

AMENDMENT TO RULES COMMITTEE PRINT 115-

39

OFFERED BY MR. HULTGREN OF ILLINOIS

Add at the end the following:

1 **TITLE VI—MODERNIZING AMER-**
2 **ICAN MANUFACTURING**
3 **BONDS**

4 **SEC. 6001. MODIFICATIONS TO QUALIFIED SMALL ISSUE**
5 **BONDS.**

6 (a) MANUFACTURING FACILITIES TO INCLUDE PRO-
7 Duction OF INTANGIBLE PROPERTY AND FUNCTIONALLY
8 RELATED FACILITIES.—Section 144(a)(12)(C) of the In-
9 ternal Revenue Code of 1986 is amended to read as fol-
10 lows:

11 “(C) MANUFACTURING FACILITY.—For
12 purposes of this paragraph—

13 “(i) IN GENERAL.—The term ‘manu-
14 facturing facility’ means any facility
15 which—

16 “(I) is used in the manufacturing
17 or production of tangible personal
18 property (including the processing re-

1 sulting in a change in the condition of
2 such property),

3 “(II) is used in the creation or
4 production of intangible property
5 which is described in section
6 197(d)(1)(C)(iii), or

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

12 “(ii) CERTAIN FACILITIES IN-
13 CLUDED.—The term ‘manufacturing facil-
14 ity’ includes facilities that are directly re-
15 lated and ancillary to a manufacturing fa-
16 cility (determined without regard to this
17 clause) if—

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

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

24 “(iii) LIMITATION ON OFFICE
25 SPACE.—A rule similar to the rule of sec-

1 tion 142(b)(2) shall apply for purposes of
2 clause (i).

3 “(iv) LIMITATION ON REFUNDINGS
4 FOR CERTAIN PROPERTY.—Subclauses (II)
5 and (III) of clause (i) shall not apply to
6 any bond issued on or before the date of
7 the enactment of the Modernizing Amer-
8 ican Manufacturing Bonds Act, or to any
9 bond issued to refund a bond issued on or
10 before such date (other than a bond to
11 which clause (iii) of this subparagraph (as
12 in effect before the date of the enactment
13 of the Modernizing American Manufac-
14 turing Bonds Act applies)), either directly
15 or in a series of refundings.”.

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

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

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

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

