*  
5             *means any partnership required to file a return*  
6             *under section 6031(a).*7             *“(2) PARTNERSHIP ADJUSTMENT.—The term*  
8             *‘partnership adjustment’ means any adjustment in*  
9             *the amount of any item of income, gain, loss, deduc-*  
10            *tion, or credit of a partnership, or any partner’s dis-*  
11            *tributive share thereof.*12            *“(3) RETURN DUE DATE.—The term ‘return due*  
13            *date’ means, with respect to the taxable year, the date*  
14            *prescribed for filing the partnership return for such*  
15            *taxable year (determined without regard to exten-*  
16            *sions).*17            *“(4) PAYMENTS NONDEDUCTIBLE.—No deduction*  
18            *shall be allowed under subtitle A for any payment re-*  
19            *quired to be made by a partnership under this sub-*  
20            *chapter.*21            *“(5) PARTNERSHIPS HAVING PRINCIPAL PLACE*  
22            *OF BUSINESS OUTSIDE UNITED STATES.—For pur-*  
23            *poses of sections 6234, a principal place of business*  
24            *located outside the United States shall be treated as*  
25            *located in the District of Columbia.*

1           “(6) *PARTNERSHIPS IN CASES UNDER TITLE 11*  
2           *OF UNITED STATES CODE.—*

3           “(A) *SUSPENSION OF PERIOD OF LIMITA-*  
4           *TIONS ON MAKING ADJUSTMENT, ASSESSMENT,*  
5           *OR COLLECTION.—The running of any period of*  
6           *limitations provided in this subchapter on mak-*  
7           *ing a partnership adjustment (or provided by*  
8           *section 6501 or 6502 on the assessment or collec-*  
9           *tion of any imputed underpayment determined*  
10           *under this subchapter) shall, in a case under*  
11           *title 11 of the United States Code, be suspended*  
12           *during the period during which the Secretary is*  
13           *prohibited by reason of such case from making*  
14           *the adjustment (or assessment or collection)*  
15           *and—*

16                   “(i) *for adjustment or assessment, 60*  
17                   *days thereafter, and*

18                   “(ii) *for collection, 6 months thereafter.*  
19           *A rule similar to the rule of section 6213(f)(2)*  
20           *shall apply for purposes of section 6232(b).*

21           “(B) *SUSPENSION OF PERIOD OF LIMITA-*  
22           *TION FOR FILING FOR JUDICIAL REVIEW.—The*  
23           *running of the period specified in section 6234*  
24           *shall, in a case under title 11 of the United*  
25           *States Code, be suspended during the period dur-*

1           *ing which the partnership is prohibited by rea-*  
 2           *son of such case from filing a petition under sec-*  
 3           *tion 6234 and for 60 days thereafter.*

4           “(7) *TREATMENT WHERE PARTNERSHIP CEASES*  
 5           *TO EXIST.—If a partnership ceases to exist before a*  
 6           *partnership adjustment under this subchapter takes*  
 7           *effect, such adjustment shall be taken into account by*  
 8           *the former partners of such partnership under regula-*  
 9           *tions prescribed by the Secretary.*

10           “(8) *EXTENSION TO ENTITIES FILING PARTNER-*  
 11           *SHIP RETURN.—If a partnership return is filed by an*  
 12           *entity for a taxable year but it is determined that the*  
 13           *entity is not a partnership (or that there is no entity)*  
 14           *for such year, then, to the extent provided in regula-*  
 15           *tions, the provisions of this subchapter are hereby ex-*  
 16           *tended in respect of such year to such entity and its*  
 17           *items and to persons holding an interest in such enti-*  
 18           *ty.”.*

19           (2) *CLERICAL AMENDMENT.—The table of sub-*  
 20           *chapters for chapter 63 of the Internal Revenue Code*  
 21           *of 1986, as amended by the preceding provisions of*  
 22           *this section, is amended by inserting after the item re-*  
 23           *lating to subchapter B the following new item:*

                  “SUBCHAPTER C. TREATMENT OF PARTNERSHIPS.”.

24           (d) *BINDING NATURE OF PARTNERSHIP ADJUSTMENT*  
 25           *PROCEEDINGS.—Section 6330(c)(4) of such Code is amend-*



1 *ed by striking “or” at the end of subparagraph (A), by*  
2 *striking the period at the end of subparagraph (B) and in-*  
3 *serting “; or”, and by inserting after subparagraph (B) the*  
4 *following new subparagraph:*

5                   *“(C) a final determination has been made*  
6                   *with respect to such issue in a proceeding*  
7                   *brought under subchapter C of chapter 63.”.*

8           *(e) RESTRICTION ON AUTHORITY TO AMEND PARTNER*  
9 *INFORMATION STATEMENTS.—Section 6031(b) of such Code*  
10 *is amended by adding at the end the following: “Except*  
11 *as provided in the procedures under section 6225(c), with*  
12 *respect to statements under section 6226, or as otherwise*  
13 *provided by the Secretary, information required to be fur-*  
14 *nished by the partnership under this subsection may not*  
15 *be amended after the due date of the return under subsection*  
16 *(a) to which such information relates.”.*

