AMENDMENT TO THE SENATE AMENDMENT TO

H.R. 1

OFFERED BY MR. OGLES OF TENNESSEE

Strike line 1 on page 1 and all that follows and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''One Big Beautiful Bill Act''.

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TITLE I—COMMITTEE ON AGRICULTURE

Subtitle A—Nutrition

SEC. 10001. THRIFTY FOOD PLAN.

Section 3(u) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(u)) is amended to read as follows:

''(u)(1) 'Thrifty food plan' means the diet required to feed a family of 4 persons consisting of a man and a woman 20 through 50, a child 6 through 8, and a child 9 through 11 years of age, based on relevant market baskets that shall only be changed pursuant to paragraph (3). The cost of such diet shall be the basis for uniform allotments for all households regardless of their actual composition. The Secretary shall only adjust the cost of the diet as specified in paragraphs (2) and (4).

''(2) HOUSEHOLD ADJUSTMENTS.—The Secretary shall make household-size adjustments based on the following ratios of household size as a percentage of the maximum 4-person allotment:

''(A) For a 1-person household, 30 percent.

''(B) For a 2-person household, 55 percent.

''(C) For a 3-person household, 79 percent.

''(D) For a 4-person household, 100 percent.

''(E) For a 5-person household, 119 percent.

''(F) For a 6-person household, 143 percent.

''(G) For a 7-person household, 158 percent.

''(H) For an 8-person household, 180 percent.

''(I) For a 9-person household, 203 percent.

''(J) For a 10-person household, 224 percent.

''(K) For households with more than 10 persons, such adjustment for each additional person shall be 224 percent plus the product of 21 percent and the difference in the number of persons in the household and 10.

''(3) REEVALUATION OF MARKET BASKETS.—

''(A) EVALUATION.—Not earlier than October 1, 2028, and at not more frequently than 5-year intervals thereafter, the Secretary may reevaluate the market baskets of the thrifty food plan taking into consideration current food prices, food composition data, consumption patterns, and dietary guidance.

''(B) NOTICE.—Prior to any update of the market baskets of the thrifty food plan based on a reevaluation pursuant to subparagraph (A), the methodology and results of any such revelation shall be published in the Federal Register with an opportunity for comment of not less than 60 days.

''(C) COST NEUTRALITY.—The Secretary shall not increase the cost of the thrifty food plan based on a reevaluation or update under this paragraph.

''(4) ALLOWABLE COST ADJUSTMENTS.—On October 1 immediately following the effective date of this paragraph and on each October 1 thereafter, the Secretary shall—

''(A) adjust the cost of the thrifty food plan to reflect changes in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor, for the most recent 12-month period ending in June;

''(B) make cost adjustments in the thrifty food plan for urban and rural parts of Hawaii and urban and rural parts of Alaska to reflect the cost of food in urban and rural Hawaii and urban and rural Alaska provided such cost adjustment shall not exceed the rate of increase described in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor, for the most recent 12-month period ending in June; and

''(C) make cost adjustments in the separate thrifty food plans for Guam and the Virgin Islands of the United States to reflect the cost of food in those States, but not to exceed the cost of food in the 50 States and the District of Columbia, provided that such cost adjustment shall not exceed the rate of increase described in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor, for the most recent 12-month period ending in June.''.

SEC. 10002. ABLE BODIED ADULTS WITHOUT DEPENDENTS WORK REQUIREMENTS.

(a) Section 6(o)(3) of the Food and Nutrition Act of 2008 is amended to read as follows:

''(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

''(A) under 18 or over 65 years of age;

''(B) medically certified as physically or mentally unfit for employment;

''(C) a parent or other member of a household with responsibility for a dependent child under 7 years of age;

"(D) otherwise exempt under subsection (d)(2);

"(E) a pregnant woman;

"(F) currently homeless;

"(G) a veteran;

"(H) 24 years of age or younger and was in foster care under the responsibility of a State on the date of attaining 18 years of age or such higher age as the State has elected under section 475(8)(B)(iii) of the Social Security Act (42 U.S.C. 675(8)(B)(iii)); or

"(I) responsible for a dependent child 7 years of age or older and is married to, and resides with, an individual who is in compliance with the requirements of paragraph (2).".

(b) SUNSET PROVISION.—The exceptions in subparagraphs (F) through (H) shall cease to have effect on October 1, 2030.

SEC. 10003. ABLE BODIED ADULTS WITHOUT DEPENDENTS WAIVERS.

Section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o)) is amended—

(1) by amending paragraph (4)(A) to read as follows:

''(A) IN GENERAL.—On the request of a State agency and with the support of the chief executive officer of the State, the Secretary may waive the applicability of paragraph (2) for not more than 12 consecutive months to any group of individuals in the State if the Secretary makes a determination that the county, or county-equivalent (as recognized by the Census Bureau) in which the individuals reside has an unemployment rate of over 10 percent.''; and

(2) in paragraph (6)(F) by striking ''8 percent'' and inserting ''1 percent''.

SEC. 10004. AVAILABILITY OF STANDARD UTILITY ALLOWANCES BASED ON RECEIPT OF ENERGY ASSISTANCE.

(a) ALLOWANCE TO RECIPIENTS OF ENERGY ASSISTANCE.—

Section 5(e)(6)(C)(iv)(I) of the of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)(C)(iv)(I)) is amended by inserting ''with an elderly or disabled member'' after ''households''.

(b) THIRD-PARTY ENERGY ASSISTANCE PAYMENTS.—Section 5(k)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(k)(4)) is amended—

(1) in subparagraph (A) by inserting ''without an elderly or disabled member'' after ''household'' the 1st place it appears; and

(2) in subparagraph (B) by inserting ''with an elderly or disabled member'' after ''household'' the 1st place it appears.

SEC. 10005. RESTRICTIONS ON INTERNET EXPENSES.

Section 5(e)(6) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)) is amended by adding at the end the following:

''(E) RESTRICTIONS ON INTERNET EXPENSES.—Service fees associated with internet connection, including, but not limited to, monthly subscriber fees (i.e., the base rate paid by the household each month in order to receive service, which may include high-speed internet), taxes and fees charged to the household by the provider that recur on regular bills, the cost of modem rentals, and fees charged by the provider for initial installation, shall not be used in computing the excess shelter expense deduction.''.

SEC. 10006. MATCHING FUNDS REQUIREMENTS.

(a) IN GENERAL.—Section 4(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)) is amended—

(1) by striking ''(a) Subject to'' and inserting the following:

''(a) PROGRAM.—

''(1) ESTABLISHMENT.—Subject to''; and

(2) by adding at the end the following:

''(2) MATCHING FUNDS REQUIREMENTS.—

''(A) IN GENERAL.—

''(i) FEDERAL SHARE.—Subject to subparagraph (B), the Federal share of the cost of allotments described in paragraph (1) in a fiscal year shall be—

''(I) for each of fiscal years 2026 and 2027, 100 percent; and

''(II) for fiscal year 2028 and each fiscal year thereafter, 95 percent.

''(ii) STATE SHARE.—Subject to subparagraph (B), the State share of the cost of allotments described in paragraph (1) in a fiscal year shall be—

''(I) for each of fiscal years 2026 and 2027, 0 percent; and

''(II) for fiscal year 2028 and each fiscal year thereafter, 5 percent.

''(B) STATE QUALITY CONTROL INCENTIVE.—Beginning in fiscal year 2028, any State that has a

payment error rate, as defined in section 16, for the most recent complete fiscal year for which data is available, of—

"(i) equal to or greater than 6 percent but less than 8 percent, shall have its Federal share of the cost of allotments described in paragraph (1) for the current fiscal year equal 85 percent, and its State share equal 15 percent;

"(ii) equal to or greater than 8 percent but less than 10 percent, shall have its Federal share of the cost of allotments described in paragraph (1) for the current fiscal year equal 80 percent, and its State share equal 20 percent; and

"(iii) equal to or greater than 10 percent, shall have its Federal share of the cost of allotments described in paragraph (1) for the current fiscal year equal 75 percent, and its State share equal 25 percent.".

(b) RULE OF CONSTRUCTION.—The Secretary of Agriculture may not pay towards the cost of allotments described in paragraph (1) of section 4(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)), as designated by subsection (a), an amount greater than the applicable

Federal share described in paragraph (2) of such section 4(a), as added by subsection (a).

SEC. 10007. ADMINISTRATIVE COST SHARING.

Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended by striking ''50 per centum'' and inserting ''25 percent''.

SEC. 10008. GENERAL WORK REQUIREMENT AGE.

Section 6(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)) is amended—

(1) in paragraph (1)(A), in the matter preceding clause (i), by striking ''over the age of 15 and under the age of 60'' and inserting ''over the age of 17 and under the age of 65''; and

(2) in paragraph (2)—

(A) by striking ''child under age six'' and inserting ''child under age seven''; and

(B) by striking ''between 1 and 6 years of age'' and inserting ''between 1 and 7 years of age''.

SEC. 10009. NATIONAL ACCURACY CLEARINGHOUSE.

Section 11(x)(2) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(x)(2)) is amended by adding at the end the following:

''(D) DATA SHARING TO PREVENT OTHER MULTIPLE ISSUANCES.—A State agency shall

use each indication of multiple issuance, or each indication that an individual receiving supplemental nutrition assistance program benefits in 1 State has applied to receive supplemental nutrition assistance program benefits in another State, to prevent multiple issuances of other Federal and State assistance program benefits that a State agency administers through the integrated eligibility system that the State uses to administer the supplemental nutrition assistance program in the State.''.

SEC. 10010. QUALITY CONTROL ZERO TOLERANCE.

Section 16(c)(1)(A)(ii) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c)(1)(A)(ii)) is amended—

(1) in subclause (I), by striking ''and'' at the end;

(2) in subclause (II)—

(A) by striking ''fiscal year thereafter'' and inserting ''of fiscal years 2015 through 2025''; and

(B) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(III) for each fiscal year thereafter, $0.''.

SEC. 10011. NATIONAL EDUCATION AND OBESITY PREVENTION GRANT PROGRAM REPEALER.

The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended by striking section 28 (7 U.S.C. 2036a).

SEC. 10012. ALIEN SNAP ELIGIBILITY.

Section 6(f) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(f)) is amended to read as follows:

''(f) No individual who is a member of a household otherwise eligible to participate in the supplemental nutrition assistance program under this section shall be eligible to participate in the supplemental nutrition assistance program as a member of that or any other household unless he or she is—

''(1) a resident of the United States; and

''(2) either—

''(A) a citizen or national of the United States;

''(B) an alien lawfully admitted for permanent residence as an immigrant as defined by sections 101(a)(15) and 101(a)(20) of the Immigration and Nationality Act, excluding, among others, alien visitors, tourists, diplomats, and students who enter the United States temporarily with no intention of abandoning their residence in a foreign country;

''(C) an alien who is a citizen or national of the Republic of Cuba and who—

''(i) is the beneficiary of an approved petition under section 203(a) of the Immigration and Nationality Act;

''(ii) meets all eligibility requirements for an immigrant visa but for whom such a visa is not immediately available;

''(iii) is not otherwise inadmissible under section 212(a) of such Act; and

''(iv) is physically present in the United States pursuant to a grant of parole in furtherance of the commitment of the United States to the minimum level of annual legal migration of Cuban nationals to the United States specified in the U.S.-Cuba Joint Communiqué on Migration, done at New York September 9, 1994, and reaffirmed in the Cuba-United States: Joint Statement on Normalization of Migration, Building on the Agreement of September 9, 1994, done at New York May 2, 1995; or

''(D) an individual who lawfully resides in the United States in accordance with a Com-

pact of Free Association referred to in section 402(b)(2)(G) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

The income (less, at State option, a pro rata share) and financial resources of the individual rendered ineligible to participate in the supplemental nutrition assistance program under this subsection shall be considered in determining the eligibility and the value of the allotment of the household of which such individual is a member.''.

SEC. 10013. EMERGENCY FOOD ASSISTANCE.

Section 203D(d)(5) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7507(d)(5)) is amended by striking ''2024'' and inserting ''2031''.

Subtitle B—Investment in Rural America

SEC. 10101. SAFETY NET.

(a) REFERENCE PRICE.—Section 1111(19) of the Agricultural Act of 2014 (7 U.S.C. 9011(19)) is amended to read as follows:

''(19) REFERENCE PRICE.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), the term 'reference price', with respect to a covered commodity for a crop year, means the following:

‘‘(i) For wheat, $6.35 per bushel.

‘‘(ii) For corn, $4.10 per bushel.

‘‘(iii) For grain sorghum, $4.40 per bushel.

‘‘(iv) For barley, $5.45 per bushel.

‘‘(v) For oats, $2.65 per bushel.

‘‘(vi) For long grain rice, $16.90 per hundredweight.

‘‘(vii) For medium grain rice, $16.90 per hundredweight.

‘‘(viii) For soybeans, $10.00 per bushel.

‘‘(ix) For other oilseeds, $23.75 per hundredweight.

‘‘(x) For peanuts, $630.00 per ton.

‘‘(xi) For dry peas, $13.10 per hundredweight.

‘‘(xii) For lentils, $23.75 per hundredweight.

‘‘(xiii) For small chickpeas, $22.65 per hundredweight.

‘‘(xiv) For large chickpeas, $25.65 per hundredweight.

‘‘(xv) For seed cotton, $0.42 per pound.

''(B) EFFECTIVENESS.—Effective beginning with the 2031 crop year, the reference prices defined in subparagraph (A) with respect to a covered commodity shall equal the reference price in the previous crop year multiplied by 1.005.

''(C) LIMITATION.—In no case shall a reference price for a covered commodity exceed 115 percent of the reference price for such covered commodity listed in subparagraph (A).''.

(b) BASE ACRES.—Section 1112 of the Agricultural Act of 2014 (7 U.S.C. 9012) is amended—

(1) in subsection (d)(3)(A), by striking ''2023'' and inserting ''2031''; and

(2) by adding at the end the following:

''(e) ADDITIONAL BASE ACRES.—

''(1) IN GENERAL.—As soon as practicable after the date of enactment of this subsection, and notwithstanding subsection (a), the Secretary shall provide notice to owners of eligible farms pursuant to paragraph (4) and allocate to those eligible farms a total of not more than an additional 30,000,000 base acres in the manner provided in this subsection.

''(2) CONTENT OF NOTICE.—The notice under paragraph (1) shall include the following:

''(A) Information that the allocation is occurring.

''(B) Information regarding the eligibility of the farm for an allocation of base acres under paragraph (4).

''(C) Information regarding how an owner may appeal a determination of ineligibility for an allocation of base acres under paragraph (4) through an appeals process established by the Secretary.

''(3) OPT-OUT.—An owner of a farm that is eligible to receive an allocation of base acres may elect to not receive that allocation by notifying the Secretary.

''(4) ELIGIBILITY.—

''(A) IN GENERAL.—Subject to subparagraph (D), effective beginning with the 2026 crop year, a farm is eligible to receive an allocation of base acres if, with respect to the farm, the amount described in subparagraph (B) exceeds the amount described in subparagraph (C).

''(B) 5-YEAR AVERAGE SUM.—The amount described in this subparagraph, with respect to a farm, is the sum of—

''(i) the 5-year average of—

''(I) the acreage planted on the farm to all covered commodities for harvest, grazing, haying, silage or other similar purposes for the 2019 through 2023 crop years; and

''(II) any acreage on the farm that the producers were prevented from planting during the 2019 through 2023 crop years to covered commodities because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, as determined by the Secretary; plus

''(ii) the lesser of—

''(I) 15 percent of the total acres on the farm; and

''(II) the 5-year average of—

''(aa) the acreage planted on the farm to eligible noncovered commodities for harvest, grazing, haying, silage, or other similar purposes for the 2019 through 2023 crop years; and

''(bb) any acreage on the farm that the producers were prevented from planting during the 2019 through 2023 crop years to eligible noncovered commodities because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, as determined by the Secretary.

''(C) TOTAL NUMBER OF BASE ACRES FOR COVERED COMMODITIES.—The amount described in this subparagraph, with respect to a farm, is the total number of base acres for covered commodities on the farm (excluding unassigned crop base), as in effect on September 30, 2024.

''(D) EFFECT OF NO RECENT PLANTINGS OF COVERED COMMODITIES.—In the case of a farm for which the amount determined under clause (i) of subparagraph (B) is equal to zero, that farm shall be ineligible to receive an allocation of base acres under this subsection.

''(E) ACREAGE PLANTED ON THE FARM TO ELIGIBLE NONCOVERED COMMODITIES DE-

FINED.—In this paragraph, the term 'acreage planted on the farm to eligible noncovered commodities' means acreage planted on a farm to commodities other than covered commodities, trees, bushes, vines, grass, or pasture (including cropland that was idle or fallow), as determined by the Secretary.

''(5) NUMBER OF BASE ACRES.—Subject to paragraphs (4) and (7), the number of base acres allocated to an eligible farm shall—

''(A) be equal to the difference obtained by subtracting the amount determined under subparagraph (C) of paragraph (4) from the amount determined under subparagraph (B) of that paragraph; and

''(B) include unassigned crop base.

''(6) ALLOCATION OF ACRES.—

''(A) ALLOCATION.—The Secretary shall allocate the number of base acres under paragraph (5) among those covered commodities planted on the farm at any time during the 2019 through 2023 crop years.

''(B) ALLOCATION FORMULA.—The allocation of additional base acres for covered commodities shall be in proportion to the ratio of—

''(i) the 5-year average of—

''(I) the acreage planted on the farm to each covered commodity for harvest, grazing, haying, silage, or other similar purposes for the 2019 through 2023 crop years; and

''(II) any acreage on the farm that the producers were prevented from planting during the 2019 through 2023 crop years to that covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, as determined by the Secretary; to

''(ii) the 5-year average determined under paragraph (4)(B)(i).

