

AMENDMENT TO RULES COMMITTEE

PRINT 115-39

OFFERED BY MS. ADAMS OF NORTH CAROLINA

At the end of the bill, add the following:

1 **TITLE VI—TAX EXEMPTION FOR**
2 **HBCU BONDS**

3 **SEC. 6001. SHORT TITLE.**

4 This title may be cited as the “HBCU Investment
5 Expansion Act”.

6 **SEC. 6002. TAX EXEMPTION FOR HBCU BONDS.**

7 The Securities Act of 1933 (15 U.S.C. 77aa et seq.)
8 is amended by inserting after section 28 the following:

9 **“SEC. 29. TAX EXEMPTION FOR HBCU BONDS.**

10 “(a) IN GENERAL.—A qualified 501(c)(3) bond (as
11 defined in section 145 of the Internal Revenue Code of
12 1986) issued after the date of the enactment of the HBCU
13 Investment Expansion Act on behalf of a historically
14 Black college or university shall be exempt from taxation
15 by any State, Territory, or possession, or by any county,
16 municipality, or other municipal subdivision of any State,
17 territory, or possession of the United States, or by the
18 District of Columbia.

1 “(b) HISTORICALLY BLACK COLLEGE OR UNIVER-
2 SITY DEFINED.—For purposes of this section, the term
3 ‘historically Black college or university’ means a part B
4 institution (as defined in section 322(2) of the Higher
5 Education Act of 1965 (20 U.S.C. 1061(2)).”.

6 **SEC. 6003. CREDIT WITH RESPECT TO 501(c)(3) BONDS**
7 **ISSUED ON BEHALF OF HISTORICALLY**
8 **BLACK COLLEGES AND UNIVERSITIES.**

9 (a) IN GENERAL.—Subchapter B of chapter 65 of the
10 Internal Revenue Code of 1986 is amended by adding at
11 the end the following:

12 **“SEC. 6433. CREDIT WITH RESPECT TO 501(c)(3) BONDS**
13 **ISSUED ON BEHALF OF HISTORICALLY**
14 **BLACK COLLEGES AND UNIVERSITIES.**

15 “(a) IN GENERAL.—In the case of a qualified bond
16 issued after the date of the enactment of the HBCU In-
17 vestment Expansion Act, a credit shall be allowed to a ju-
18 risdiction specified in subsection (c)(3) that forgoes tax
19 pursuant to section 29 of the Securities Act of 1933 with
20 respect to each interest payment under such bond. The
21 credit shall be payable by the Secretary as provided in sub-
22 section (b).

23 “(b) PAYMENT OF CREDIT.—The Secretary shall pay
24 (as soon as practicable after the return of income tax for
25 a taxable year is filed with the qualified jurisdiction by

1 the recipient of such interest payment under such bond)
2 an amount equal to the total amount of interest paid
3 under such bond during the taxable year.

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

5 “(1) QUALIFIED BOND.—The term ‘qualified
6 bond’ means a qualified 501(c)(3) bond (as defined
7 in section 145) issued on behalf of a historically
8 Black college or university.

9 “(2) HISTORICALLY BLACK COLLEGE OR UNI-
10 VERSITY.—The term ‘historically Black college or
11 university’ means a part B institution (as defined in
12 section 322(2) of the Higher Education Act of 1965
13 (20 U.S.C. 1061(2)).

14 “(3) JURISDICTION SPECIFIED.—A jurisdiction
15 is specified in this paragraph if the jurisdiction is—

16 “(A) a State, territory, or possession of the
17 United States,

18 “(B) a political jurisdiction of a State, ter-
19 ritory, or possession of the United States, or

20 “(C) the District of Columbia.

21 “(d) APPLICATION OF ARBITRAGE RULES.—For pur-
22 poses of section 148, the yield on a qualified bond shall
23 be reduced by the credit allowed under this section.

1 “(e) REGULATIONS.—The Secretary shall issue such
2 regulations or other guidance as may be necessary to carry
3 out this section.”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Section 1324(b)(2) of title 31, United
6 States Code, is amended by striking “or 6431” and
7 inserting “6431, or 6433”.

8 (2) Section 6211(b)(4)(A) of the Internal Rev-
9 enue Code of 1986 is amended by striking “and
10 6431” and inserting “6431, and 6433”.

11 (3) The table of sections for subchapter B of
12 chapter 65 of the Internal Revenue Code of 1986 is
13 amended by adding at the end the following new
14 item:

“Sec. 6433. Credit with respect to 501(c)(3) bonds issued on behalf of histori-
cally Black colleges and universities.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to bonds issued after the date of
17 the enactment of this Act.

18 **SEC. 6004. CORPORATE RATE INCREASE TO ACHIEVE REV-**
19 **ENUE NEUTRALITY.**

20 (a) IN GENERAL.—The rate of tax specified in sec-
21 tion 11(b)(1) of the Internal Revenue Code of 1986 (after
22 the amendment made by section 3001(a) of this Act) shall
23 be increased by such number of percentage points as is
24 necessary to fully offset the aggregate reduction in Fed-

1 eral revenues which result from the amendments and re-
2 peals made by this title.

3 (b) EFFECTIVE DATE.—Subsection (a) shall apply as
4 if such provision were an amendment made by section
5 3001(a) of this Act.