17           *(f) CONFORMING AMENDMENTS.—*

18                   *(1) Section 6031(b) of such Code is amended by*  
19 *striking the last sentence.*

20                   *(2) Section 6422 of such Code is amended by*  
21 *striking paragraph (12).*

22                   *(3) Section 6501(n) of such Code is amended by*  
23 *striking paragraphs (2) and (3) and by striking*  
24 *“CROSS REFERENCES” and all that follows through*

1       *“For period of limitations” and inserting “CROSS*  
2       *REFERENCE.—For period of limitations”.*

3             (4) *Section 6503(a)(1) of such Code is amended*  
4       *by striking “(or section 6229” and all that follows*  
5       *through “of section 6230(a))”.*

6             (5) *Section 6504 of such Code is amended by*  
7       *striking paragraph (11).*

8             (6) *Section 6511 of such Code is amended by*  
9       *striking subsection (g).*

10            (7) *Section 6512(b)(3) of such Code is amended*  
11       *by striking the second sentence.*

12            (8) *Section 6515 of such Code is amended by*  
13       *striking paragraph (6).*

14            (9) *Section 6601(c) of such Code is amended by*  
15       *striking the last sentence.*

16            (10) *Section 7421(a) of such Code is amended by*  
17       *striking “6225(b), 6246(b)” and inserting “6232(c)”.*

18            (11) *Section 7422 of such Code is amended by*  
19       *striking subsection (h).*

20            (12) *Section 7459(c) of such Code is amended by*  
21       *striking “section 6226” and all that follows through*  
22       *“or 6252” and inserting “section 6234”.*

23            (13) *Section 7482(b)(1) of such Code is amend-*  
24       *ed—*

1           (A) in subparagraph (E), by striking “sec-  
2           tion 6226, 6228, 6247, or 6252” and inserting  
3           “section 6234”,

4           (B) by striking subparagraph (F), by strik-  
5           ing “or” at the end of subparagraph (E) and in-  
6           serting a period, and by inserting “or” at the  
7           end of subparagraph (D), and

8           (C) in the last sentence, by striking “section  
9           6226, 6228(a), or 6234(c)” and inserting “sec-  
10          tion 6234”.

11          (14) Section 7485(b) of such Code is amended by  
12          striking “section 6226, 6228(a), 6247, or 6252” and  
13          inserting “section 6234”.

14          (g) *EFFECTIVE DATE.*—

15           (1) *IN GENERAL.*—*Except as otherwise provided*  
16          *in this subsection, the amendments made by this sec-*  
17          *tion shall apply to returns filed for partnership tax-*  
18          *able years beginning after December 31, 2017.*

19           (2) *ADMINISTRATIVE ADJUSTMENT REQUESTS.*—  
20          *In the case of administrative adjustment request*  
21          *under section 6227 of such Code, the amendments*  
22          *made by this section shall apply to requests with re-*  
23          *spect to returns filed for partnership taxable years be-*  
24          *ginning after December 31, 2017.*

1           (3) *ADJUSTED PARTNERS STATEMENTS.*—*In the*  
2 *case of a partnership electing the application of sec-*  
3 *tion 6226 of such Code, the amendments made by this*  
4 *section shall apply to elections with respect to returns*  
5 *filed for partnership taxable years beginning after De-*  
6 *cember 31, 2017.*

7           (4) *ELECTION.*—*A partnership may elect (at*  
8 *such time and in such form and manner as the Sec-*  
9 *retary of the Treasury may prescribe) for the amend-*  
10 *ments made by this section (other than the election*  
11 *under section 6221(b) of such Code (as added by this*  
12 *Act)) to apply to any return of the partnership filed*  
13 *for partnership taxable years beginning after the date*  
14 *of the enactment of this Act and before January 1,*  
15 *2018.*

16 **SEC. 1102. PARTNERSHIP INTERESTS CREATED BY GIFT.**

17           (a) *IN GENERAL.*—*Section 761(b) of the Internal Rev-*  
18 *enue Code of 1986 is amended by adding at the end the*  
19 *following: “In the case of a capital interest in a partnership*  
20 *in which capital is a material income-producing factor,*  
21 *whether a person is a partner with respect to such interest*  
22 *shall be determined without regard to whether such interest*  
23 *was derived by gift from any other person.”.*

24           (b) *CONFORMING AMENDMENTS.*—*Section 704(e) of*  
25 *such Code is amended—*

1           (1) *by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively,*

2           (2) *by striking “this section” in paragraph (2) (as so redesignated) and inserting “this subsection”, and*

3           (3) *by striking “FAMILY PARTNERSHIPS” in the heading and inserting “PARTNERSHIP INTERESTS CREATED BY GIFT”.*

4           (c) *EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years beginning after December 31, 2015.*

5           ***TITLE XII—DESIGNATION OF***  
6           ***SMALL HOUSE ROTUNDA***

7           ***SEC. 1201. DESIGNATING SMALL HOUSE ROTUNDA AS***  
8           ***“FREEDOM FOYER”.***

9           *The first floor of the area of the House of Representatives wing of the United States Capitol known as the small House rotunda is designated the “Freedom Foyer”.*

10           Attest:

11           Clerk.

114<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H.R. 1314**

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**HOUSE AMENDMENT TO  
SENATE AMENDMENT**