''(C) INCLUSION OF ALL 5 YEARS IN AVERAGE.—For the purpose of determining a 5-year acreage average under subparagraph (B) for a farm, the Secretary shall not exclude any crop year in which a covered commodity was not planted.

''(D) TREATMENT OF MULTIPLE PLANTING OR PREVENTED PLANTING.—For the purpose of

determining under subparagraph (B) the acreage on a farm that producers planted or were prevented from planting during the 2019 through 2023 crop years to covered commodities, if the acreage that was planted or prevented from being planted was devoted to another covered commodity in the same crop year (other than a covered commodity produced under an established practice of double cropping), the owner may elect the covered commodity to be used for that crop year in determining the 5-year average, but may not include both the initial covered commodity and the subsequent covered commodity.

''(E) LIMITATION.—The allocation of additional base acres among covered commodities on a farm under this paragraph may not result in a total number of base acres for the farm in excess of the total number of acres on the farm.

''(7) REDUCTION BY THE SECRETARY.—In carrying out this subsection, if the total number of eligible acres allocated to base acres across all farms in the United States under this subsection would exceed 30,000,000 acres, the Secretary shall apply an across-the-board, pro-rata reduction to the number

of eligible acres to ensure the number of allocated base acres under this subsection is equal to 30,000,000 acres.

''(8) PAYMENT YIELD.—Beginning with crop year 2026, for the purpose of making price loss coverage payments under section 1116, the Secretary shall establish payment yields to base acres allocated under this subsection equal to—

''(A) the payment yield established on the farm for the applicable covered commodity; and

''(B) if no such payment yield for the applicable covered commodity exists, a payment yield—

''(i) equal to the average payment yield for the covered commodity for the county in which the farm is situated; or

''(ii) determined pursuant to section 1113(c).

''(9) TREATMENT OF NEW OWNERS.—In the case of a farm for which the owner on the date of enactment of this subsection was not the owner for the 2019 through 2023 crop years, the Secretary shall use the planting history of the prior owner or owners of that farm for purposes of determining—

''(A) eligibility under paragraph (4);

"(B) eligible acres under paragraph (5); and

"(C) the allocation of acres under paragraph (6).".

(c) PRODUCER ELECTION.—Section 1115 of the Agricultural Act of 2014 (7 U.S.C. 9015) is amended—

(1) in subsection (a), in the matter preceding paragraph (1) by striking "2023" and inserting "2031"; and

(2) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "2014 crop year or the 2019 crop year, as applicable" and inserting "2014 crop year, 2019 crop year, or 2026 crop year, as applicable";

(B) in paragraph (1), by striking "2014 crop year or the 2019 crop year, as applicable," and inserting "2014 crop year, 2019 crop year, or 2026 crop year, as applicable,"; and

(C) in paragraph (2)—

(i) in subparagraph (A), by striking "and" at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

''(C) the same coverage for each covered commodity on the farm for the 2026 through 2031 crop years as was applicable for the 2024 crop year.''.

(d) PRICE LOSS COVERAGE.—Section 1116 of the Agricultural Act of 2014 (7 U.S.C. 9016) is amended—

(1) in subsection (a)(2), in the matter preceding subparagraph (A), by striking ''2023'' and inserting ''2031'';

(2) in subsection (c)(1)(B)—

(A) in the subparagraph heading, by striking ''2023'' and inserting ''2031''; and

(B) in the matter preceding clause (i), by striking ''2023'' and inserting ''2031'';

(3) in subsection (d), by striking ''2025'' and inserting ''2031''; and

(4) in subsection (g), by striking ''2012 through 2016'' each place it appears and inserting ''2017 through 2021''.

(e) AGRICULTURE RISK COVERAGE.—Section 1117 of the Agricultural Act of 2014 (7 U.S.C. 9017) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking ''2023'' and inserting ''2031'';

(2) in subsection (c)—

(A) in paragraph (1), by inserting ''for each of the 2014 through 2024 crop years and 90 percent of the benchmark revenue for each of the 2025 through 2031 crop years'' before the period at the end;

(B) by striking ''2023'' each place it appears and inserting ''2031''; and

(C) in paragraph (4)(B), in the subparagraph heading, by striking ''2023'' and inserting ''2031'';

(3) by amending subsection (d)(1)(B) to read as follows:

''(B)(i) for each of the crop years 2014 through 2024, 10 percent of the benchmark revenue for the crop year applicable under subsection (c); and

''(ii) for each of the crop years 2025 through 2031, 12.5 percent of the benchmark revenue for the crop year applicable under subsection (c).''; and

(4) in subsections (e), (g)(5), and (i)(5), by striking ''2023'' each place it appears and inserting ''2031''.

(f) EQUITABLE TREATMENT OF CERTAIN ENTITIES.—

(1) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(A) in subsection (a)—

(i) by redesignating paragraph (5) as paragraph (6); and

(ii) by inserting after paragraph (4) the following:

''(5) QUALIFIED PASS-THROUGH ENTITY.—The term 'qualified pass-through entity' means—

''(A) a partnership (within the meaning of subchapter K of chapter 1 of the Internal Revenue Code of 1986);

''(B) an S corporation (as defined in section 1361 of that Code);

''(C) a limited liability company that does not affirmatively elect to be treated as a corporation; and

''(D) a joint venture or general partnership.'';

(B) in subsections (b) and (c), by striking ''except a joint venture or general partnership'' each place it appears and inserting ''except a qualified pass-through entity''; and

(C) in subsection (d), by striking ''subtitle B'' and all that follows through the end and inserting ''title I of the Agricultural Act of 2014.''.

(2) ATTRIBUTION OF PAYMENTS.—Section 1001(e)(3)(B)(ii) of the Food Security Act of 1985 (7 U.S.C. 1308(e)(3)(B)(ii)) is amended—

(A) in the clause heading, by striking ''JOINT VENTURES AND GENERAL PARTNERSHIPS'' and inserting ''QUALIFIED PASS-THROUGH ENTITIES'';

(B) by striking ''a joint venture or a general partnership'' and inserting ''a qualified pass-through entity'';

(C) by striking ''joint ventures and general partnerships'' and inserting ''qualified pass-through entities''; and

(D) by striking ''the joint venture or general partnership'' and inserting ''the qualified pass-through entity''.

(3) PERSONS ACTIVELY ENGAGED IN FARMING.—Section 1001A(b)(2) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)(2)) is amended—

(A) in subparagraphs (A) and (B), by striking ''in a general partnership, a participant in a joint venture'' each place it appears and inserting ''a qualified pass-through entity''; and

(B) in subparagraph (C), by striking ''a general partnership, joint venture, or similar entity'' and inserting ''a qualified pass-through entity or a similar entity''.

(4) JOINT AND SEVERAL LIABILITY.—Section 1001B(d) of the Food Security Act of 1985 (7 U.S.C. 1308–2(d)) is amended by striking ''partnerships and joint ventures'' and inserting ''qualified pass-through entities''.

(5) EXCLUSION FROM AGI CALCULATION.—Section 1001D(d) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(d)) is amended by striking '', general partnership, or joint venture'' each place it appears.

(g) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in subsection (b)—

(A) by striking ''The'' and inserting ''Subject to subsection (i), the''; and

(B) by striking ''$125,000'' and inserting ''$155,000'';

(2) in subsection (c)—

(A) by striking ''The'' and inserting ''Subject to subsection (i), the''; and

(B) by striking ''$125,000'' and inserting ''$155,000''; and

(3) by adding at the end the following:

''(i) ADJUSTMENT.—For the 2025 crop year and each crop year thereafter, the Secretary shall annually adjust the amounts described in subsections (b) and (c) for inflation based on the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.''.

(h) ADJUSTED GROSS INCOME LIMITATION.—Section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)) is amended—

(1) in paragraph (1), by striking ''paragraph (3)'' and inserting ''paragraphs (3) and (4)''; and

(2) by adding at the end the following:

''(4) EXCEPTION FOR CERTAIN OPERATIONS.—

''(A) DEFINITIONS.—In this paragraph:

''(i) EXCEPTED PAYMENT OR BENEFIT.—The term 'excepted payment or benefit' means—

''(I) a payment or benefit under subtitle E of title I of the Agricultural Act of 2014 (7 U.S.C. 9081 et seq.);

''(II) a payment or benefit under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333); and

''(III) a payment or benefit described in paragraph (2)(C) received on or after October 1, 2024.

''(ii) FARMING, RANCHING, OR SILVICULTURE ACTIVITIES.—The term 'farming, ranching, or silviculture activities' includes agritourism, direct-to-consumer marketing of agricultural products, the sale of agricultural equipment by a person or legal entity that owns such equipment, and other agriculture-related activities, as determined by the Secretary.

''(B) EXCEPTION.—In the case of an excepted payment or benefit, the limitation established by paragraph (1) shall not apply to a

person or legal entity during a crop, fiscal, or program year, as appropriate, if greater than or equal to 75 percent of the average gross income of the person or legal entity derives from farming, ranching, or silviculture activities.''.

(i) MARKETING LOANS.—

(1) AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR LOAN COMMODITIES.—Section 1201(b)(1) of the Agricultural Act of 2014 (7 U.S.C. 9031(b)(1)) is amended by striking ''2023'' and inserting ''2031''.

(2) LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.—Section 1202 of the Agricultural Act of 2014 (7 U.S.C. 9032) is amended—

(A) in subsection (b)—

(i) in the subsection heading, by striking ''2023'' and inserting ''2025''; and

(ii) in the matter preceding paragraph (1), by striking ''2023'' and inserting ''2025'';

(B) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(C) by inserting after subsection (b) the following:

''(c) 2026 THROUGH 2031 CROP YEARS.—For purposes of each of the 2026 through 2031 crop years, the loan rate for a marketing assistance loan under section 1201 for a loan commodity shall be equal to the following:

''(1) In the case of wheat, $3.72 per bushel.

''(2) In the case of corn, $2.42 per bushel.

''(3) In the case of grain sorghum, $2.42 per bushel.

''(4) In the case of barley, $2.75 per bushel.

''(5) In the case of oats, $2.20 per bushel.

''(6) In the case of upland cotton, $0.55 per pound.

''(7) In the case of extra long staple cotton, $1.00 per pound.

''(8) In the case of long grain rice, $7.70 per hundredweight.

''(9) In the case of medium grain rice, $7.70 per hundredweight.

''(10) In the case of soybeans, $6.82 per bushel.

''(11) In the case of other oilseeds, $11.10 per hundredweight for each of the following kinds of oilseeds:

''(A) Sunflower seed.

''(B) Rapeseed.

''(C) Canola.

''(D) Safflower.

''(E) Flaxseed.

''(F) Mustard seed.

''(G) Crambe.

''(H) Sesame seed.

''(I) Other oilseeds designated by the Secretary.

''(12) In the case of dry peas, $6.87 per hundredweight.

''(13) In the case of lentils, $14.30 per hundredweight.

''(14) In the case of small chickpeas, $11.00 per hundredweight.

''(15) In the case of large chickpeas, $15.40 per hundredweight.

''(16) In the case of graded wool, $1.60 per pound.

''(17) In the case of nongraded wool, $0.55 per pound.

''(18) In the case of mohair, $5.00 per pound.

''(19) In the case of honey, $1.50 per pound.

''(20) In the case of peanuts, $390 per ton.'';

(D) in subsection (d) (as so redesignated), by striking ''(a)(11) and (b)(11)'' and inserting ''(a)(11), (b)(11), and (c)(11)''; and

(E) by amending subsection (e) (as so redesignated) to read as follows:

''(e) SPECIAL RULE FOR SEED COTTON AND CORN.—

''(1) IN GENERAL.—For purposes of section 1116(b)(2) and paragraphs (1)(B)(ii) and (2)(A)(ii)(II) of section 1117(b), the loan rate shall be deemed to equal—

''(A) for seed cotton, $0.30 per pound; and

''(B) for corn, $3.30 per bushel.

''(2) EFFECT.—Nothing in this subsection authorizes any nonrecourse marketing assistance loan under this subtitle for seed cotton.''.

(3) PAYMENT OF COTTON STORAGE COSTS.—Section 1204(g) of the Agricultural Act of 2014 (7 U.S.C. 9034(g)) is amended—

(A) by striking ''Effective'' and inserting the following:

''(1) CROP YEARS 2014 THROUGH 2025.—Effective'';

(B) in paragraph (1) (as so designated), by striking ''2023'' and inserting ''2025''; and

(C) by adding at the end the following:

''(2) PAYMENT OF COTTON STORAGE COSTS.—Effective for each of the 2026 through 2031 crop

years, the Secretary shall make cotton storage payments for upland cotton and extra long staple cotton available in the same manner as the Secretary provided storage payments for the 2006 crop of upland cotton, except that the payment rate shall be equal to the lesser of—

''(A) the submitted tariff rate for the current marketing year; and

''(B) in the case of storage in—

''(i) California or Arizona, a payment rate of $4.90; and

''(ii) any other State, a payment rate of $3.00.''.

(4) LOAN DEFICIENCY PAYMENTS.—

(A) CONTINUATION.—Section 1205(a)(2)(B) of the Agricultural Act of 2014 (7 U.S.C. 9035(a)(2)(B)) is amended by striking ''2023'' and inserting ''2031''.

(B) PAYMENTS IN LIEU OF LDPS.—Section 1206 of the Agricultural Act of 2014 (7 U.S.C. 9036) is amended, in subsections (a) and (d), by striking ''2023'' each place it appears and inserting ''2031''.

(5) SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.—Section 1208(a) of

the Agricultural Act of 2014 (7 U.S.C. 9038(a)) is amended, in the matter preceding paragraph (1), by striking ''2026'' and inserting ''2032''.

(6) AVAILABILITY OF RECOURSE LOANS.—Section 1209 of the Agricultural Act of 2014 (7 U.S.C. 9039) is amended, in subsections (a)(2), (b), and (c), by striking ''2023'' each place it appears and inserting ''2031''.

(j) REPAYMENT OF MARKETING LOANS.—Section 1204 of the Agricultural Act of 2014 (7 U.S.C. 9034) is amended—

(1) in subsection (b)—

(A) by redesignating paragraph (1) as subparagraph (A) and indenting appropriately;

(B) in the matter preceding subparagraph (A) (as so redesignated), by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary''; and

(C) by striking paragraph (2) and inserting the following:

''(B)(i) in the case of long grain rice and medium grain rice, the prevailing world market price for the commodity, as determined and adjusted by the Secretary in accordance with this section; or

''(ii) in the case of upland cotton, the lowest prevailing world market price for the commodity, as determined and adjusted by the Secretary in accordance with this section, during the 30-day period following the day on which the producer repays the marketing assistance loan.

''(2) REFUND FOR UPLAND COTTON.—In the case of a repayment for a marketing assistance loan for upland cotton at a rate described in paragraph (1)(B)(ii), the Secretary shall provide to the producer a refund (if any) in an amount equal to the difference between the lowest prevailing world market price described in that paragraph and the repayment amount.'';

(2) in subsection (c)—

(A) by striking the period at the end and inserting ''; and'';

(B) by striking ''at the loan rate'' and inserting the following: ''at a rate that is the lesser of—

''(1) the loan rate''; and

(C) by adding at the end the following:

''(2) the prevailing world market price for the commodity, as determined and adjusted by the Secretary in accordance with this section.'';

(3) in subsection (d)—

(A) in paragraph (1), by striking ''and medium grain rice'' and inserting ''medium grain rice, and extra long staple cotton'';

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(C) in the matter preceding subparagraph (A) (as so redesignated), by striking ''For purposes'' and inserting the following:

''(1) IN GENERAL.—For purposes''; and

(D) by adding at the end the following:

''(2) UPLAND COTTON.—In the case of upland cotton, for any period when price quotations for Middling (M) 1 3/32-inch cotton are available, the formula under paragraph (1)(A) shall be based on the average of the 3 lowest-priced growths that are quoted.''; and

(4) in subsection (e)—

(A) in the subsection heading, by inserting ''EXTRA LONG STAPLE COTTON,'' after ''UPLAND COTTON,'';

(B) in paragraph (2)—

(i) in the paragraph heading, by striking ''COTTON'' and inserting ''UPLAND COTTON''; and

(ii) in subparagraph (B), in the matter preceding clause (i), by striking ''2024'' and inserting ''2032'';

(C) by redesignating paragraph (3) as paragraph (4); and

(D) by inserting after paragraph (2) the following:

''(3) EXTRA LONG STAPLE COTTON.—The prevailing world market price for extra long staple cotton determined under subsection (d)—

''(A) shall be adjusted to United States quality and location, with the adjustment to include the average costs to market the commodity, including average transportation costs, as determined by the Secretary; and

''(B) may be further adjusted, during the period beginning on the date of enactment of this paragraph and ending on July 31, 2032, if the Secretary determines the adjustment is necessary—

''(i) to minimize potential loan forfeitures;

''(ii) to minimize the accumulation of stocks of extra long staple cotton by the Federal Government;

''(iii) to ensure that extra long staple cotton produced in the United States can be marketed freely and competitively; and

''(iv) to ensure an appropriate transition between current-crop and forward-crop price quotations, except that the Secretary may use forward-crop price quotations prior to July 31 of a marketing year only if—

''(I) there are insufficient current-crop price quotations; and

''(II) the forward-crop price quotation is the lowest such quotation available.''.

(k) ECONOMIC ADJUSTMENT ASSISTANCE FOR TEXTILE MILLS.—Section 1207(c) of the Agricultural Act of 2014 (7 U.S.C. 9037(c)) is amended by striking paragraph (2) and inserting the following:

''(2) VALUE OF ASSISTANCE.—The value of the assistance provided under paragraph (1) shall be—

''(A) for the period beginning on August 1, 2013, and ending on July 31, 2025, 3 cents per pound; and

''(B) beginning on August 1, 2025, 5 cents per pound.''.

