AMENDMENT TO RULES COMMITTEE
PRINT 115–39
OFFERED BY MS. ADAMS OF NORTH CAROLINA

At the end of the bill, add the following:

TITLE VI—TAX EXEMPTION FOR HBCU BONDS

SEC. 6001. SHORT TITLE.
This title may be cited as the “HBCU Investment Expansion Act”.

SEC. 6002. TAX EXEMPTION FOR HBCU BONDS.
The Securities Act of 1933 (15 U.S.C. 77aa et seq.) is amended by inserting after section 28 the following:

“SEC. 29. TAX EXEMPTION FOR HBCU BONDS.
“(a) IN GENERAL.—A qualified 501(c)(3) bond (as defined in section 145 of the Internal Revenue Code of 1986) issued after the date of the enactment of the HBCU Investment Expansion Act on behalf of a historically Black college or university shall be exempt from taxation by any State, Territory, or possession, or by any county, municipality, or other municipal subdivision of any State, territory, or possession of the United States, or by the District of Columbia."
“(b) Historically Black College or University Defined.—For purposes of this section, the term ‘historically Black college or university’ means a part B institution (as defined in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2))).”.

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

(a) In General.—Subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

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

“(a) In General.—In the case of a qualified bond issued after the date of the enactment of the HBCU Investment Expansion Act, a credit shall be allowed to a jurisdiction specified in subsection (c)(3) that forgoes tax pursuant to section 29 of the Securities Act of 1933 with respect to each interest payment under such bond. The credit shall be payable by the Secretary as provided in subsection (b).

“(b) Payment of Credit.—The Secretary shall pay (as soon as practicable after the return of income tax for a taxable year is filed with the qualified jurisdiction by
the recipient of such interest payment under such bond)
an amount equal to the total amount of interest paid
under such bond during the taxable year.

“(c) Definitions.—For purposes of this section—

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

“(2) Historically Black College or University.—The term ‘historically Black college or
university’ means a part B institution (as defined in
section 322(2) of the Higher Education Act of 1965
(20 U.S.C. 1061(2)).

“(3) Jurisdiction Specified.—A jurisdiction
is specified in this paragraph if the jurisdiction is—

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

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

“(C) the District of Columbia.

“(d) Application of Arbitrage Rules.—For pur-
poses of section 148, the yield on a qualified bond shall
be reduced by the credit allowed under this section.
“(e) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary to carry out this section.”.

(b) CONFORMING AMENDMENTS.—

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

(2) Section 6211(b)(4)(A) of the Internal Revenue Code of 1986 is amended by striking “and 6431” and inserting “6431, and 6433”.

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

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

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

SEC. 6004. CORPORATE RATE INCREASE TO ACHIEVE REVENUE NEUTRALITY.

(a) IN GENERAL.—The rate of tax specified in section 11(b)(1) of the Internal Revenue Code of 1986 (after the amendment made by section 3001(a) of this Act) shall be increased by such number of percentage points as is necessary to fully offset the aggregate reduction in Fed-
eral revenues which result from the amendments and repeals made by this title.

(b) **Effective Date.**—Subsection (a) shall apply as if such provision were an amendment made by section 3001(a) of this Act.