

AMENDMENT TO H.R. 702
OFFERED BY MR. BUTTERFIELD OF NORTH
CAROLINA

Add at the end the following:

1 **SEC. 7. MODIFICATIONS OF FOREIGN TAX CREDIT RULES**
2 **APPLICABLE TO MAJOR INTEGRATED OIL**
3 **COMPANIES WHICH ARE DUAL CAPACITY**
4 **TAXPAYERS.**

5 (a) IN GENERAL.—Section 901 of the Internal Rev-
6 enue Code of 1986 is amended by redesignating subsection
7 (n) as subsection (o) and by inserting after subsection (m)
8 the following new subsection:

9 “(n) SPECIAL RULES RELATING TO MAJOR INTE-
10 GRATED OIL COMPANIES WHICH ARE DUAL CAPACITY
11 TAXPAYERS.—

12 “(1) GENERAL RULE.—Notwithstanding any
13 other provision of this chapter, any amount paid or
14 accrued by a dual capacity taxpayer which is a
15 major integrated oil company (within the meaning of
16 section 167(h)(5)) to a foreign country or possession
17 of the United States for any period shall not be con-
18 sidered a tax—

1 “(A) if, for such period, the foreign coun-
2 try or possession does not impose a generally
3 applicable income tax, or

4 “(B) to the extent such amount exceeds
5 the amount (determined in accordance with reg-
6 ulations) which—

7 “(i) is paid by such dual capacity tax-
8 payer pursuant to the generally applicable
9 income tax imposed by the country or pos-
10 session, or

11 “(ii) would be paid if the generally ap-
12 plicable income tax imposed by the country
13 or possession were applicable to such dual
14 capacity taxpayer.

15 Nothing in this paragraph shall be construed to
16 imply the proper treatment of any such amount
17 not in excess of the amount determined under
18 subparagraph (B).

19 “(2) DUAL CAPACITY TAXPAYER.—For pur-
20 poses of this subsection, the term ‘dual capacity tax-
21 payer’ means, with respect to any foreign country or
22 possession of the United States, a person who—

23 “(A) is subject to a levy of such country or
24 possession, and

1 “(B) receives (or will receive) directly or
2 indirectly a specific economic benefit (as deter-
3 mined in accordance with regulations) from
4 such country or possession.

5 “(3) GENERALLY APPLICABLE INCOME TAX.—
6 For purposes of this subsection—

7 “(A) IN GENERAL.—The term ‘generally
8 applicable income tax’ means an income tax (or
9 a series of income taxes) which is generally im-
10 posed under the laws of a foreign country or
11 possession on income derived from the conduct
12 of a trade or business within such country or
13 possession.

14 “(B) EXCEPTIONS.—Such term shall not
15 include a tax unless it has substantial applica-
16 tion, by its terms and in practice, to—

17 “(i) persons who are not dual capacity
18 taxpayers, and

19 “(ii) persons who are citizens or resi-
20 dents of the foreign country or posses-
21 sion.”.

22 (b) INFRASTRUCTURE AND OPPORTUNITY TRUST
23 FUND.—There is established in the Treasury of the
24 United States a trust fund (referred to as the “Infrastruc-
25 ture and Opportunity Trust Fund”) to which are hereby

1 deposited amounts equivalent to the increase in receipts
2 to the Treasury by reason of the amendments made by
3 this section. Such amounts shall be available, to the extent
4 specifically provided in advance in subsequent appropria-
5 tion Acts, only for carrying out the Unconditional War on
6 Poverty program under section 316 of title 31, United
7 States Code.

8 (c) EFFECTIVE DATE.—

9 (1) IN GENERAL.—The amendments made by
10 this section shall apply to taxes paid or accrued in
11 taxable years beginning after the date of the enact-
12 ment of this Act.

13 (2) CONTRARY TREATY OBLIGATIONS
14 UPHELD.—The amendments made by this section
15 shall not apply to the extent contrary to any treaty
16 obligation of the United States.

17 **SEC. 8. ESTABLISHMENT OF COMMITTEE AND GRANT PRO-**
18 **GRAM.**

19 (a) IN GENERAL.—Subchapter 1 of chapter 3 of sub-
20 title 1 of title 31, United States Code, is amended by add-
21 ing at the end the following new section:

22 **“§ 316. Unconditional War on Poverty program**

23 “(a) UNCONDITIONAL WAR ON POVERTY GRANT
24 PROGRAM.—

1 “(1) IN GENERAL.—The Secretary of the
2 Treasury, in consultation with the Committee estab-
3 lished under subsection (b), shall establish a for-
4 mula-based grant program, to be known as the Un-
5 conditional War on Poverty grant program (herein-
6 after in this section to be known as the ‘program’),
7 which shall award grants of money to eligible enti-
8 ties.

9 “(2) ADMINISTRATION.—The Secretary of the
10 Treasury shall annually—

11 “(A) solicit and accept applications from
12 entities for grants under the program;

13 “(B) review such applications to deter-
14 mine—

15 “(i) whether the applicant’s intended
16 uses of anticipated funds are eligible activi-
17 ties;

18 “(ii) the amount of funding needed to
19 accomplish the applicant’s intended uses;
20 and

21 “(iii) whether the applicant is an eligi-
22 ble entity;

23 “(C) approve, approve with modifications,
24 or reject the budgets included in such applica-

1 tions on the basis of the review under subpara-
2 graph (B);

3 “(D) require each eligible entity whose
4 budget has been approved to execute a written
5 agreement with the Secretary of the Treasury
6 affirming that such entity will use funding
7 awarded under the program only for eligible ac-
8 tivities;

9 “(E) disburse funding to those eligible en-
10 tities who have executed such agreements, as
11 required by—

12 “(i) the formula established by the
13 Committee under subsection (b)(2)(A); and

14 “(ii) the budgets approved under sub-
15 paragraph (C);

16 “(F) recover from eligible entities any
17 funding awarded under the program and not
18 expended—

19 “(i) within the 12-month period fol-
20 lowing disbursement of the funding; and

21 “(ii) on eligible activities; and

22 “(G) award and disburse to other eligible
23 entities, in accordance with the formula estab-
24 lished under subsection (b)(2)(A), such funding
25 as is recovered under subparagraph (F).