(l) SUGAR PROGRAM UPDATES.—

(1) LOAN RATE MODIFICATIONS.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended—

(A) in subsection (a)—

(i) in paragraph (4), by striking ''and'' at the end;

(ii) in paragraph (5), by striking ''2023 crop years.'' and inserting ''2024 crop years; and''; and

(iii) by adding at the end the following:

''(6) 24.00 cents per pound for raw cane sugar for each of the 2025 through 2031 crop years.'';

(B) in subsection (b)—

(i) in paragraph (1), by striking ''and'' at the end;

(ii) in paragraph (2), by striking ''2023 crop years.'' and inserting ''2024 crop years; and''; and

(iii) by adding at the end the following:

''(3) a rate that is equal to 136.55 percent of the loan rate per pound of raw cane sugar under subsection (a)(6) for each of the 2025 through 2031 crop years.''; and

(C) in subsection (i), by striking ''2023'' and inserting ''2031''.

(2) ADJUSTMENTS TO COMMODITY CREDIT CORPORATION STORAGE RATES.—Section 167 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7287) is amended—

(A) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Commodity Credit Corporation shall establish rates for the storage of forfeited sugar in an amount that is not less than—

''(1) in the case of refined sugar, 34 cents per hundredweight per month; and

''(2) in the case of raw cane sugar, 27 cents per hundredweight per month.''; and

(B) in subsection (b)—

(i) in the subsection heading, by striking ''SUBSEQUENT'' and inserting ''PRIOR''; and

(ii) by striking ''and subsequent'' and inserting ''through 2024''.

(3) MODERNIZING BEET SUGAR ALLOTMENTS.—

(A) SUGAR ESTIMATES.—Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended by striking ''2023'' and inserting ''2031''.

(B) ALLOCATION TO PROCESSORS.—Section 359c(g)(2) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc(g)(2)) is amended—

(i) by striking ''In the case'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), in the case''; and

(ii) by adding at the end the following:

''(B) EXCEPTION.—If the Secretary makes an upward adjustment under paragraph (1)(A), in adjusting allocations among beet sugar processors, the Secretary shall give priority to beet sugar processors with available sugar.''.

(C) TIMING OF REASSIGNMENT.—Section 359e(b)(2) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)(2)) is amended—

(i) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and indenting appropriately;

(ii) in the matter preceding clause (i) (as so redesignated), by striking ''If the Secretary determines that a sugar beet processor who has been allocated a share of the beet sugar allotment will be unable to market that allocation'' and inserting the following:

''(A) IN GENERAL.—If the Secretary determines that a sugar beet processor who has been allocated a share of the beet sugar allotment for the crop year will be unable to market that allocation''; and

(iii) by adding at the end the following:

''(B) TIMING.—In carrying out subparagraph (A), the Secretary shall—

''(i) make an initial determination following the publication of the World Agri-

cultural Supply and Demand Estimates (in this subparagraph referred to as 'WASDE') approved by the World Agricultural Outlook Board for the month of January that is applicable to the crop year for which a determination under subparagraph (A) is made; and

''(ii) provide for an initial reassignment under subparagraph (A)(i) not later than 30 days after the date of the announcement of such WASDE.''.

(4) REALLOCATIONS OF TARIFF-RATE QUOTA SHORTFALL.—Section 359k of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359kk) is amended by adding at the end the following:

''(c) REALLOCATION.—

''(1) INITIAL REALLOCATION.—Subject to paragraph (3), following the establishment of the tariff-rate quotas under subsection (a) for a quota year, the Secretary shall—

''(A) determine which countries do not intend to fulfill their allocation for the quota year; and

"(B) reallocate any forecasted shortfall in the fulfillment of the tariff-rate quotas as soon as practicable.

"(2) SUBSEQUENT REALLOCATION.—Subject to paragraph (3), not later than March 1 of a quota year, the Secretary shall reallocate any additional forecasted shortfall in the fulfillment of the tariff-rate quotas for raw cane sugar established under subsection (a)(1) for that quota year.

"(3) CESSATION OF EFFECTIVENESS.—Paragraphs (1) and (2) shall cease to be in effect if—

"(A) the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, signed December 19, 2014, is terminated; and

"(B) no countervailing duty order under subtitle A of title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) is in effect with respect to sugar from Mexico.

"(d) REFINED SUGAR.—

"(1) DEFINITION OF DOMESTIC SUGAR INDUSTRY.—In this subsection, the term 'domestic sugar industry' means domestic—

"(A) sugar beet producers and processors;

''(B) producers and processors of sugar cane; and

''(C) refiners of raw cane sugar.

''(2) STUDY REQUIRED.—

''(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall conduct a study on whether the establishment of additional terms and conditions with respect to refined sugar imports is necessary and appropriate.

''(B) ELEMENTS.—In conducting the study under subparagraph (A), the Secretary shall examine the following:

''(i) The need for—

''(I) defining 'refined sugar' as having a minimum polarization of 99.8 degrees or higher;

''(II) establishing a standard for color- or reflectance-based units for refined sugar such as those utilized by the International Commission of Uniform Methods of Sugar Analysis;

''(III) prescribing specifications for packaging type for refined sugar;

''(IV) prescribing specifications for transportation modes for refined sugar;

''(V) requiring affidavits or other evidence that sugar imported as refined sugar will not undergo further refining in the United States;

''(VI) prescribing appropriate terms and conditions to avoid unlawful sugar imports; and

''(VII) establishing other definitions, terms and conditions, or other requirements.

''(ii) The potential impact of modifications described in each of subclauses (I) through (VII) of clause (i) on the domestic sugar industry.

''(iii) Whether, based on the needs described in clause (i) and the impact described in clause (ii), the establishment of additional terms and conditions is appropriate.

''(C) CONSULTATION.—In conducting the study under subparagraph (A), the Secretary

shall consult with representatives of the domestic sugar industry and users of refined sugar.

''(D) REPORT.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the findings of the study conducted under subparagraph (A).

''(3) ESTABLISHMENT OF ADDITIONAL TERMS AND CONDITIONS PERMITTED.—

''(A) IN GENERAL.—Based on the findings in the report submitted under paragraph (2)(D), and after providing notice to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Secretary may issue regulations in accordance with subparagraph (B) to establish additional terms and conditions with respect to refined sugar imports that are necessary and appropriate.

''(B) PROMULGATION OF REGULATIONS.—The Secretary may issue regulations under subparagraph (A) if the regulations—

''(i) do not have an adverse impact on the domestic sugar industry; and

''(ii) are consistent with the requirements of this part, section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272), and obligations under international trade agreements that have been approved by Congress.''.

(5) CLARIFICATION OF TARIFF-RATE QUOTA ADJUSTMENTS.—Section 359k(b)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359kk(b)(1)) is amended, in the matter preceding subparagraph (A), by striking ''if there is an'' and inserting ''for the sole purpose of responding directly to an''

(6) PERIOD OF EFFECTIVENESS.—Section 359l(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ll(a)) is amended by striking ''2023'' and inserting ''2031''.

(m) DAIRY POLICY UPDATES.—

(1) DAIRY MARGIN COVERAGE PRODUCTION HISTORY.—

(A) DEFINITION.—Section 1401(8) of the Agricultural Act of 2014 (7 U.S.C. 9051(8)) is amended by striking ''when the participating

dairy operation first registers to participate in dairy margin coverage''.

(B) PRODUCTION HISTORY OF PARTICIPATING DAIRY OPERATIONS.—Section 1405 of the Agricultural Act of 2014 (7 U.S.C. 9055) is amended—

(i) by amending subsection (a) to read as follows:

''(a) PRODUCTION HISTORY.—Except as provided in subsection (b), the production history of a dairy operation for dairy margin coverage is equal to the highest annual milk marketings of the participating dairy operation during any one of the 2021, 2022, or 2023 calendar years.''; and

(ii) by amending subsection (b) to read as follows:

''(b) ELECTION BY NEW DAIRY OPERATIONS.—In the case of a participating dairy operation that has been in operation for less than a year, the participating dairy operation shall elect 1 of the following methods for the Secretary to determine the production history of the participating dairy operation:

''(1) The volume of the actual milk marketings for the months the participating dairy operation has been in operation extrapolated to a yearly amount.

''(2) An estimate of the actual milk marketings of the participating dairy operation based on the herd size of the participating dairy operation relative to the national rolling herd average data published by the Secretary.''.

(2) DAIRY MARGIN COVERAGE PAYMENTS.—Section 1406(a)(1)(C) of the Agricultural Act of 2014 (7 U.S.C. 9056(a)(1)(C)) is amended by striking ''5,000,000'' and inserting ''6,000,000'' each place it appears.

(3) PREMIUMS FOR DAIRY MARGINS.—

(A) TIER I.—Section 1407(b) of the Agricultural Act of 2014 (7 U.S.C. 9057(b)) is amended—

(i) in the heading, by striking ''5,000,000'' and inserting ''6,000,000''; and

(ii) in paragraph (1), by striking ''5,000,000'' and inserting ''6,000,000''.

(B) TIER II.—Section 1407(c) of the Agricultural Act of 2014 (7 U.S.C. 9057(c)) is amended—

(i) in the heading, by striking ''5,000,000'' and inserting ''6,000,000''; and

(ii) in paragraph (1), by striking ''5,000,000'' and inserting ''6,000,000''.

(C) PREMIUM DISCOUNTS.—Section 1407(g) of the Agricultural Act of 2014 (7 U.S.C. 9057(g)) is amended—

(i) in paragraph (1)—

(I) by striking ''2019 through 2023'' and inserting ''2026 through 2031''; and

(II) by striking ''January 2019'' and inserting ''January 2026''; and

(ii) in paragraph (2), by striking ''2023'' each place it appears and inserting ''2031''.

(4) DURATION.—Section 1409 of the Agricultural Act of 2014 (7 U.S.C. 9059) is amended by striking ''2025'' and inserting ''2031''.

(n) SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.—Section 1602 of the Agricultural Act of 2014 (7 U.S.C. 9092) is amended by striking ''2023'' each place it appears and inserting ''2031''.

(o) IMPLEMENTATION.—Section 1614(c) of the Agricultural Act of 2014 (7 U.S.C. 9097(c)) is amended by adding at the end the following:

''(5) FISCAL YEAR 2025 RECONCILIATION.—The Secretary shall make available to the Farm Service Agency to carry out section 10101 of the Act titled 'An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14', and the amendments made by that section, $50,000,000, to remain available until expended, of which—

''(A) not less than $5,000,000 shall be used to carry out paragraphs (3) and (4) of subsection (b);

''(B) $3,000,000 shall be used for activities described in paragraph (3)(A) of this subsection;

''(C) $3,000,000 shall be used for activities described in paragraph (3)(B) of this subsection; and

''(D) $10,000,000 shall be used to—

''(i) carry out mandatory surveys of dairy production cost and product yield information to be reported by manufacturers required to report under section 273 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b), for all products processed in the same facility or facilities; and

''(ii) publish the results of such surveys biennially.''.

(p) LIVESTOCK SAFETY NET UPDATES.—

(1) IN GENERAL.—Section 1501(b) of the Agricultural Act of 2014 (7 U.S.C. 9081(b)) is amended—

(A) by amending paragraph (2) to read as follows:

''(2) PAYMENT RATES.—

''(A) LOSSES DUE TO PREDATION.—Indemnity payments to an eligible producer on a farm under paragraph (1)(A) shall be made at a rate of 100 percent of the market value of the affected livestock on the applicable date, as determined by the Secretary.

''(B) LOSSES DUE TO ADVERSE WEATHER OR DISEASE.—Indemnity payments to an eligible producer on a farm under subparagraph (B) or (C) of paragraph (1) shall be made at a rate of 75 percent of the market value of the affected livestock on the applicable date, as determined by the Secretary.

''(C) DETERMINATION OF MARKET VALUE.—In determining the market value described in subparagraphs (A) and (B), the Sec-

retary may consider the ability of eligible producers to document regional price premiums for affected livestock that exceed the national average market price for those livestock.

''(D) APPLICABLE DATE DEFINED.—In this paragraph, the term 'applicable date' means, with respect to livestock, as applicable—

''(i) the day before the date of death of the livestock; or

''(ii) the day before the date of the event that caused the harm to the livestock that resulted in a reduced sale price.''; and

(B) by adding at the end the following:

''(5) ADDITIONAL PAYMENT FOR UNBORN LIVESTOCK.—

''(A) IN GENERAL.—In the case of unborn livestock death losses incurred on or after January 1, 2024, the Secretary shall make an additional payment to eligible producers on farms that have incurred such losses in excess of the normal mortality due to a condition specified in paragraph (1).

''(B) PAYMENT RATE.—Additional payments under subparagraph (A) shall be made at a rate—

''(i) determined by the Secretary; and

''(ii) less than or equal to 85 percent of the payment rate established with respect to the lowest weight class of the livestock, as determined by the Secretary, acting through the Administrator of the Farm Service Agency.

''(C) PAYMENT AMOUNT.—The amount of a payment to an eligible producer that has incurred unborn livestock death losses shall be equal to the payment rate determined under subparagraph (B) multiplied, in the case of livestock described in—

''(i) subparagraph (A), (B), or (F) of subsection (a)(4), by 1;

''(ii) subparagraph (D) of such subsection, by 2;

''(iii) subparagraph (E) of such subsection, by 12; and

''(iv) subparagraph (G) of such subsection, by the average number of birthed animals (for one gestation cycle) for the species of each such livestock, as determined by the Secretary.

''(D) UNBORN LIVESTOCK DEATH LOSSES DEFINED.—In this paragraph, the term 'unborn livestock death losses' means losses of any livestock described in subparagraph (A), (B), (D), (E), (F), or (G) of subsection (a)(4) that was gestating on the date of the death of the livestock.''.

(2) LIVESTOCK FORAGE DISASTER PROGRAM.—Section 1501(c)(3)(D)(ii)(I) of the Agricultural Act of 2014 (7 U.S.C. 9081(c)(3)(D)(ii)(I)) is amended—

(A) by striking ''1 monthly payment'' and inserting ''2 monthly payments''; and

(B) by striking ''county for at least 8 consecutive'' and inserting the following: ''county for not less than—

''(aa) 4 consecutive weeks during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph in an amount equal to 1 monthly payment using the monthly payment rate deter-

mined under subparagraph (B); or

''(bb) any of the 7 of the previous 8 consecutive''.

(3) EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEY BEES, AND FARM-RAISED FISH.—Section 1501(d) of the Agricultural Act of 2014 (7 U.S.C. 9081(d)) is amended by adding at the end the following:

''(5) ASSISTANCE FOR LOSSES DUE TO BIRD DEPREDATION.—

''(A) PAYMENTS.—Eligible producers on a farm of farm-raised fish, including fish grown as food for human consumption, shall be eligible to receive payments under this subsection to aid in the reduction of losses due to piscivorous birds.

''(B) PAYMENT RATE.—

''(i) IN GENERAL.—The payment rate for payments under subparagraph (B) shall be determined by the Secretary, taking into account—

''(I) costs associated with the deterrence of piscivorous birds;

''(II) the value of lost fish and revenue due to bird depredation; and

''(III) costs associated with disease loss from bird depredation.

''(ii) MINIMUM RATE.—The payment rate for payments under subparagraph (B) shall be not less than $600 per acre of farm-raised fish.

''(C) PAYMENT AMOUNT.—The amount of a payment under subparagraph (B) shall be the product obtained by multiplying—

''(i) the applicable payment rate under subparagraph (C); and

''(ii) 85 percent of the total number of acres of farm-raised fish farms that the eligible producer has in production for the calendar year.''.

(4) TREE ASSISTANCE PROGRAM.—Section 1501(e) of the Agricultural Act of 2014 (7 U.S.C. 9081(e)) is amended—

(A) in paragraph (2)(B), by striking ''15 percent (adjusted for normal mortality)'' and inserting ''normal mortality''; and

(B) in paragraph (3)—

(i) in subparagraph (A)(i), by striking ''15 percent mortality (adjusted for normal mortality)'' and inserting ''normal mortality''; and

(ii) in subparagraph (B)—

(I) by striking ''50'' and inserting ''65''; and

(II) by striking ''15 percent damage or mortality (adjusted for normal tree damage and mortality)'' and inserting ''normal tree damage or mortality''.

(q) EMERGENCY ASSISTANCE FOR HONEYBEES.—In determining honeybee colony losses eligible for assistance under section 1501(d) of the Agricultural Act of 2014 (7 U.S.C. 9081(d)), the Secretary shall utilize a normal mortality rate of 15 percent.

(r) BEGINNING FARMER AND RANCHER BENEFIT.—

(1) DEFINITIONS.—

(A) IN GENERAL.—Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) is amended in paragraph (3), by striking ''5'' and inserting ''10''.

(B) CONFORMING AMENDMENT.—Section 522(c)(7) of the Federal Crop Insurance Act (7

U.S.C. 1522(c)(7)) is amended by striking subparagraph (F).

(2) INCREASE IN ASSISTANCE.—Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by adding at the end the following paragraph:

''(9) ADDITIONAL SUPPORT.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection regarding payment of a portion of premiums, a beginning farmer or rancher shall receive premium assistance that is—

''(i) the number of percentage points specified in subparagraph (B) greater than the premium assistance that would otherwise be available under paragraphs (2) (except for subparagraph (A) of that paragraph), (5), (6), and (7) for the applicable policy, plan of insurance, and coverage level selected by the beginning farmer or rancher; plus

''(ii) any increase otherwise made available under this subsection.

