AMENDMENT TO RULES COMMITTEE PRINT 115-39

OFFERED BY MR. HULTGREN OF ILLINOIS

Add at the end the following:

1 TITLE VI—MODERNIZING AMERICAN MANUFACTURING BONDS

SEC. 6001. MODIFICATIONS TO QUALIFIED SMALL ISSUE BONDS.

(a) Manufacturing Facilities to Include Production of Intangible Property and Functionally Related Facilities.—Section 144(a)(12)(C) of the Internal Revenue Code of 1986 is amended to read as follows:

“(C) Manufacturing facility.—For purposes of this paragraph—

“(i) In general.—The term ‘manufacturing facility’ means any facility which—

“(I) is used in the manufacturing or production of tangible personal property (including the processing re-
resulting in a change in the condition of such property),

“(II) is used in the creation or production of intangible property which is described in section 197(d)(1)(C)(iii), or

“(III) is functionally related and subordinate to a facility described in subclause (I) or (II) if such facility is located on the same site as the facility described in subclause (I) or (II).

“(ii) Certain facilities included.—The term ‘manufacturing facility’ includes facilities that are directly related and ancillary to a manufacturing facility (determined without regard to this clause) if—

“(I) those facilities are located on the same site as the manufacturing facility, and

“(II) not more than 25 percent of the net proceeds of the issue are used to provide those facilities.

“(iii) Limitation on office space.—A rule similar to the rule of sec-
tion 142(b)(2) shall apply for purposes of clause (i).

“(iv) LIMITATION ON REFUNDINGS FOR CERTAIN PROPERTY.—Subclauses (II) and (III) of clause (i) shall not apply to any bond issued on or before the date of the enactment of the Modernizing American Manufacturing Bonds Act, or to any bond issued to refund a bond issued on or before such date (other than a bond to which clause (iii) of this subparagraph (as in effect before the date of the enactment of the Modernizing American Manufacturing Bonds Act applies)), either directly or in a series of refundings.”.

(b) INCREASE IN LIMITATIONS.—Section 144(a)(4) of such Code is amended—

(1) by striking “$10,000,000” in subparagraph (A)(i) and inserting “$30,000,000”, and

(2) by striking “$10,000,000” in the heading and inserting “$30,000,000”.

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