1 “(3) NO GRANTS AFTER 10 YEARS.—No grants
2 shall be awarded under the program after the end
3 of the fiscal year that is ten years after the fiscal
4 year in which this section is enacted.

5 “(b) UNCONDITIONAL WAR ON POVERTY COM-
6 MITTEE.—

7 “(1) IN GENERAL.—There is established a com-
8 mittee to be known as the ‘Unconditional War on
9 Poverty Committee’ (hereinafter in this section to be
10 called the ‘Committee’), which shall consist of—

11 “(A) the Secretary of the Treasury;

12 “(B) the Attorney General;

13 “(C) the Secretary of the Interior;

14 “(D) the Secretary of Agriculture;

15 “(E) the Secretary of Commerce;

16 “(F) the Secretary of Labor;

17 “(G) the Secretary of Housing and Urban
18 Development;

19 “(H) the Secretary of Transportation;

20 “(I) the Secretary of Energy; and

21 “(J) the Administrator of the Environ-
22 mental Protection Agency.

23 “(2) COMMITTEE RESPONSIBILITIES.—Not
24 later than 6 months after the date of enactment of
25 this section, the Committee shall establish rules gov-

1 erning the program established under subsection (a),
2 including—

3 “(A) a formula, based on county popu-
4 lation, according to which eligible entities will
5 be awarded funding under the program;

6 “(B) a process by which an entity may
7 apply for funding, which process shall require
8 that such entity include in its application—

9 “(i) a proposed budget describing how
10 the entity intends to use such funding;

11 “(ii) the number of permanent jobs
12 that the entity expects to be created or
13 preserved by means of the funding; and

14 “(iii) the anticipated monetary benefit
15 to the economy of the county associated
16 with the receipt of the funding;

17 “(C) a process by which an entity may ob-
18 tain technical assistance for the application
19 process;

20 “(D) a process by which an entity may ap-
21 peal the amount or denial of an award;

22 “(E) a process by which the Secretary of
23 the Treasury may oversee and enforce the pro-
24 gram, including by—

1 “(i) recovering funding not expended
2 by an eligible entity during the year for
3 which such funding was awarded; and

4 “(ii) awarding such funding to other
5 eligible entities; and

6 “(F) any additional criteria with which an
7 entity must comply in order to receive funding.

8 “(c) GAO REPORT.—Not later than 24 months after
9 the date of enactment of this section, the Comptroller
10 General of the United States shall submit to Congress—

11 “(1) a report on the Unconditional War on Pov-
12 erty grant program, including—

13 “(A) a list of grant recipients;

14 “(B) a list of projects funded by the pro-
15 gram;

16 “(C) a count of the number of permanent
17 jobs created and preserved in each persistent
18 poverty county awarded funding under the pro-
19 gram;

20 “(D) a calculation of the economic impact
21 of the program within each persistent poverty
22 county awarded funding under the program;
23 and

24 “(E) such other information as the Com-
25 mittee has required by rule; and

1 “(2) recommendations for such legislation and
2 administrative action as the Comptroller General de-
3 termines appropriate.

4 “(d) DEFINITIONS.—In this Act:

5 “(1) ELIGIBLE ACTIVITY.—The term ‘eligible
6 activity’ means—

7 “(A) job creation and preservation;

8 “(B) infrastructure development; or

9 “(C) administrative expenses related to
10 carrying out an activity described in subpara-
11 graph (A) or (B), except that such expenses are
12 only eligible activities to the extent that they do
13 not exceed 10 percent of a given award.

14 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
15 tity’ means an entity that—

16 “(A) is a persistent poverty county or a
17 political subdivision thereof; and

18 “(B) has not violated the terms of an
19 agreement under subsection (b) in the prior fis-
20 cal year.

21 “(3) ENTITY.—The term ‘entity’ means the
22 government of a county or a political subdivision
23 thereof.

24 “(4) INFRASTRUCTURE DEVELOPMENT.—The
25 term ‘infrastructure development’ means—

1 “(A) construction, remediation, or rehabili-
2 tation of—

3 “(i) water and sewer projects;

4 “(ii) public housing projects;

5 “(iii) broadband internet access capa-
6 bilities;

7 “(iv) environmental protection
8 projects;

9 “(v) transportation projects; or

10 “(vi) public recreation projects;

11 “(B) weatherization of homes of low-in-
12 come residents of a persistent poverty county;

13 “(C) removal of abandoned houses or
14 buildings; or

15 “(D) such other projects as may be ap-
16 proved by the Committee or the Secretary of
17 the Treasury.

18 “(5) PERSISTENT POVERTY COUNTY.—The
19 term ‘persistent poverty county’ means a county in
20 which, as measured by the United States Census
21 Bureau over the 30-year period ending on the date
22 of enactment of this section, 20 percent or more of
23 the population has been living in poverty.”.

24 (b) CONFORMING AMENDMENT.—The table of con-
25 tents for chapter 3 of title 31, United States Code, is

1 amended by inserting after the item relating to section

2 315 the following new item:

“316. Unconditional War on Poverty program.”.