''(B) PERCENTAGE POINTS ADJUSTMENTS.—The percentage points referred to in subparagraph (A)(i) are the following:

''(i) For each of the first and second reinsurance years that a beginning farmer or rancher participates as a beginning farmer or rancher in the applicable policy or plan of insurance, 5 percentage points.

''(ii) For the third reinsurance year that a beginning farmer or rancher participates as a beginning farmer or rancher in the applicable policy or plan of insurance, 3 percentage points.

''(iii) For the fourth reinsurance year that a beginning farmer or rancher participates as a beginning farmer or rancher in the applicable policy or plan of insurance, 1 percentage point.''.

(s) AREA-BASED CROP INSURANCE COVERAGE AND AFFORDABILITY.—

(1) COVERAGE LEVEL.—Section 508(c)(4) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(4)) is amended—

(A) by amending subparagraph (A)(ii) to read as follows:

''(ii) may be purchased at any level not to exceed—

''(I) in the case of the individual yield or revenue coverage, 85 percent;

''(II) in the case of individual yield or revenue coverage aggregated across multiple commodities, 90 percent; and

''(III) in the case of area yield or revenue coverage (as determined by the Corporation), 95 percent.''; and

(B) in subparagraph (C)—

(i) in clause (ii), by striking ''14'' and inserting ''10''; and

(ii) in clause (iii)(I), by striking ''86'' and inserting ''90''.

(2) PREMIUM COST SHARE.—Section 508(e)(2)(H)(i) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)(H)(i)) is amended by striking ''65'' and inserting ''80''.

(t) PREMIUM SUPPORT.—Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended—

(1) in subparagraph (C)(i), by striking ''64'' and inserting ''69'';

(2) in subparagraph (D)(i), by striking ''59'' and inserting ''64'';

(3) in subparagraph (E)(i), by striking ''55'' and inserting ''60'';

(4) in subparagraph (F)(i), by striking ''48'' and inserting ''51''; and

(5) in subparagraph (G)(i), by striking ''38'' and inserting ''41''.

(u) ADMINISTRATIVE AND OPERATING EXPENSE ADJUSTMENTS.—Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)) is amended by adding at the end the following:

''(10) ADDITIONAL EXPENSES.—

''(A) IN GENERAL.—Beginning with the 2026 reinsurance year and for each reinsurance year thereafter, in addition to the terms and conditions of the Standard Reinsurance Agreement, to cover additional expenses for loss adjustment procedures, the Corporation shall pay an additional administrative and operating expense subsidy to approved insurance providers for eligible contracts.

''(B) PAYMENT AMOUNT.—In the case of an eligible contract, the payment to an approved insurance provider required under sub-

paragraph (A) shall be the amount equal to 6 percent of the net book premium.

''(C) DEFINITIONS.—In this paragraph:

''(i) ELIGIBLE STATE.—The term 'eligible State' means a State—

''(I) identified in State Group 2 or State Group 3 (as defined in the Standard Reinsurance Agreement for reinsurance year 2026); and

''(II) in which, with respect to an insurance year, the loss ratio for eligible contracts is greater than 120 percent of the total net book premium written by all approved insurance providers.

''(ii) ELIGIBLE CONTRACTS.—The term 'eligible contract'—

''(I) means a crop insurance contract entered into by an approved insurance provider in an eligible State; and

''(II) does not include a contract for—

''(aa) catastrophic risk protection under subsection (b);

''(bb) an area-based plan of insurance or similar plan of insurance, as determined by the Corporation; or

''(cc) a policy under which an approved insurance provider does not incur loss adjustment expenses, as determined by the Corporation.

''(11) SPECIALTY CROPS.—

''(A) MINIMUM REIMBURSEMENT.—Beginning with the 2026 reinsurance year and for each reinsurance year thereafter, the rate of reimbursement to approved insurance providers and agents for administrative and operating expenses with respect to crop insurance contracts covering agricultural commodities described in section 101 of title I of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note) shall be equal to or greater than the percent that is the greater of the following:

''(i) 17 percent of the premium used to define loss ratio.

''(ii) The percent of the premium used to define loss ratio that is otherwise appli-

cable for the reinsurance year under the terms of the Standard Reinsurance Agreement in effect for the reinsurance year.

''(B) OTHER CONTRACTS.—In carrying out subparagraph (A), the Corporation shall not reduce, with respect to any reinsurance year, the amount or the rate of reimbursement to approved insurance providers and agents under the Standard Reinsurance Agreement described in clause (ii) of such subparagraph for administrative and operating expenses with respect to contracts covering agricultural commodities that are not subject to such subparagraph.

''(C) ADMINISTRATION.—The requirements of this paragraph and the adjustments made pursuant to this paragraph shall not be considered a renegotiation under paragraph (8)(A).

''(12) A&O INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—Subject to subparagraph (B), for the 2026 reinsurance year, and each reinsurance year thereafter, the Corporation shall increase the total administrative and operating expense reimbursements otherwise required under the Standard Reinsurance Agreement in effect for the reinsurance year in order

to account for inflation, in a manner consistent with the increases provided with respect to the 2011 through 2015 reinsurance years under the enclosure included in Risk Management Agency Bulletin numbered MGR–10–007 and dated June 30, 2010.

''(B) SPECIAL RULE FOR 2026 REINSURANCE YEAR.—The increase under subparagraph (A) for the 2026 reinsurance year shall not exceed the percentage change for the preceding reinsurance year included in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

''(C) ADMINISTRATION.—An increase under subparagraph (A)—

''(i) shall apply with respect to all contracts covering agricultural commodities that were subject to an increase during the period of the 2011 through 2015 reinsurance years under the enclosure referred to in that subparagraph; and

''(ii) shall not be considered to be a renegotiation of the Standard Reinsurance

Agreement for purposes of paragraph (8)(A).''.

(v) PROGRAM COMPLIANCE AND INTEGRITY.—Section 515(l)(2) of the Federal Crop Insurance Act (7 U.S.C. 1515(l)(2)) is amended by striking ''than'' and all that follows through the period at the end and inserting the following: ''than—

''(A) $4,000,000 for each of fiscal years 2009 through 2025; and

''(B) $6,000,000 for fiscal year 2026 and each subsequent fiscal year.''.

(w) REVIEWS, COMPLIANCE, AND INTEGRITY.—Section 516(b)(2)(C)(i) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(2)(C)(i)) is amended by striking ''each fiscal year'' and inserting ''each of fiscal years 2014 through 2025 and $10,000,000 for fiscal year 2026 and each fiscal year thereafter''.

(x) POULTRY INSURANCE PILOT PROGRAM.—Section 523 of the Federal Crop Insurance Act (7 U.S.C. 1523) is amended by adding at the end the following:

''(j) POULTRY INSURANCE PILOT PROGRAM.—

''(1) IN GENERAL.—Notwithstanding subsection (a)(2), the Corporation shall establish a pilot program under which contract poultry growers, including growers of broilers and laying hens, may elect to

receive index-based insurance from extreme weather-related risk resulting in increased utility costs (including costs of natural gas, propane, electricity, water, and other appropriate costs, as determined by the Corporation) associated with poultry production.

''(2) STAKEHOLDER ENGAGEMENT.—The Corporation shall engage with poultry industry stakeholders in establishing the pilot program under paragraph (1).

''(3) LOCATION.—The pilot program established under paragraph (1) shall be conducted in a sufficient number of counties to provide a comprehensive evaluation of the feasibility, effectiveness, and demand among producers in the top poultry producing States, including Alabama, Arkansas, and Mississippi, as determined by the Corporation.

''(4) APPROVAL OF POLICY OR PLAN.—Notwithstanding section 508(l), the Board shall approve a policy or plan of insurance based on the pilot program under paragraph (1)—

''(A) in accordance with section 508(h); and

''(B) not later than 24 months after the date of enactment of this subsection.''.

SEC. 10102. CONSERVATION.

(a) GRASSROOTS SOURCE WATER PROTECTION PROGRAM.—Section 1240O(b) of the Food Security Act of 1985 (16 U.S.C. 3839bb–2(b)) is amended—

(1) in paragraph (1), by striking ''2023'' and inserting ''2031''; and

(2) in paragraph (3)—

(A) in subparagraph (A), by striking the ''and'' at the end;

(B) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(C) $1,000,000 beginning in fiscal year 2026, to remain available until expended.''.

(b) VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.—Section 1240R(f)(1) of the Food Security Act of 1985 (16 U.S.C. 3839bb–5(f)(1)) is amended—

(1) by striking the ''and'' after ''2023,''; and

(2) by inserting '', and $10,000,000 for each of fiscal years 2025 through 2031'' before the period at the end.

(c) FERAL SWINE ERADICATION AND CONTROL PILOT PROGRAM.—Section 2408(g)(1) of the Agriculture Improvement Act of 2018 (7 U.S.C. 8351 note; Public Law 115–334) is amended—

(1) by striking ''and'' and inserting a comma; and

(2) by inserting '', and $15,000,000 for each of fiscal years 2025 through 2031'' before the period at the end.

(d) FUNDING.—

(1) IN GENERAL.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended—

(A) in paragraph (2), by striking subparagraphs (A) through (F) and inserting the following:

''(A) $625,000,000 for fiscal year 2026;

''(B) $650,000,000 for fiscal year 2027;

''(C) $675,000,000 for fiscal year 2028;

''(D) $700,000,000 for fiscal year 2029;

''(E) $700,000,000 for fiscal year 2030; and

''(F) $700,000,000 for fiscal year 2031.''; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking clauses (i) through (v) and inserting the following:

''(i) $2,655,000,000 for fiscal year 2026;

''(ii) $2,855,000,000 for fiscal year 2027;

''(iii) $3,255,000,000 for fiscal year 2028;

''(iv) $3,255,000,000 for fiscal year 2029;

''(v) $3,255,000,000 for fiscal year 2030; and

''(vi) $3,255,000,000 for fiscal year 2031; and''; and

(ii) in subparagraph (B), by striking clauses (i) through (v) and inserting the following:

''(i) $1,300,000,000 for fiscal year 2026;

''(ii) $1,325,000,000 for fiscal year 2027;

''(iii) $1,350,000,000 for fiscal year 2028;

''(iv) $1,375,000,000 for fiscal year 2029;

''(v) $1,375,000,000 for fiscal year 2030; and

"(vi) $1,375,000,000 for fiscal year 2031.".

(2) REGIONAL CONSERVATION PARTNERSHIP PROGRAM.—Section 1271D of the Food Security Act of 1985 (16 U.S.C. 3871d) is amended by striking subsection (a) and inserting the following:

"(a) AVAILABILITY OF FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out the program, to the maximum extent practicable—

"(1) $425,000,000 for fiscal year 2026;

"(2) $450,000,000 for fiscal year 2027;

"(3) $450,000,000 for fiscal year 2028;

"(4) $450,000,000 for fiscal year 2029;

"(5) $450,000,000 for fiscal year 2030; and

"(6) $450,000,000 for fiscal year 2031.".

(3) WATERSHED PROTECTION AND FLOOD PREVENTION.—Section 15 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012a) is amended—

(A) by striking "$50,000,000 for fiscal year 2019" and inserting "$150,000,000 for fiscal year 2026"; and

(B) by inserting ", to remain available until expended" before the period at the end.

(4) RESCISSION.—The unobligated balances of amounts appropriated by section 21001(a) of Public Law 117–169 (136 Stat. 2015) are rescinded.

SEC. 10103. SUPPLEMENTAL AGRICULTURAL TRADE PROMOTION PROGRAM.

(a) IN GENERAL.—The Secretary shall conduct a program to encourage the accessibility, development, maintenance, and expansion of commercial export markets for United States agricultural commodities.

(b) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $285,000,000 for fiscal year 2027 and each fiscal year thereafter.

SEC. 10104. RESEARCH.

(a) URBAN, INDOOR, AND OTHER EMERGING AGRICULTURAL PRODUCTION RESEARCH, EDUCATION, AND EXTENSION INITIATIVE.—Section 1672E(d)(1)(B) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925g(d)(1)(B)) is amended by striking ''fiscal year 2024, to remain available until expended'' and inserting ''each of fiscal years 2024 through 2031''.

(b) FOUNDATION FOR FOOD AND AGRICULTURE RESEARCH.—Section 7601(g)(1)(A) of the Agricultural Act of 2014 (7 U.S.C. 5939(g)(1)(A)) is amended adding at the end the following:

''(iv) FURTHER FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Foundation to carry out this section, to remain available until expended, not later than 30 days after the date of enactment of this clause, $37,000,000.''.

(c) SCHOLARSHIPS FOR STUDENTS AT 1890 INSTITUTIONS.—Section 1446 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222a) is amended—

(1) in subsection (a)—

(A) by striking paragraph (3); and

(B) by redesignating paragraph (4) as paragraph (3); and

(2) in subsection (b), by amending paragraph (1) to read as follows:

''(1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $60,000,000 for fiscal year 2026, to remain available until expended.''.

(d) ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.—Section 1680(c) of the Food,

Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)) is amended—

(1) in the subsection heading, by striking ''AUTHORIZATION OF APPROPRIATIONS'' and inserting ''FUNDING'';

(2) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(3) by inserting before paragraph (2), as so redesignated, the following:

''(1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $8,000,000, to remain available until expended.''; and

(4) in paragraph (2), as so redesignated—

(A) in the paragraph heading, by striking ''IN GENERAL'' and inserting ''AUTHORIZATION OF APPROPRIATIONS''; and

(B) by striking ''Subject to paragraph (2)'' and inserting ''Subject to paragraph (3)''.

(e) SPECIALTY CROP RESEARCH INITIATIVE.—Section 412(k)(1)(B) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632(k)(1)(B)) is amended by striking ''section $80,000,000 for fiscal year 2014'' and inserting the following: ''section—

''(i) $80,000,000 for each of fiscal years 2014 through 2025; and

''(ii) $175,000,000 for fiscal year 2026''.

(f) RESEARCH FACILITIES ACT.—Section 6 of the Research Facilities Act (7 U.S.C. 390d) is amended—

(1) in the section heading by striking ''**AUTHORIZATION OF APPROPRIATIONS**'' and inserting ''**FUNDING**''; and

(2) in subsection (a)—

(A) by striking ''(a) IN GENERAL.—Subject to'' and inserting the following:

''(a) IN GENERAL.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—Subject to''; and

(B) by adding at the end the following:

''(2) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out the competitive grant program under section 4, $125,000,000 for each fiscal year beginning with fiscal year 2026.''.

SEC. 10105. SECURE RURAL SCHOOLS; FORESTRY.

(a) EXTENSION OF CERTAIN PROVISIONS OF SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000.—

(1) SECURE PAYMENTS FOR STATES AND COUNTIES CONTAINING FEDERAL LAND.—

(A) SECURE PAYMENTS.—Section 101 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7111) is amended—

(i) in subsections (a) and (b), by striking ''2023'' each place it appears and inserting ''2026''; and

(ii) by adding at the end the following:

''(e) SPECIAL RULE FOR FISCAL YEAR 2024 PAYMENTS.—

''(1) STATE PAYMENT.—If an eligible county in a State that will receive a share of the State payment for fiscal year 2024 has already received, or will receive, a share of the 25-percent payment for fiscal year 2024 distributed to the State before the date of enactment of this subsection—

''(A) if the amount of the State payment exceeds the amount of the 25-percent payment, the amount of the State payment shall be reduced by the amount of the share of the eligible county of the 25-percent payment; or

''(B) if the amount of the State payment is less than or equal to the amount of the 25-percent payment, the eligible county—

''(i) may retain the amount of the share of the eligible county of the 25-percent payment; and

''(ii) if so retained, such amount shall be treated as if it were received by the county as a State payment for purposes of this Act.

''(2) COUNTY PAYMENT.—If an eligible county that will receive a county payment for fiscal year 2024 has already received a 50-percent payment for fiscal year 2024—

''(A) if the amount of the county payment exceeds the amount of the 50-percent payment, the amount of the county payment shall be reduced by the amount of the 50-percent payment; or

''(B) if the amount of the county payment is less than or equal to the amount of the 50-percent payment, the eligible county—

''(i) may retain the amount of the 50-percent payment; and

''(ii) if so retained, such amount shall be treated as if it were received as a county payment for purposes of this Act.

''(3) TIMELY PAYMENT.—Not later than 90 days after the date of enactment of this subsection, the Secretary of the Treasury shall make all payments under this title for fiscal year 2024.''.

(B) DISTRIBUTION OF PAYMENTS TO ELIGIBLE COUNTIES.—Section 103(d)(2) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7113(d)(2)) is amended by striking ''2023'' and inserting ''2026''.

(2) PAYMENTS TO STATES AND COUNTIES.—Section 102 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112) is amended—

(A) in subsection (b)—

(i) in paragraph (1), by adding at the end the following:

''(E) PAYMENTS FOR EACH OF FISCAL YEARS 2024 AND 2025.—The election otherwise required by subparagraph (A) shall not apply for each of fiscal years 2024 and 2025.''; and

(ii) in paragraph (2), by adding at the end the following:

''(C) FISCAL YEARS 2024 AND 2025.—The election described in paragraph (1)(A) applicable to a county in fiscal year 2023 shall be effective for each of fiscal years 2024 and 2025.''; and

(B) in subsection (d)—

(i) in paragraph (1), by adding at the end the following:

''(G) PAYMENTS FOR EACH OF FISCAL YEARS 2024 AND 2025.—The election made by an eligible county under subparagraph (B), (C), or (D) for fiscal year 2023, or deemed to be made by the county under paragraph (3)(B) for that fiscal year, shall be effective for each of fiscal years 2024 and 2025.''; and

(ii) in paragraph (3), by adding at the end the following:

''(E) PAYMENTS FOR EACH OF FISCAL YEARS 2024 AND 2025.—This paragraph does not apply for each of fiscal years 2024 and 2025.''.

