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

Add at the end the following:

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

(a) In general.—Section 901 of the Internal Revenue Code of 1986 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

“(n) Special Rules Relating to Major Integrated Oil Companies Which Are Dual Capacity Taxpayers.—

“(1) General rule.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer which is a major integrated oil company (within the meaning of section 167(h)(5)) to a foreign country or possession of the United States for any period shall not be considered a tax—
“(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

“(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

“(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

“(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

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

“(2) Dual capacity taxpayer.—For purposes of this subsection, the term ‘dual capacity taxpayer’ means, with respect to any foreign country or possession of the United States, a person who—

“(A) is subject to a levy of such country or possession, and
“(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

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

“(A) IN GENERAL.—The term ‘generally applicable income tax’ means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

“(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

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

“(ii) persons who are citizens or residents of the foreign country or possession.”.

(b) INFRASTRUCTURE AND OPPORTUNITY TRUST FUND.—There is established in the Treasury of the United States a trust fund (referred to as the “Infrastructure and Opportunity Trust Fund”) to which are hereby
deposited amounts equivalent to the increase in receipts to the Treasury by reason of the amendments made by this section. Such amounts shall be available, to the extent specifically provided in advance in subsequent appropriation Acts, only for carrying out the Unconditional War on Poverty program under section 316 of title 31, United States Code.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

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

SEC. 8. ESTABLISHMENT OF COMMITTEE AND GRANT PROGRAM.

(a) IN GENERAL.—Subchapter 1 of chapter 3 of subtitle 1 of title 31, United States Code, is amended by adding at the end the following new section:

"§316. Unconditional War on Poverty program

"(a) UNCONDITIONAL WAR ON POVERTY GRANT PROGRAM.—"
“(1) IN GENERAL.—The Secretary of the Treasury, in consultation with the Committee established under subsection (b), shall establish a formula-based grant program, to be known as the Unconditional War on Poverty grant program (hereinafter in this section to be known as the ‘program’), which shall award grants of money to eligible entities.

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

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

“(B) review such applications to determine—

“(i) whether the applicant’s intended uses of anticipated funds are eligible activities;

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

“(iii) whether the applicant is an eligible entity;

“(C) approve, approve with modifications, or reject the budgets included in such applica-
tions on the basis of the review under subpara-
graph (B);

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

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

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

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

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

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

“(ii) on eligible activities; and

“(G) award and disburse to other eligible
entities, in accordance with the formula estab-
lished under subsection (b)(2)(A), such funding
as is recovered under subparagraph (F).
“(3) No grants after 10 years.—No grants shall be awarded under the program after the end of the fiscal year that is ten years after the fiscal year in which this section is enacted.

“(b) Unconditional War on Poverty Committee.—

“(1) In general.—There is established a committee to be known as the ‘Unconditional War on Poverty Committee’ (hereinafter in this section to be called the ‘Committee’), which shall consist of—

“(A) the Secretary of the Treasury;

“(B) the Attorney General;

“(C) the Secretary of the Interior;

“(D) the Secretary of Agriculture;

“(E) the Secretary of Commerce;

“(F) the Secretary of Labor;

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

“(H) the Secretary of Transportation;

“(I) the Secretary of Energy; and

“(J) the Administrator of the Environmental Protection Agency.

“(2) Committee responsibilities.—Not later than 6 months after the date of enactment of this section, the Committee shall establish rules gov-
erning the program established under subsection (a),
including—

“(A) a formula, based on county popula-
tion, according to which eligible entities will
be awarded funding under the program;

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

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

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

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

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

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

“(E) a process by which the Secretary of
the Treasury may oversee and enforce the pro-
gram, including by—
“(i) recovering funding not expended by an eligible entity during the year for which such funding was awarded; and

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

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

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

“(1) a report on the Unconditional War on Poverty grant program, including—

“(A) a list of grant recipients;

“(B) a list of projects funded by the program;

“(C) a count of the number of permanent jobs created and preserved in each persistent poverty county awarded funding under the program;

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

“(E) such other information as the Committee has required by rule; and
“(2) recommendations for such legislation and administrative action as the Comptroller General determines appropriate.

“(d) DEFINITIONS.—In this Act:

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

“(A) job creation and preservation;

“(B) infrastructure development; or

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

“(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an entity that—

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

“(B) has not violated the terms of an agreement under subsection (b) in the prior fiscal year.

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

“(4) INFRASTRUCTURE DEVELOPMENT.—The term ‘infrastructure development’ means—
“(A) construction, remediation, or rehabilitation of—

“(i) water and sewer projects;

“(ii) public housing projects;

“(iii) broadband internet access capabilities;

“(iv) environmental protection projects;

“(v) transportation projects; or

“(vi) public recreation projects;

“(B) weatherization of homes of low-income residents of a persistent poverty county;

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

“(D) such other projects as may be approved by the Committee or the Secretary of the Treasury.

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

(b) Conforming Amendment.—The table of contents for chapter 3 of title 31, United States Code, is
amended by inserting after the item relating to section 315 the following new item:

“316. Unconditional War on Poverty program.”