(3) EXTENSION OF AUTHORITY TO CONDUCT SPECIAL PROJECTS ON FEDERAL LAND.—

(A) COMMITTEE ON COMPOSITION WAIVER AUTHORITY.—Section 205(d)(6)(C) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7125(d)(6)(C)) is amended by striking ''2023'' and inserting ''2026''.

(B) EXTENSION OF AUTHORITY.—Section 208 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7128) is amended—

(i) in subsection (a), by striking ''2025'' and inserting ''2028''; and

(ii) in subsection (b), by striking ''2026'' and inserting ''2029''.

(4) EXTENSION OF AUTHORITY TO EXPEND COUNTY FUNDS.—Section 305 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7144) is amended—

(A) in subsection (a), by striking ''2025'' and inserting ''2028''; and

(B) in subsection (b), by striking ''2026'' and inserting ''2029''.

(b) RESOURCE ADVISORY COMMITTEE PILOT PROGRAM EXTENSION.—Section 205(g) of the Secure Rural

Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7125(g)) is amended—

(1) in paragraph (5), by striking ''2023'' and inserting ''2026''; and

(2) by striking paragraph (6).

(c) TECHNICAL CORRECTIONS.—

(1) RESOURCE ADVISORY COMMITTEES.—Section 205 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7125) is amended—

(A) in subsection (c)—

(i) in paragraph (1), by striking ''concerned,'' and inserting ''concerned''; and

(ii) in paragraph (3), by striking ''the date of the enactment of this Act'' and inserting ''October 3, 2008''; and

(B) in subsection (d)(4), by striking ''to extent'' and inserting ''to the extent''.

(2) USE OF PROJECT FUNDS.—Section 206(b)(2) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7126(b)(2)) is amended by striking ''concerned,'' and inserting ''concerned''.

(d) RESCISSIONS.—

(1) COMPETITIVE GRANTS FOR NON-FEDERAL FOREST LANDOWNERS.—All of the unobligated balances of the funds made available under each of paragraphs (1) through (4) of section 23002(a) of subtitle D of Public Law 117–169 are rescinded.

(2) STATE AND PRIVATE FORESTRY CONSERVATION PROGRAMS.—Of the unobligated balances available under section 23003(a)(1) of subtitle D of Public Law 117–169, $100,719,676 are rescinded.

SEC. 10106. ENERGY.

Section 9005(g)(1)(F) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8105(g)(1)(F)) is amended by striking ''2024'' and inserting ''2031''.

SEC. 10107. HORTICULTURE.

(a) PLANT PEST AND DISEASE MANAGEMENT AND DISASTER PREVENTION.—Section 420(f) of the Plant Protection Act (7 U.S.C. 7721) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) by redesignating paragraph (6) as paragraph (7);

(3) by inserting after paragraph (5) the following:

''(6) $75,000,000 for each of fiscal years 2018 through 2025; and''; and

(4) in paragraph (7) (as so redesignated), by striking ''$75,000,000 for fiscal year 2018'' and inserting ''$90,000,000 for fiscal year 2026''.

(b) SPECIALTY CROP BLOCK GRANTS.—Section 101(l)(1) of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended—

(1) in subparagraph (D), by striking ''and'' at the end;

(2) by redesignating subparagraph (E) as subparagraph (F);

(3) by inserting after subparagraph (D) the following:

''(E) $85,000,000 for each of fiscal years 2018 through 2025; and''; and

(4) in subparagraph (F) (as so redesignated), by striking ''$85,000,000 for fiscal year 2018'' and inserting ''$100,000,000 for fiscal year 2026''.''.

(c) ORGANIC PRODUCTION AND MARKET DATA INITIATIVE.—Section 7407(d)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925c(d)(1)) is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(D) $10,000,000 for the period of fiscal years 2026 through 2031.''.

(d) MODERNIZATION AND IMPROVEMENT OF INTERNATIONAL TRADE TECHNOLOGY SYSTEMS AND DATA COLLECTION FUNDING.—Section 2123(c)(4) of the Organic Foods Production Act of 1990 (7 U.S.C. 6522(c)(4)) is amended, in the matter preceding subparagraph (A), by striking ''and $1,000,000 for fiscal year 2024'' and inserting '', $1,000,000 for fiscal years 2024 and 2025, and $5,000,000 for fiscal year 2026''.

(e) NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.—Section 10606(d)(1)(C) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523(d)(1)(C)) is amended by striking ''for each of fiscal years 2022 through 2024'' and inserting ''for each of fiscal years 2022 through 2031''.

(f) MULTIPLE CROP AND PESTICIDE USE SURVEY.—Section 10109(c)(1) of the Agriculture Improvement Act of 2018 (Public Law 115–334; 132 Stat. 4906) is amended to read as follows:

''(1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

''(A) $500,000 for fiscal year 2019, to remain available until expended;

''(B) $100,000 for fiscal year 2024, to remain available until expended; and

''(C) $5,000,000 for fiscal year 2026, to remain available until expended.''.

SEC. 10108. MISCELLANEOUS.

(a) ANIMAL DISEASE PREVENTION AND MANAGEMENT.—Section 10409A(d)(1) of the Animal Health Protection Act (7 U.S.C. 8308a(d)(1)) is amended to read as follows:

''(1) MANDATORY FUNDING.—

''(A) FISCAL YEARS 2023 THROUGH 2025.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $30,000,000 for each of fiscal years 2023 through 2025, of which not less than $18,000,000 shall be made available for each of those fiscal years to carry out subsection (b).

''(B) FISCAL YEARS 2026 THROUGH 2030.—Of the funds of the Commodity Credit

Corporation, the Secretary shall make available to carry out this section $233,000,000 for each of fiscal years 2026 through 2030, of which—

''(i) not less than $10,000,000 shall be made available for each such fiscal year to carry out subsection (a);

''(ii) not less than $70,000,000 shall be made available for each such fiscal year to carry out subsection (b); and

''(iii) not less than $153,000,000 shall be made available for each such fiscal year to carry out subsection (c).

''(C) SUBSEQUENT FISCAL YEARS.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $75,000,000 for fiscal year 2031 and each fiscal year thereafter, of which not less than $45,000,000 shall be made available for each of those fiscal years to carry out subsection (b).''.

(b) SHEEP PRODUCTION AND MARKETING GRANT PROGRAM.—Section 209(c) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1627a(c)) is amended—

(1) by striking ''$2,000,000 for fiscal year 2019, and''; and

(2) by inserting ''and $3,000,000 for fiscal year 2026'' after ''fiscal year 2024''.

(c) MISCELLANEOUS TRUST FUNDS.—

(1) PIMA AGRICULTURE COTTON TRUST FUND.—Section 12314 of the Agricultural Act of 2014 (7 U.S.C. 2101 note; Public Law 113–79) is amended—

(A) in subsection (b), in the matter preceding paragraph (1), by striking ''2024'' and inserting ''2031''; and

(B) in subsection (h), by striking ''2024'' and inserting ''2031''.

(2) AGRICULTURE WOOL APPAREL MANUFACTURERS TRUST FUND.—Section 12315 of the Agricultural Act of 2014 (7 U.S.C. 7101 note; Public Law 113–79) is amended by striking ''2024'' each place it appears and inserting ''2031''.

(3) WOOL RESEARCH AND PROMOTION.—Section 12316(a) of the Agricultural Act of 2014 (7 U.S.C. 7101 note; Public Law 113–79) is amended by striking ''2024'' and inserting ''2031''.

(4) EMERGENCY CITRUS DISEASE RESEARCH AND DEVELOPMENT TRUST FUND.—Section 12605(d) of the Agriculture Improvement Act of

2018 (7 U.S.C. 7632 note; Public Law 115–334) is amended by striking ''2024'' and inserting ''2031''.

TITLE II—COMMITTEE ON ARMED SERVICES

SEC. 20001. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR IMPROVING THE QUALITY OF LIFE FOR MILITARY PERSONNEL.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $230,480,000 for restoration and modernization costs under the Marine Corps Barracks 2030 initiative;

(2) $119,000,000 for base operating support costs for the Marine Corps;

(3) $1,000,000,000 for Army, Navy, Air Force, and Space Force sustainment, restoration, and modernizations of military unaccompanied housing;

(4) $2,000,000,000 for the Defense Health Program;

(5) $2,900,000,000 to supplement the basic allowance for housing payable to members of the

Armed Forces, notwithstanding section 403 of title 37, United States Code;

(6) $50,000,000 for bonuses, special pays, and incentive pays for members of the Armed Forces pursuant to titles 10 and 37, United States Code;

(7) $10,000,000 for the Defense Activity for Non-Traditional Education Support's Online Academic Skills Course program for members of the Armed Forces;

(8) $100,000,000 for tuition assistance for members of the Armed Forces pursuant to title 10, United States Code;

(9) $100,000,000 for child care fee assistance for members of the Armed Forces under part II of chapter 88 of title 10, United States Code;

(10) $590,000,000 to increase the Temporary Lodging Expense Allowance under chapter 8 of title 37, United States Code, to 21 days;

(11) $100,000,000 for Department of Defense Impact Aid payments to local educational agencies under section 2008 of title 10, United States Code;

(12) $10,000,000 for military spouse professional licensure under section 1784 of title 10, United States Code;

(13) $6,000,000 for Armed Forces Retirement Home facilities; and

(14) $100,000,000 for the Defense Community Infrastructure Program.

(b) TEMPORARY INCREASE IN PERCENTAGE OF VALUE OF AUTHORIZED INVESTMENT IN CERTAIN PRIVATIZED MILITARY HOUSING PROJECTS.—

(1) IN GENERAL.—During the period beginning on the date of the enactment of this section and ending on September 30, 2029, the Secretary concerned shall apply—

(A) paragraph (1) of subsection (c) of section 2875 of title 10, United States Code, by substituting ''60 percent'' for ''33 ⅓ percent''; and

(B) paragraph (2) of such subsection by substituting ''60 percent'' for ''45 percent''.

(2) SECRETARY CONCERNED DEFINED.—In this subsection, the term ''Secretary concerned'' has the meaning given such term in section 101 of title 10, United States Code.

(c) TEMPORARY AUTHORITY FOR ACQUISITION OR CONSTRUCTION OF PRIVATIZED MILITARY UNACCOMPANIED HOUSING.—Section 2881a of title 10, United States Code, is amended—

(1) by striking the heading and inserting ''**Temporary authority for acquisition or construction of privatized military unaccompanied housing**'';

(2) by striking ''Secretary of the Navy'' each place it appears and inserting ''Secretary concerned'';

(3) by striking ''under the pilot projects'' each place it appears and inserting ''pursuant to this section'';

(4) in subsection (a)—

(A) by striking the heading and inserting ''IN GENERAL''; and

(B) by striking ''carry out not more than three pilot projects under the authority of this section or another provision of this subchapter to use the private sector'' and inserting ''use the authority under this subchapter to enter into contracts with appropriate private sector entities'';

(5) in subsection (c), by striking ''privatized housing'' and inserting ''privatized housing units'';

(6) by redesignating subsection (f) as subsection (e); and

(7) in subsection (e) (as so redesignated)—

(A) by striking ''under the pilot programs'' and inserting ''under this section''; and

(B) by striking ''September 30, 2009'' and inserting ''September 30, 2029''.

SEC. 20002. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR SHIPBUILDING.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $250,000,000 for the expansion of accelerated Training in Defense Manufacturing program;

(2) $250,000,000 for United States production of turbine generators for shipbuilding industrial base;

(3) $450,000,000 for United States additive manufacturing for wire production and machining capacity for shipbuilding industrial base;

(4) $492,000,000 for next-generation shipbuilding techniques;

(5) $85,000,000 for United States-made steel plate for shipbuilding industrial base;

(6) $50,000,000 for machining capacity for naval propellers for shipbuilding industrial base;

(7) $110,000,000 for rolled steel and fabrication facility for shipbuilding industrial base;

(8) $400,000,000 for expansion of collaborative campus for naval shipbuilding;

(9) $450,000,000 for application of autonomy and artificial intelligence to naval shipbuilding;

(10) $500,000,000 for the adoption of advanced manufacturing techniques in the shipbuilding industrial base;

(11) $500,000,000 for additional dry-dock capability;

(12) $50,000,000 for the expansion of cold spray repair technologies;

(13) $450,000,000 for additional maritime industrial workforce development programs;

(14) $750,000,000 for additional supplier development across the naval shipbuilding industrial base;

(15) $250,000,000 for additional advanced manufacturing processes across the naval shipbuilding industrial base;

(16) $4,600,000,000 for a second Virginia-class submarine in fiscal year 2026;

(17) $5,400,000,000 for two additional Guided Missile Destroyer (DDG) ships;

(18) $160,000,000 for advanced procurement for Landing Ship Medium;

(19) $1,803,941,000 for procurement of Landing Ship Medium;

(20) $295,000,000 for development of a second Landing Craft Utility shipyard and production of additional Landing Craft Utility;

(21) $100,000,000 for the procurement of commercial logistics ships;

(22) $600,000,000 for the lease or purchase of new ships through the National Defense Sealift Fund;

(23) $2,725,000,000 for the procurement of T-AO oilers;

(24) $500,000,000 for cost-to-complete for rescue and salvage ships;

(25) $300,000,000 for production of ship-to-shore connectors;

(26) $695,000,000 for the implementation of a multi-ship amphibious warship contract;

(27) $80,000,000 for accelerated development of vertical launch system reloading at sea;

(28) $250,000,000 for expansion of Navy corrosion control programs;

(29) $159,000,000 for leasing of ships for Marine Corps operations;

(30) $1,534,000,000 for expansion of small unmanned surface vessel production;

(31) $1,800,000,000 for expansion of medium unmanned surface vessel production;

(32) $1,300,000,000 for expansion of unmanned underwater vehicle production;

(33) $188,360,000 for the development and testing of maritime robotic autonomous systems and enabling technologies;

(34) $174,000,000 for the development of a Test Resource Management Center robotic autonomous systems proving ground;

(35) $250,000,000 for the development, production, and integration of wave-powered unmanned underwater vehicles;

(36) $2,100,000,000 for San Antonio-class Amphibious Transport Dock (LPD); and

(37) $3,700,000,000 for America-class Amphibious Assault Ship (LHA).

SEC. 20003. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR INTEGRATED AIR AND MISSILE DEFENSE.

(a) NEXT GENERATION MISSILE DEFENSE TECHNOLOGIES.—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $183,000,000 for Missile Defense Agency special programs;

(2) $250,000,000 for development and testing of directed energy capabilities by the Under Secretary for Research and Engineering;

(3) $300,000,000 for classified military space superiority programs run by the Strategic Capabilities Office;

(4) $500,000,000 for national security space launch infrastructure;

(5) $2,000,000,000 for air moving target indicator military satellites;

(6) $400,000,000 for expansion of Multi-Service Advanced Capability Hypersonic Test Bed program;

(7) $5,600,000,000 for development of space-based and boost phase intercept capabilities;

(8) $2,400,000,000 for the development of military non-kinetic missile defense effects; and

(9) $7,200,000,000 for the development, procurement, and integration of military space-based sensors.

(b) LAYERED HOMELAND DEFENSE.—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $2,200,000,000 for acceleration of hypersonic defense systems;

(2) $800,000,000 for accelerated development and deployment of next-generation intercontinental ballistic missile defense systems;

(3) $408,000,000 for Army space and strategic missile test range infrastructure restoration and modernization in the United States Indo-Pacific Command area of operations west of the international dateline;

(4) $1,975,000,000 for improved ground-based missile defense radars; and

(5) $530,000,000 for the design and construction of Missile Defense Agency missile instrumentation range safety ship.

SEC. 20004. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR MUNITIONS AND DEFENSE SUPPLY CHAIN RESILIENCY.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $400,000,000 for the development, production, and integration of Navy and Air Force long-range anti-ship missiles;

(2) $380,000,000 for production capacity expansion for Navy and Air Force long-range anti-ship missiles;

(3) $490,000,000 for the development, production, and integration of Navy and Air Force long-range air-to-surface missiles;

(4) $94,000,000 for the development, production, and integration of alternative Navy and Air Force long-range air-to-surface missiles;

(5) $630,000,000 for the development, production, and integration of long-range Navy air defense and anti-ship missiles;

(6) $688,000,000 for the development, production, and integration of long-range multi-service cruise missiles;

(7) $250,000,000 for production capacity expansion and supplier base strengthening of long-range multi-service cruise missiles;

(8) $70,000,000 for the development, production, and integration of short-range Navy and Marine Corps anti-ship missiles;

(9) $100,000,000 for the development of an anti-ship seeker for short-range Army ballistic missiles;

(10) $175,000,000 for production capacity expansion for next-generation Army medium-range ballistic missiles;

(11) $50,000,000 for the mitigation of diminishing manufacturing sources for medium-range air-to-air missiles;

(12) $250,000,000 for the procurement of medium-range air-to-air missiles;

(13) $225,000,000 for the expansion of production capacity for medium-range air-to-air missiles;

(14) $50,000,000 for the development of second sources for components of short-range air-to-air missiles;

(15) $325,000,000 for production capacity improvements for air-launched anti-radiation missiles;

(16) $50,000,000 for the accelerated development of Army next-generation medium-range anti-ship ballistic missiles;

(17) $114,000,000 for the production of Army next-generation medium-range ballistic missiles;

(18) $300,000,000 for the production of Army medium-range ballistic missiles;

(19) $85,000,000 for the accelerated development of Army long-range ballistic missiles;

(20) $400,000,000 for the production of heavyweight torpedoes;

(21) $200,000,000 for the development, procurement, and integration of commercial heavyweight torpedoes;

(22) $70,000,000 for the improvement of heavyweight torpedo maintenance activities;

(23) $200,000,000 for the production of lightweight torpedoes;

(24) $500,000,000 for the development, procurement, and integration of maritime mines;

(25) $50,000,000 for the development, procurement, and integration of new underwater explosives;

(26) $55,000,000 for the development, procurement, and integration of lightweight multi-mission torpedoes;

(27) $80,000,000 for the production of sonobuoys;

(28) $150,000,000 for the development, procurement, and integration of air-delivered long-range maritime mines;

(29) $61,000,000 for the acceleration of Navy expeditionary loitering munitions deployment;

(30) $50,000,000 for the acceleration of one-way attack unmanned aerial systems with advanced autonomy;

(31) $1,000,000,000 for the expansion of the one-way attack unmanned aerial systems industrial base;

(32) $3,500,000,000 for grants made pursuant to the Industrial Base Fund established under section 4817 of title 10, United States Code;

(33) $1,000,000,000 for grants and purchase commitments made pursuant to the Industrial Base Fund established under section 4817 of title 10, United States Code;

(34) $200,000,000 for investments in solid rocket motor industrial base through the Industrial Base Fund established under section 4817 of title 10, United States Code;

(35) $400,000,000 for investments in the emerging solid rocket motor industrial base through the Industrial Base Fund established under section 4817 of title 10, United States Code;

(36) $42,000,000 for investments in second sources for large-diameter solid rocket motors for hypersonic missiles;

(37) $1,000,000,000 for the creation of next-generation automated munitions production factories;

(38) $170,000,000 for the development of advanced radar depot for repair, testing, and production of radar and electronic warfare systems;

(39) $25,000,000 for the expansion of the Department of Defense industrial base policy analysis workforce;

(40) $30,300,000 for the repair of Army missiles;

(41) $100,000,000 for the production of small and medium ammunition;

(42) $2,500,000,000 for additional activities to improve the United States production of critical minerals through the National Defense Stockpile, authorized by subchapter III of chapter 5 of title 50, United States Code;

(43) $10,000,000 for the expansion of the Department of Defense armaments cooperation workforce;

(44) $500,000,000 for the expansion of the Defense Exportability Features program;

(45) $350,000,000 for production of Navy long-range air and missile defense interceptors;

(46) $93,000,000 for replacement of Navy long-range air and missile defense interceptors;

(47) $100,000,000 for development of a second solid rocket motor source for Navy air defense and anti ship missiles;

(48) $65,000,000 for expansion of production capacity of Missile Defense Agency long-range anti-ballistic missiles;

(49) $225,000,000 for expansion of production capacity for Navy air defense and anti-ship missiles;

(50) $103,300,000 for expansion of depot level maintenance facility for Navy long-range air and missile defense interceptors;

(51) $18,000,000 for creation of domestic source for guidance section of Navy short-range air defense missiles;

(52) $65,000,000 for integration of Army medium-range air and missile defense interceptor with Navy ships;

(53) $176,100,000 for production of Army long-range movable missile defense radar;

(54) $100,000,000 for accelerated fielding of Army short-range gun-based air and missile defense system;

(55) $40,000,000 for development of low-cost alternatives to air and missile defense interceptors;

(56) $50,000,000 for acceleration of Army next-generation shoulder-fired air defense system;

(57) $91,000,000 for production of Army next-generation shoulder-fired air defense system;

(58) $500,000,000 for development, production, and integration of counter-unmanned aerial systems programs;

(59) $350,000,000 for development, production, and integration of non-kinetic counter-unmanned aerial systems programs;

(60) $250,000,000 for development, production, and integration of land-based counter-unmanned aerial systems programs;

(61) $200,000,000 for development, production, and integration of ship-based counter-unmanned aerial systems programs; and

(62) $400,000,000 for acceleration of hypersonic strike programs.

(b) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Secretary of Defense, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, $500,000,000 to the ''Department of Defense Credit Program Account'' to carry out the capital assistance program, including loans, loan guarantees, and technical assistance, established under section 149(e) of title 10, United States Code, for critical minerals and related industries and projects, including related Covered Technology Categories: *Provided*, That—

(1) such amounts are available to subsidize gross obligations for the principal amount of direct loans, and total loan principal, any part of which is to be guaranteed, not to exceed $100,000,000,000; and

(2) such amounts are available to cover all costs and expenditures as provided under section 149(e)(5)(B) of title 10, United States Code.

SEC. 20005. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR SCALING LOW-COST WEAPONS INTO PRODUCTION.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $25,000,000 for the Office of Strategic Capital Global Technology Scout program;

(2) $1,100,000,000 for the expansion of the small unmanned aerial system industrial base;

(3) $400,000,000 for the development and deployment of the Joint Fires Network and associated joint battle management capabilities;

(4) $400,000,000 for the expansion of advanced command-and-control tools to combatant commands and military departments;

(5) $100,000,000 for the development of shared secure facilities for the defense industrial base;

(6) $50,000,000 for the creation of additional Defense Innovation Unit OnRamp Hubs;

(7) $250,000,000 for the acceleration of Strategic Capabilities Office programs;

(8) $650,000,000 for the expansion of Mission Capabilities office joint prototyping and experimentation activities for military innovation;

(9) $500,000,000 for the accelerated development and integration of advanced 5G/6G technologies for military use;

(10) $25,000,000 for testing of simultaneous transmit and receive technology for military spectrum agility;

(11) $50,000,000 for the development, procurement, and integration of high-altitude stratospheric balloons for military use;

(12) $120,000,000 for the development, procurement, and integration of long-endurance unmanned aerial systems for surveillance;

(13) $40,000,000 for the development, procurement, and integration of alternative positioning and navigation technology to enable military operations in contested electromagnetic environments;

(14) $750,000,000 for the acceleration of innovative military logistics and energy capability development and deployment;

(15) $120,000,000 for the acceleration of development of small, portable modular nuclear reactors for military use;

(16) $1,000,000,000 for the expansion of programs to accelerate the procurement and fielding of innovative technologies;

(17) $90,000,000 for the development of reusable hypersonic technology for military strikes;

(18) $2,000,000,000 for the expansion of Defense Innovation Unit scaling of commercial technology for military use;

(19) $500,000,000 to prevent delays in delivery of attritable autonomous military capabilities;

(20) $1,000,000,000 for the development, procurement, and integration of low-cost cruise missiles;

(21) $124,000,000 for improvements to Test Resource Management Center artificial intelligence capabilities;

(22) $145,000,000 for the development of artificial intelligence to enable one-way attack unmanned aerial systems and naval systems;

(23) $250,000,000 for the development of the Test Resource Management Center digital test environment;

(24) $250,000,000 for the advancement of the artificial intelligence ecosystem;

(25) $250,000,000 for the expansion of Cyber Command artificial intelligence lines of effort;

(26) $250,000,000 for the acceleration of the Quantum Benchmarking Initiative;

(27) $500,000,000 for the expansion and acceleration of qualification activities and technical data management to enhance competition in defense industrial base;

(28) $400,000,000 for the expansion of the defense manufacturing technology program; and

(29) $685,000,000 for military cryptographic modernization activities.

(b) APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, $1,000,000,000 to the ''Department of Defense Credit Program Account'' to carry out the capital assistance program, including loans, loan guarantees, and technical assistance, established under section 149(e) of title 10, United States Code: *Provided*, That—

(1) such amounts are available to subsidize gross obligations for the principal amount of direct loans, and total loan principal, any part of which is to be guaranteed, not to exceed $100,000,000,000; and

(2) such amounts are available to cover all costs and expenditures as provided under section 149(e)(5)(B) of title 10, United States Code.

SEC. 20006. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR IMPROVING THE EFFICIENCY AND CYBERSECURITY OF THE DEPARTMENT OF DEFENSE.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $150,000,000 for business systems replacement to accelerate the audits of the financial statements of the Department of Defense pursuant to chapter 9A and section 2222 of title 10, United States Code;

(2) $200,000,000 for the deployment of automation and artificial intelligence to accelerate the audits of the financial statements of the Department of Defense pursuant to chapter 9A and section 2222 of title 10, United States Code;

(3) $10,000,000 for the improvement of the budgetary and programmatic infrastructure of the Office of the Secretary of Defense; and

(4) $20,000,000 for defense cybersecurity programs of the Defense Advanced Research Projects Agency.

SEC. 20007. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR AIR SUPERIORITY.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $3,150,000,000 to increase F–15EX aircraft production;

(2) $361,220,000 to prevent the retirement of F–22 aircraft;

(3) $127,460,000 to prevent the retirement of F–15E aircraft;

(4) $50,000,000 to accelerate installation of F–16 electronic warfare capability;

(5) $116,000,000 for C–17A Mobility Aircraft Connectivity;

(6) $84,000,000 for KC–135 Mobility Aircraft Connectivity;

(7) $440,000,000 to increase C–130J production;

(8) $474,000,000 to increase EA–37B production;

(9) $300,000,000 for Air Force classified programs;

(10) $678,000,000 to accelerate the Collaborative Combat Aircraft program;

(11) $400,000,000 to accelerate production of the F–47 aircraft;

(12) $230,000,000 for Navy classified programs;

(13) $500,000,000 accelerate the FA/XX aircraft;

(14) $100,000,000 for production of Advanced Aerial Sensors;

(15) $160,000,000 to accelerate V–22 nacelle improvement; and

(16) $100,000,000 to accelerate production of MQ–25 aircraft.

SEC. 20008. ENHANCEMENT OF RESOURCES FOR NUCLEAR FORCES.

(a) DOD APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $1,500,000,000 for risk reduction activities for the Sentinel intercontinental ballistic missile program;

(2) $4,500,000,000 for acceleration of the B–21 long-range bomber aircraft;

(3) $500,000,000 for improvements to the Minuteman III intercontinental ballistic missile system;

(4) $100,000,000 for capability enhancements to intercontinental ballistic missile reentry vehicles;

(5) $148,000,000 for the expansion of D5 missile motor production;

(6) $400,000,000 to accelerate the development of Trident D5LE2 submarine-launched ballistic missiles;

(7) $2,000,000,000 to accelerate the development, procurement, and integration of the nuclear-armed sea-launched cruise missile;

(8) $22,000,000 to enhance nuclear deterrence through classified programs;

(9) $168,000,000 to accelerate the production of the Survivable Airborne Operations Center program;

(10) $65,000,000 to accelerate the modernization of nuclear command, control, and communications; and

(11) $210,300,000 for the increased production of MH–139 helicopters.

(b) NNSA APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Administrator of the National Nuclear Security Administration for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $200,000,000 to perform National Nuclear Security Administration Phase 1 studies pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(2) $540,000,000 to address deferred maintenance and repair needs of the National Nuclear Security Administration pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(3) $1,000,000,000 to accelerate the construction of National Nuclear Security Administration facilities pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(4) $400,000,000 to accelerate the development, procurement, and integration of the warhead for the nuclear-armed sea-launched cruise missile

pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(5) $500,000,000 to accelerate primary capability modernization pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(6) $500,000,000 to accelerate secondary capability modernization pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401); and

(7) $100,000,000 to accelerate domestic uranium enrichment centrifuge deployment for defense purposes pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401).

SEC. 20009. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES TO IMPROVE CAPABILITIES OF UNITED STATES INDO-PACIFIC COMMAND.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $365,000,000 for Army exercises and operations in the Western Pacific area of operations;

(2) $53,000,000 for Special Operations Command exercises and operations in the Western Pacific area of operations;

(3) $47,000,000 for Marine Corps exercises and operations in Western Pacific area of operations;

(4) $90,000,000 for Air Force exercises and operations in Western Pacific area of operations;

(5) $532,600,000 for the Pacific Air Force biennial large-scale exercise;

(6) $19,000,000 for the development of naval small craft capabilities;

(7) $35,000,000 for military additive manufacturing capabilities in the United States Indo-Pacific Command area of operations west of the international dateline;

(8) $450,000,000 for the development of airfields within the area of operations of United States Indo-Pacific Command;

(9) $1,100,000,000 for development of infrastructure within the area of operations of United States Indo-Pacific Command;

(10) $124,000,000 for mission networks for United States Indo-Pacific Command;

(11) $100,000,000 for Air Force regionally based cluster pre-position base kits;

(12) $25,000,000 to explore the revitalization of existing Arctic naval infrastructure;

(13) $90,000,000 for the accelerated development of non-kinetic capabilities;

(14) $20,000,000 for United States Indo-Pacific Command military exercises;

(15) $23,000,000 for anti-submarine sonar arrays;

(16) $30,000,000 for surveillance and reconnaissance capabilities for United States Africa Command;

(17) $30,000,000 for surveillance and reconnaissance capabilities for United States Indo-Pacific Command;

(18) $400,000,000 for the development, coordination, and deployment of economic competition effects within the Department of Defense;

(19) $10,000,000 for the expansion of Department of Defense workforce for economic competition;

(20) $1,000,000,000 for offensive cyber operations;

(21) $500,000,000 for personnel and operations costs associated with forces assigned to United States Indo-Pacific Command;

(22) $300,000,000 for the procurement of mesh network communications capabilities for Special Operations Command Pacific;

(23) $850,000,000 for the replenishment of military articles;

(24) $200,000,000 for acceleration of Guam Defense System program;

(25) $4,029,000,000 for classified military space superiority programs;

(26) $68,000,000 for Space Force facilities improvements;

(27) $100,000,000 for ground moving target indicator military satellites; and

(28) $528,000,000 for DARC and SILENTBARKER military space situational awareness programs.

SEC. 20010. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR IMPROVING THE READINESS OF THE ARMED FORCES.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $1,400,000,000 for a pilot program on OPN-8 maritime spares and repair rotable pool;

(2) $700,000,000 for a pilot program on OPN-8 maritime spares and repair rotable pool for amphibious ships;

(3) $2,118,000,000 for spares and repairs to keep Air Force aircraft mission capable;

(4) $1,500,000,000 for Army depot modernization and capacity enhancement;

(5) $2,000,000,000 for Navy depot and shipyard modernization and capacity enhancement;

(6) $250,000,000 for Air Force depot modernization and capacity enhancement;

(7) $1,391,000,000 for the enhancement of Special Operations Command equipment and readiness;

(8) $500,000,000 for National Guard unit readiness;

(9) $400,000,000 for Marine Corps readiness and capabilities;

(10) $20,000,000 for upgrades to Marine Corps utility helicopters;

(11) $310,000,000 for next-generation vertical lift, assault, and intra-theater aeromedical evacuation aircraft;

(12) $75,000,000 for the procurement of anti-lock braking systems for Army wheeled transport vehicles;

(13) $230,000,000 for the procurement of Army wheeled combat vehicles;

(14) $63,000,000 for the development of advanced rotary-wing engines;

(15) $241,000,000 for the development, procurement, and integration of Marine Corps amphibious vehicles;

(16) $250,000,000 for the procurement of Army tracked combat transport vehicles; and

(17) $98,000,000 for additional Army light rotary-wing capabilities.

SEC. 20011. IMPROVING DEPARTMENT OF DEFENSE BORDER SUPPORT AND COUNTER-DRUG MISSIONS.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, $5,000,000,000 for activities in support of border operations, including deployment of military personnel, operations and maintenance, counter-narcotics and counter-transnational criminal organization mission support, the

operation of and construction in national defense areas, the temporary detention of migrants on Department of Defense installations.

SEC. 20012. DEPARTMENT OF DEFENSE OVERSIGHT.

(a) OFFICE OF THE SECRETARY OF DEFENSE.—In addition to amounts otherwise available, there is appropriated to the Inspector General of the Department of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available through September 30, 2029, to carry out this section.

(b) OVERSIGHT OF PROGRAMS.—The Inspector General shall monitor Department of Defense activities for which funding is appropriated in this title, including—

(1) programs with mutual technological dependencies;

(2) programs with related data management and data ownership considerations;

(3) programs particularly vulnerable to supply chain disruptions and long lead time components; and

(4) programs involving classified matters.

(c) CLASSIFIED MATTERS.—Not later than 30 days after the date of the enactment of this title, the Chairs of the Committees on Armed Services of the Senate and

House of Representatives shall jointly transmit to the Department of Defense a classified memorandum regarding amounts made available in this title related to classified matters.

SEC. 20013. MILITARY CONSTRUCTION PROJECTS AUTHORIZED.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for military construction, land acquisition, and military family housing functions of each military department (as defined in section 101(a) of title 10, United States Code) as specified in this title.

(b) SPENDING PLAN.—Not later than 30 days after the date of the enactment of this title, the Secretary of each military department shall submit to the Committees on Armed Services of the Senate and House of Representatives a detailed spending plan by project for all funds made available by this title to be expended on military construction projects.

SEC. 20014. PLAN REQUIRED.

(a) IN GENERAL.—Not later than 45 days after the date of the enactment of this title, the Secretary of Defense and the Administrator of the National Nuclear Security Agency, as appropriate, shall submit to the Committees on Armed Services of the Senate and the House of

Representatives a spending, expenditure, or operating plan for amounts made available pursuant to this title. Such plan shall include the same level of detail as required for the report submitted under section 8007 of division A of the Further Consolidated Appropriations Act, 2024 (Public Law 118–47; 138 Stat. 482).

(b) EXPENDITURE REPORT.—Not later than one year after the date of enactment of this title, and annually thereafter, the Secretary and the Administrator of the National Nuclear Security Agency, as appropriate, shall submit to the Committees on Armed Services of the Senate and the House of Representative a report that includes a description of any expenditures made pursuant to the plan required under subsection (a).

SEC. 20015. LIMITATION ON AVAILABILITY OF FUNDS.

The funds made available under this title may not be used to enter into any agreement under which any payment of such funds could be outlaid or disbursed after September 30, 2034.

TITLE III—COMMITTEE ON EDUCATION AND WORKFORCE

Subtitle A—Student Eligibility

SEC. 30001. STUDENT ELIGIBILITY.

(a) IN GENERAL.—Section 484(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(5)) is amended to read as follows:

''(5) be—

''(A) a citizen or national of the United States;

''(B) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.);

''(C) an alien who—

''(i) is a citizen or national of the Republic of Cuba;

''(ii) is the beneficiary of an approved petition under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a));

''(iii) meets all eligibility requirements for an immigrant visa but for whom such a visa is not immediately available;

"(iv) is not otherwise inadmissible under section 212(a) of such Act (8 U.S.C. 1182(a)); and

"(v) is physically present in the United States pursuant to a grant of parole in furtherance of the commitment of the United States to the minimum level of annual legal migration of Cuban nationals to the United States specified in the U.S.-Cuba Joint Communiqué on Migration, done at New York September 9, 1994, and reaffirmed in the Cuba-United States: Joint Statement on Normalization of Migration, Building on the Agreement of September 9, 1994, done at New York May 2, 1995; or

"(D) an individual who lawfully resides in the United States in accordance with a Compact of Free Association referred to in section 402(b)(2)(G) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(G)); and".

(b) EFFECTIVE DATE AND APPLICATION.—The amendment made by subsection (a) shall take effect on July 1, 2025, and shall apply with respect to award year

2025–2026 and each subsequent award year, as determined under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

SEC. 30002. AMOUNT OF NEED; COST OF ATTENDANCE; MEDIAN COST OF COLLEGE.

(a) AMOUNT OF NEED.—Section 471 of the Higher Education Act of 1965 (20 U.S.C. 1087kk) is amended by amending paragraph (1) to read as follows:

''(1)(A) for award year 2025–2026, the cost of attendance of such student; or

''(B) for award year 2026–2027, and each subsequent award year, the median cost of college of the program of study of such student, minus''.

(b) COST OF ATTENDANCE OF A PROGRAM OF STUDY.—

(1) DETERMINATION OF COST OF ATTENDANCE OF A PROGRAM OF STUDY.—

(A) IN GENERAL.—Section 472(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ll(a)) is amended—

(i) in paragraph (1), by striking ''carrying the same academic workload'' and inserting ''enrolled in the same program of study'';

(ii) in paragraph (2), by striking ''same course of study'' and inserting ''same program of study''; and

(iii) in paragraph (14), by striking ''program'' and inserting ''program of study''.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect on July 1, 2026, and shall apply with respect to award year 2026–2027 and each subsequent award year, as determined under the Higher Education Act of 1965.

(2) DISCLOSURE.—Section 472(c) of the Higher Education Act of 1965 (20 U.S.C. 1087ll(c)) is amended—

(A) by inserting ''of each program of study at the institution'' after ''cost of attendance''; and

(B) by striking ''of the institution'' and inserting ''of such programs of study at the institution''.

(c) DETERMINATION OF MEDIAN COST OF COLLEGE.—Part F of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087kk) is amended by inserting after section 472 (as so amended), the following:

"SEC. 472A. DETERMINATION OF MEDIAN COST OF COLLEGE.

"(a) IN GENERAL.—For the purpose of this title, the term 'median cost of college', when used with respect to a program of study, offered by one or more institutions of higher education for an award year, means the median of the cost of attendance of the program of study (as determined under section 472) across all institutions of higher education offering such a program of study for the preceding award year.

"(b) PROGRAM OF STUDY DEFINED.—In this section and section 472, and part D:

"(1) IN GENERAL.—The term 'program of study'—

"(A) means an eligible program at an institution of higher education that is classified by a combination of—

"(i) one or more CIP codes; and

"(ii) one credential level, determined by the credential awarded upon completion of the program; and

"(B) does not include a program of study abroad.

"(2) CIP CODE.—The term 'CIP code' means the six-digit taxonomic identification code assigned by an institution of higher education to a specific

program of study at the institution, determined by the institution of higher education in accordance with the Classification of Instructional Programs published by the National Center for Education Statistics.

''(3) CREDENTIAL LEVEL.—

''(A) IN GENERAL.—The term 'credential level' means the level of the degree or other credential awarded by an institution of higher education to students who complete a program of study of the institution. Each degree or other credential awarded by an institution shall be categorized by the institution as either undergraduate credential level or graduate credential level.

''(B) UNDERGRADUATE CREDENTIAL.—When used with respect to a credential or credential level, the term 'undergraduate credential' includes credentials such as an undergraduate certificate, an associate degree, a bachelor's degree, and a post-baccalaureate certificate (including the coursework specified in paragraphs (3)(B) and (4)(B) of section 484(b)).

''(C) GRADUATE CREDENTIAL.—When used with respect to a credential or credential level, the term 'graduate credential' includes credentials such as a master's degree, a doctoral degree, a professional degree, and a postgraduate certificate.''.

(d) EXEMPTION OF CERTAIN ASSETS.—

(1) IN GENERAL.—Section 480(f)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(f)(2)) is amended—

(A) by striking ''net value of the'' and inserting the following: ''net value of—

''(A) the'';

(B) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

''(B) a family farm on which the family resides; or

''(C) a small business with not more than 100 full-time or full-time equivalent employees (or any part of such a small business) that is owned and controlled by the family.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on July 1, 2026, and shall apply with respect to award year 2026–

2027 and each subsequent award year, as determined under the Higher Education Act of 1965.

Subtitle B—Loan Limits

SEC. 30011. LOAN LIMITS.

(a) TERMINATIONS OF AND RESTRICTIONS ON LOAN AUTHORITY.—

(1) TERMINATION OF AUTHORITY TO MAKE SUBSIDIZED LOANS TO UNDERGRADUATE STUDENTS.—Section 455(a)(3) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)(3)) is amended by adding at the end the following:

"(C) TERMINATION OF AUTHORITY TO MAKE SUBSIDIZED LOANS TO UNDERGRADUATE STUDENTS.—Notwithstanding any provision of this part or part B, except as provided in paragraph (4), for any period of instruction beginning on or after July 1, 2026—

"(i) an undergraduate student shall not be eligible to receive a Federal Direct Stafford loan under this part; and

"(ii) the maximum annual amount of Federal Direct Unsubsidized Stafford loans such a student may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the

maximum annual amount for such student determined under paragraph (5)).''.

(2) TERMINATION OF AUTHORITY TO MAKE FEDERAL DIRECT PLUS LOANS TO ANY STUDENT BORROWER.—Section 455(a)(3) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)(3)) is further amended by adding at the end the following:

''(D) TERMINATION OF AUTHORITY TO MAKE FEDERAL DIRECT PLUS LOANS TO ANY STUDENT BORROWER.—Notwithstanding any provision of this part or part B, except as provided in paragraph (4), for any period of instruction beginning on or after July 1, 2026, a graduate student or professional student shall not be eligible to receive a Federal Direct PLUS Loan under this part.''.

(3) RESTRICTION ON AUTHORITY TO MAKE FEDERAL DIRECT PLUS LOANS TO ANY PARENT BORROWER.—Section 455(a)(3) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)(3)) is further amended by adding at the end the following:

''(E) RESTRICTION ON AUTHORITY TO MAKE FEDERAL DIRECT PLUS LOANS TO ANY PARENT BORROWER.—

"(i) IN GENERAL.—Notwithstanding any provision of this part or part B, except as provided in clause (ii) and paragraph (4), for any period of instruction beginning on or after July 1, 2026, a parent, on behalf of a dependent student, shall not be eligible to receive a Federal Direct PLUS Loan under this part.

"(ii) EXCEPTION.—A parent may receive a Federal Direct PLUS Loan under this part, on behalf of a dependent student, in any academic year (as defined in section 481(a)(2)) or its equivalent if—

"(I) such student borrows the maximum annual amount of Federal Direct Unsubsidized Stafford loans such student may borrow in such academic year; and

"(II) such maximum annual amount is less than the cost of attendance of the program of study of such student.".

(4) CONFORMING AMENDMENTS.—Section 455(a)(3) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)(3)) is further amended—

(A) in the paragraph heading, by striking ''TERMINATION OF AUTHORITY TO MAKE INTEREST SUBSIDIZED LOANS TO GRADUATE AND PROFESSIONAL STUDENTS'' and inserting ''TERMINATIONS OF AND RESTRICTIONS ON LOAN AUTHORITY'';

(B) in subparagraph (A)—

(i) in the heading, by striking ''IN GENERAL'' and inserting ''TERMINATION OF AUTHORITY TO MAKE SUBSIDIZED LOANS TO GRADUATE AND PROFESSIONAL STUDENTS'';

(ii) in the matter preceding clause (i), by striking ''beginning on or after July 1, 2012'';

(iii) in clause (i), by striking ''a graduate'' and inserting ''beginning on or after July 1, 2012, a graduate''; and

(iv) in clause (ii), by striking ''the maximum annual amount of Federal'' and inserting ''beginning on or after July 1, 2012, and ending June 30, 2026, the maximum annual amount of Federal''; and

(C) in subparagraph (B)—

(i) in the heading, by striking ''EXCEPTION'' and inserting ''EXCEPTION FOR SUBSIDIZED LOANS TO INDIVIDUALS ENROLLED IN CERTAIN COURSE WORK''.

(ii) by striking ''Subparagraph (A)'' and inserting ''For any period of instruction beginning on or after July 1, 2012, and ending June 30, 2026, subparagraph (A)''.

(b) INTERIM RULES FOR ENROLLED BORROWERS.—Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended by adding at the end the following:

''(4) INTERIM EXCEPTION FOR CERTAIN STUDENTS.—

''(A) APPLICATION OF PRIOR LIMITS.—Subparagraphs (C), (D), and (E) of paragraph (3), and paragraphs (5) and (6), shall not apply, during the expected time to credential described in subparagraph (B), with respect to an individual who, as of June 30, 2026—

''(i) is enrolled in a program of study at an institution of higher education; and

''(ii) has received a loan (or on whose behalf a loan was made) under this part for such program of study.

''(B) EXPECTED TIME TO CREDENTIAL.—For purposes of this paragraph, the expected time to credential of an individual shall be equal to the lesser of—

''(i) three academic years; or

''(ii) the period determined by calculating the difference between—

''(I) the program length (as defined in section 420W) for the program of study in which the individual is enrolled; and

''(II) the period of such program of study that such individual has completed as of the date of the determination under this subparagraph.''.

(c) LOAN LIMITS FOR UNSUBSIDIZED LOANS AND CERTAIN FEDERAL DIRECT PLUS LOANS.—

(1) ANNUAL AND AGGREGATE UNSUBSIDIZED LOAN LIMITS.—Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is further amended by adding at the end the following:

"(5) ANNUAL AND AGGREGATE UNSUBSIDIZED LOAN LIMITS.—

"(A) UNDERGRADUATE STUDENTS.—

"(i) ANNUAL LOAN LIMITS.—Notwithstanding any provision of this part or part B, subject to subparagraph (C) and except as provided in paragraph (4), beginning on July 1, 2026, the maximum annual amount of Federal Direct Unsubsidized Stafford loans that an undergraduate student may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the difference between—

"(I) the amount of the median cost of college of the program of study in which the student is enrolled; and

"(II) the amount of the Federal Pell Grant under section 401 awarded to the student for such academic year.

"(ii) AGGREGATE LIMITS.—Notwithstanding any provision of this part or part B, except as provided in paragraph (4), beginning on July 1, 2026, the maximum aggregate amount of Federal Direct Unsubsidized Stafford loans that a student may

borrow for programs of study that award an undergraduate credential upon completion of such a program shall be $50,000.

''(B) GRADUATE AND PROFESSIONAL STUDENTS.—

''(i) ANNUAL LIMITS.—Notwithstanding any provision of this part or part B, subject to subparagraph (C) and except as provided in paragraph (4), beginning on July 1, 2026, the maximum annual amount of Federal Direct Unsubsidized Stafford loans that a graduate student or professional student may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the amount of the median cost of college of the program of study in which the student is enrolled.

''(ii) AGGREGATE LIMITS.—Notwithstanding any provision of this part or part B, except as provided in paragraph (4), beginning on July 1, 2026, the maximum aggregate amount of Federal Direct Unsubsidized Stafford loans that, in addition to

the maximum aggregate amount described in subparagraph (A)(ii)—

"(I) a graduate student—

"(aa) who is not (and has not been) a professional student, may borrow for programs of study described in subparagraph (D)(i) shall be $100,000; or

"(bb) who is (or has been) a professional student, may borrow for programs of study described in subparagraph (D)(i) shall be an amount equal to—

"(AA) $150,000, minus

"(BB) the amount such student borrowed for programs of study described in subclauses (I) and (II) of subparagraph (D)(ii); and

"(II) a professional student—

"(aa) who is not (and has not been) a graduate student, may borrow for programs of study described in subclauses (I)

and (II) of subparagraph (D)(ii) shall be $150,000; or

''(bb) who is (or has been) a graduate student, may borrow for programs of study described in subclauses (I) and (II) of subparagraph (D)(ii) shall be an amount equal to—

''(AA) $150,000, minus

''(BB) the amount such student borrowed for programs of study described in subparagraph (D)(i).

''(C) LESS THAN FULL-TIME ENROLLMENT.—In any case where a student is enrolled in an program of study of an institution of higher education on less than a full-time basis during any academic year, the amount of a loan that student may borrow for an academic year (as defined in section 481(a)(2)) or its equivalent shall be reduced in direct proportion to the degree to which that student is not so enrolled on a full-time basis, rounded to the nearest whole percentage point, as provided in a sched-

ule of reductions published by the Secretary computed for purposes of this paragraph.

''(D) DEFINITION.—For purposes of this subsection:

''(i) GRADUATE STUDENT.—The term 'graduate student' means a student enrolled in a program of study that awards a graduate credential (other than a professional degree) upon completion of the program.

''(ii) PROFESSIONAL STUDENT.—The term 'professional student' means a student enrolled in a program of study that—

''(I) awards a professional degree upon completion of the program; or

''(II) provides the training described in part 141 of title 14, Code of Federal Regulations (or any successor regulations).

''(iii) UNDERGRADUATE STUDENT.—The term 'undergraduate student' means a student enrolled in a program of study that awards an undergraduate credential upon completion of the program.''.

(2) ANNUAL AND AGGREGATE FEDERAL DIRECT PLUS LOANS LIMITS FOR PARENT BORROWERS.—Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is further amended by adding at the end the following:

"(6) ANNUAL AND AGGREGATE FEDERAL DIRECT PLUS LOANS LIMITS FOR PARENT BORROWERS.—

"(A) ANNUAL LIMITS.—Notwithstanding any provision of this part or part B, subject to paragraph (3)(E) and except as provided in paragraph (4), beginning on July 1, 2026, the maximum annual amount of Federal Direct PLUS loans that a parent may borrow, on behalf of a dependent student, in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the amount equal to—

"(i) the cost of attendance of the program of study of such student; minus

"(ii) the maximum annual amount of Federal Direct Unsubsidized Stafford loans such student may borrow in such academic year.

"(B) LIFETIME MAXIMUM AGGREGATE LIMITS.—Notwithstanding any provision of this

part or part B, subject to paragraph (3)(E) and except as provided in paragraph (4), beginning on July 1, 2026, the maximum aggregate amount of Federal Direct PLUS loans that a parent may borrow on behalf of dependent students shall be $50,000, without regard to—

''(i) the number of dependent students on behalf of whom such parent borrows such a loan; or

''(ii) any amounts repaid, forgiven, canceled, or otherwise discharged on any such loan.''.

(3) LIFETIME MAXIMUM AGGREGATE AMOUNT FOR ALL STUDENTS.—Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is further amended by adding at the end the following:

''(7) LIFETIME MAXIMUM AGGREGATE AMOUNT FOR ALL STUDENTS.—Notwithstanding any provision of this part or part B, except as provided in paragraph (4), beginning on July 1, 2026, the maximum aggregate amount of loans made, insured, or guaranteed under this title that a student may borrow (other than a Federal Direct PLUS loan, or loan under section 428B, made to the student as a parent borrower on behalf of a dependent student)

shall be $200,000, without regard to any amounts repaid, forgiven, canceled, or otherwise discharged on any such loan.''.

(4) INSTITUTIONALLY DETERMINED LIMITS.—Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is further amended by adding at the end the following:

''(8) INSTITUTIONALLY DETERMINED LIMITS.—Notwithstanding the annual loan limits described in subparagraphs (A)(i) and (B)(i) of paragraph (5) and subparagraph (A) of paragraph (6), beginning on July 1, 2026, an institution of higher education (at the discretion of a financial aid administrator at the institution) may limit the total amount of loans made under this part for a program of study for an academic year (as defined in section 481(a)(2)) that a student may borrow, and that a parent may borrow on behalf of such student, as long as any such limit is applied consistently to all students enrolled in such program of study.''.

Subtitle C—Loan Repayment

SEC. 30021. LOAN REPAYMENT.

(a) TRANSITION TO INCOME-BASED REPAYMENT PLANS.—

(1) AUTHORITY TO TRANSITION TO INCOME-BASED REPAYMENT PLANS.—

(A) AUTHORITY TO CARRY OUT TRANSITION.—Beginning on the date of enactment of this title, the Secretary of Education shall take such steps as may be necessary to apply the repayment plan under section 493C of the Higher Education Act of 1965 (as amended by this title) to the loans of each borrower who, on the day before such date of enactment, is in a repayment status in accordance with, or an administrative forbearance associated with, an income-contingent repayment plan authorized under section 455(e) of the Higher Education Act of 1965 (as in effect on the day before the date of enactment of this title).

(B) DEADLINE FOR TRANSITION.—The Secretary shall complete the application of the repayment plan under section 493C to the loans described in paragraph (1) as soon as practicable, but not later than 9 months after the date of enactment of this title.

(2) LIMITATION OF REGULATORY AUTHORITY.—The Secretary may not establish, promulgate, issue, or modify any regulations or guidance with re-

spect to any income-based repayment plan under the Higher Education Act of 1965, except that the Secretary may—

(A) during the 270-day period after the date of enactment of this title, issue an interim final rule as necessary for the application of the repayment plan under section 493C of such Act of 1965 in accordance with paragraph (1);

(B) during the 270-day period after the date of enactment of this title, issue an interim final rule as necessary to implement the amendments to such section 493C made by subsection (f) of this title; and

(C) during the 18-month period after the date of enactment of this title, issue an interim final rule as necessary to implement the income-based Repayment Assistance Program under section 455(q) of such Act of 1965 (as added by this title).

(3) WAIVER OF NEGOTIATED RULEMAKING.—Any guidance or regulations issued or modified in accordance with subparagraph (A) or (B) of paragraph (2) shall not be subject to negotiated rulemaking requirements under section 492 of the Higher Education Act of 1965 (20 U.S.C. 1098a).

(b) REPAYMENT PLANS.—Section 455(d) of the Higher Education Act of 1965 (20 U.S.C. 1087e(d)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting ''before July 1, 2026, who has not received a loan made under this part on or after July 1, 2026,'' after ''made under this part'';

(B) by amending subparagraph (D) to read as follows:

''(D) beginning on July 1, 2026, the income-based Repayment Assistance Plan under subsection (q), provided that—

''(i) the borrower is required to pay each outstanding loan of the borrower made under this part under such Repayment Assistance Plan;

''(ii) such Plan shall not be available to borrowers with an excepted loan (as defined in paragraph (7)); and

''(iii) the borrower may not change the borrower's selection of the Repayment Assistance Plan except in accordance with paragraph (7)(C).''; and

(C) in subparagraph (E)—

(i) by striking ''that enables borrowers who have a partial financial hardship to make a lower monthly payment''; and

(ii) by striking ''a Federal Direct Consolidation Loan, if the proceeds of such loan were used to discharge the liability on such Federal Direct PLUS Loan or a loan under section 428B made on behalf of a dependent student'' and inserting ''an excepted Consolidation Loan (as defined in section 493C(a)(2))'';

(2) in paragraph (5), by amending subparagraph (B) to read as follows:

''(B) repay the loan pursuant to an income-based repayment plan under subsection (q) or section 493C, as applicable.''; and

(3) by adding at the end the following:

''(6) TERMINATION AND LIMITATION OF REPAYMENT AUTHORITY.—

''(A) SUNSET OF REPAYMENT PLANS AVAILABLE BEFORE JULY 1, 2026.—Paragraphs (1) through (4) of this subsection shall only apply to loans made under this part before July 1, 2026.

''(B) PROHIBITIONS.—The Secretary may not, for any loan made under this part on or after July 1, 2026—

''(i) authorize a borrower of such a loan to repay such loan pursuant to a repayment plan that is not described in paragraph (7)(A); or

''(ii) carry out or modify a repayment plan that is not described in such paragraph.

''(7) REPAYMENT PLANS FOR LOANS MADE ON OR AFTER JULY 1, 2026.—

''(A) DESIGN AND SELECTION.—Beginning on July 1, 2026, the Secretary shall offer a borrower of a loan made under this part on or after such date (including such a borrower who also has a loan made under this part before such date) two plans for repayment of the borrower's loans under this part, including principal and interest on such loans. The borrower shall be entitled to accelerate, without penalty, repayment on such loans. The borrower may choose—

''(i) a standard repayment plan—

''(I) with a fixed monthly repayment amount paid over a fixed period of time equal to the applicable period determined under subclause (II); and

''(II) with the applicable period of time for repayment determined based on the total outstanding principal of all loans of the borrower made under this part before, on, or after July 1, 2026, at the time the borrower is entering repayment under such plan, as follows—

''(aa) for a borrower with total outstanding principal of less than $25,000, a period of 10 years;

''(bb) for a borrower with total outstanding principal of not less than $25,000 and less than $50,000, a period of 15 years;

''(cc) for a borrower with total outstanding principal of not less than $50,000 and less than $100,000, a period of 20 years; and

"(dd) for a borrower with total outstanding principal of $100,000 or more, a period of 25 years; or

"(ii) the income-based Repayment Assistance Plan under subsection (q).

"(B) SELECTION BY SECRETARY.—If a borrower of a loan made under this part on or after July 1, 2026, does not select a repayment plan described in subparagraph (A), the Secretary shall provide the borrower with the standard repayment plan described in subparagraph (A)(i).

"(C) SELECTION AVAILABLE FOR EACH NEW LOAN; SELECTION APPLIES TO ALL OUTSTANDING LOANS.—Each time a borrower receives a loan made under this part on or after July 1, 2026, the borrower may select either the standard repayment plan under subparagraph (A)(i) or the Repayment Assistance Plan under subparagraph (A)(ii), provided that the borrower is required to pay each outstanding loan of the borrower made under this part under such selected repayment plan.

''(D) PERMISSIBLE CHANGES OF REPAYMENT PLAN.—

''(i) CHANGING FROM STANDARD REPAYMENT PLAN.—A borrower may change the borrower's selection of the standard repayment plan under subparagraph (A)(i), or the Secretary's selection of such plan for the borrower under subparagraph (C), as the case may be, to the Repayment Assistance Plan under subparagraph (A)(ii) at any time.

''(ii) LIMITED CHANGE FROM REPAYMENT ASSISTANCE PLAN.—A borrower may not change the borrower's selection of the Repayment Assistance Plan under subparagraph (A)(ii), except in accordance with subparagraph (C).

''(E) SPECIAL RULE FOR EXCEPTED LOAN BORROWERS WITH LOANS MADE ON OR AFTER JULY 1, 2026.—

''(i) STANDARD REPAYMENT PLAN REQUIRED.—Notwithstanding subparagraphs (A) through (D), beginning on July 1, 2026, the Secretary shall require a borrower who has an excepted loan and who

has received a loan made under this part on or after such date to repay each outstanding loan of the borrower made under this part, including principal and interest on such loans, under the standard repayment plan under subparagraph (A)(i). The borrower shall be entitled to accelerate, without penalty, repayment on such loans.

''(ii) EXCEPTED LOAN DEFINED.—For the purposes of this paragraph, the term 'excepted loan' means a loan with an outstanding balance that is—

''(I) a Federal Direct PLUS Loan that is made on behalf of a dependent student; or

''(II) a Federal Direct Consolidation Loan, if the proceeds of such loan were used to the discharge the liability on—

''(aa) an excepted PLUS loan, as defined in section 493C(a)(1); or

''(bb) an excepted consolidation loan (as such term is defined in section 493C(a)(2)(A), not-

withstanding subparagraph (B) of such section).

''(F) TREATMENT OF BORROWERS WITHOUT LOANS MADE ON OR AFTER JULY 1, 2026.—A borrower who has an outstanding loan (including an excepted loan) made under this part before July 1, 2026, and who has not received a loan made under this part on or after July 1, 2026, shall not be eligible to change the borrower's selection of a repayment plan to the standard repayment plan under subparagraph (A)(i).''.

(c) ELIMINATION OF AUTHORITY TO PROVIDE INCOME CONTINGENT REPAYMENT PLANS.—

(1) REPEAL.—Subsection (e) of section 455 the Higher Education Act of 1965 (20 U.S.C. 1087e(e)) is repealed.

(2) FURTHER AMENDMENTS TO ELIMINATE INCOME CONTINGENT REPAYMENT.—

(A) Section 428 of the Higher Education Act of 1965 (20 U.S.C. 1078) is amended—

(i) in subsection (b)(1)(D), by striking ''be subject to income contingent repayment in accordance with subsection (m)'' and inserting ''be subject to income-based

repayment in accordance with subsection (m)''; and

(ii) in subsection (m)—

(I) in the subsection heading, by striking ''INCOME CONTINGENT AND'';

(II) by amending paragraph (1) to read as follows:

''(1) AUTHORITY OF SECRETARY TO REQUIRE.—The Secretary may require borrowers who have defaulted on loans made under this part that are assigned to the Secretary under subsection (c)(8) to repay those loans pursuant to an income-based repayment plan under section 455(q) or section 493C, as applicable.''; and

(III) in the heading of paragraph (2), by striking ''INCOME CONTINGENT OR''.

(B) Section 428C of the Higher Education Act of 1965 (20 U.S.C. 1078–3) is amended—

(i) in subsection (a)(3)(B)(i)(V)(aa), by striking ''for the purposes of obtaining income contingent repayment or income-based repayment'' and inserting ''for the purposes of qualifying for an income-based

repayment plan under section 455(q) or section 493C, as applicable'';

(ii) in subsection (b)(5), by striking ''be repaid either pursuant to income contingent repayment under part D of this title, pursuant to income-based repayment under section 493C, or pursuant to any other repayment provision under this section'' and inserting ''be repaid pursuant to an income-based repayment plan under section 493C or any other repayment provision under this section''; and

(iii) in subsection (c)—

(I) in paragraph (2)(A), by striking ''or by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5)'' and inserting ''or by the terms of repayment pursuant to an income-based repayment plan under section 493C''; and

(II) in paragraph (3)(B), by striking ''except as required by the terms of repayment pursuant to income contingent repayment offered by

the Secretary under subsection (b)(5)'' and inserting ''except as required by the terms of repayment pursuant to an income-based repayment plan under section 493C''.

(C) Section 485(d)(1) of the Higher Education Act of 1965 (20 U.S.C. 1092(d)(1)) is amended by striking ''income-contingent and''.

(D) Section 494(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1098h(a)(2)) is amended—

(i) in the paragraph heading, by striking ''INCOME-CONTINGENT AND INCOME-BASED'' and inserting ''INCOME-BASED'';

(ii) in subparagraph (A)—

(I) in the matter preceding clause (i), by striking ''income-contingent or''; and

(II) in clause (ii)(I), by inserting ''(as in effect on the day before the date of repeal of subsection (e) of section 455)'' after ''section 455(e)(8)''.

(d) REPAYMENT ASSISTANCE PLAN.—Section 455 of the Higher Education Act of 1965 (20 U.S.C. 1087e) is

amended by adding at the end the following new subsection:

"(q) REPAYMENT ASSISTANCE PLAN.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, beginning on July 1, 2026, the Secretary shall carry out an income-based repayment plan (to be known as the 'Repayment Assistance Plan'), that shall have the following terms and conditions:

"(A) The total monthly repayment amount owed by a borrower for all of the loans of the borrower that are repaid pursuant to the Repayment Assistance Plan shall be equal to the applicable monthly payment of a borrower calculated under paragraph (3)(B), except that the borrower may not be precluded from repaying an amount that exceeds such amount for any month.

"(B) The Secretary shall apply the borrower's applicable monthly payment under this paragraph first toward interest due on each such loan, next toward any fees due on each loan, and then toward the principal of each loan.

''(C) Any principal due and not paid under subparagraph (B) or paragraph (2)(B) shall be deferred.

''(D) A borrower who is not in a period of deferment or forbearance shall make an applicable monthly payment for each month until the earlier of—

''(i) the date on which the outstanding balance of principal and interest due on all of the loans of the borrower that are repaid pursuant to the Repayment Assistance Plan is $0; or

''(ii) the date on which the borrower has made 360 qualifying monthly payments.

''(E) The Secretary shall repay or cancel any outstanding balance of principal and interest due on a loan made under this part to a borrower—

''(i) who, for any period of time, participated in the Repayment Assistance Plan under this subsection;

''(ii) whose most recent payment for such loan prior to the loan cancellation

under this subparagraph was made under such Repayment Assistance Plan; and

''(iii) who has made 360 qualifying monthly payments on such loan.

''(F) For the purposes of this subsection, the term 'qualifying monthly payment' means any of the following:

''(i) An on-time applicable monthly payment under this subsection.

''(ii) An on-time monthly payment under the standard repayment plan under subsection (d)(7)(A)(i) of not less than the monthly payment required under such plan.

''(iii) A monthly payment under any repayment plan of not less than the monthly payment that would be required under a standard repayment plan under section 455(d)(1)(A) with a repayment period of 10 years.

''(iv) A monthly payment under section 493C of not less than the monthly payment required under such section, including a monthly payment equal to the

minimum payment amount permitted under such section.

''(v) A monthly payment made before the date of enactment of this subsection under an income-contingent repayment plan carried out under section 455(d)(1)(D) (or under an alternative repayment plan in lieu of repayment under such an income-contingent repayment plan, if placed in such an alternative repayment plan by the Secretary) of not less than the monthly payment required under such a plan, including a monthly payment equal to the minimum payment amount permitted under such a plan.

''(vi) A month when the borrower did not make a payment because the borrower was in deferment due to an economic hardship described in section 435(o).

''(vii) A month that ended before the date of enactment of this subsection when the borrower did not make a payment because the borrower was in a period deferment or forbearance described in section 685.209(k)(4)(iv) of title 34, Code of

Federal Regulations (as in effect on the date of enactment of this subsection).

''(G) With respect to carrying out section 494(a)(2) for the Repayment Assistance Plan, an individual may elect to opt out of the disclosures required under section 494(a)(2)(A)(ii) in accordance with the procedures established under section 493C(c)(2)(B).

''(2) BALANCE ASSISTANCE FOR DISTRESSED BORROWERS.—

''(A) INTEREST SUBSIDY.—With respect to a borrower of a loan made under this part, for each month for which such a borrower makes an on-time applicable monthly payment required under paragraph (1)(A) and such monthly payment is insufficient to pay the total amount of interest that accrues for the month on all loans of the borrower repaid pursuant to the Repayment Assistance Plan under this subsection, the amount of interest accrued and not paid for the month shall not be charged to the borrower.

''(B) MATCHING PRINCIPAL PAYMENT.—With respect to a borrower of a loan made under this part and not in a period of

deferment or forbearance, for each month for which a borrower makes an on-time applicable monthly payment required under paragraph (1)(A) and such monthly payment reduces the total outstanding principal balance of all loans of the borrower repaid pursuant to the Repayment Assistance Plan under this subsection by less than $50, the Secretary shall reduce such total outstanding principal balance of the borrower by an amount that is equal to—

''(i) the amount that is the lesser of—

''(I) $50; or

''(II) the total amount paid by the borrower for such month pursuant to paragraph (1)(A), minus

''(ii) the total amount paid by the borrower for such month pursuant to paragraph (1)(A) that is applied to such total outstanding principal balance.

''(3) DEFINITIONS.—In this paragraph:

''(A) ADJUSTED GROSS INCOME.—The term 'adjusted gross income', when used with respect to a borrower, means the adjusted gross income (as such term is defined in section 62 of the Internal Revenue Code of 1986) of the

borrower (and the borrower's spouse, as applicable) for the most recent taxable year, except that, in the case of a married borrower who files a separate Federal income tax return, the term does not include the adjusted gross income of the borrower's spouse.

''(B) APPLICABLE MONTHLY PAYMENT.—

''(i) IN GENERAL.—Except as provided in clause (ii), (iii), or (vi), the term 'applicable monthly payment' means, when used with respect to a borrower, the amount equal to—

''(I) the applicable base payment of the borrower, divided by 12; minus

''(II) $50 for each dependent child of the borrower.

''(ii) MINIMUM AMOUNT.—In the case of a borrower with an applicable monthly payment amount calculated under clause (i) that is less than $10, the applicable monthly payment of the borrower shall be $10.

''(iii) FINAL PAYMENT.—In the case of a borrower whose total outstanding balance of principal and interest on all of the

loans of the borrower that are repaid pursuant to the Repayment Assistance Plan is less than the applicable monthly payment calculated pursuant to clause (i) or (ii), as applicable, then the applicable monthly payment of the borrower shall be the total outstanding balance of principal and interest on all such loans.

''(iv) BASE PAYMENT.—The amount of the applicable base payment for a borrower with an adjusted gross income of—

''(I) not more than $10,000, is $120;

''(II) more than $10,000 and not more than $20,000, is 1 percent of such adjusted gross income;

''(III) more than $20,000 and not more than $30,000, is 2 percent of such adjusted gross income;

''(IV) more than $30,000 and not more than $40,000, is 3 percent of such adjusted gross income;

''(V) more than $40,000 and not more than $50,000, is 4 percent of such adjusted gross income;

"(VI) more than $50,000 and not more than $60,000, is 5 percent of such adjusted gross income;

"(VII) more than $60,000 and not more than $70,000, is 6 percent of such adjusted gross income;

"(VIII) more than $70,000 and not more than $80,000, is 7 percent of such adjusted gross income;

"(IX) more than $80,000 and not more than $90,000, is 8 percent of such adjusted gross income;

"(X) more than $90,000 and not more than $100,000, is 9 percent of such adjusted gross income; and

"(XI) more than $100,000, is 10 percent of such adjusted gross income.

"(v) DEPENDENT CHILD OF THE BORROWER.—For the purposes of this paragraph, the term 'dependent child of the borrower' means an individual who—

"(I) is under 17 years of age; and

''(II) is the borrower's dependent child or another person who lives with and receives more than one-half of their support from the borrower.

''(vi) SPECIAL RULE.—In the case of a borrower who is required by the Secretary to provide information to the Secretary to determine the applicable monthly payment of the borrower under this subparagraph, and who does not comply with such requirement, the applicable monthly payment of the borrower shall be—

''(I) the sum of the monthly payment amounts the borrower would have paid for each of the borrower's loans made under this part under a standard repayment plan with a fixed monthly repayment amount, paid over a period of 10 years, based on the outstanding principal due on such loan when such loan entered repayment; and

''(II) determined pursuant to this clause until the date on which the bor-

rower provides such information to the Secretary.''.

(e) FEDERAL CONSOLIDATION LOANS.—Section 455(g) of the Higher Education Act of 1965 (20 U.S.C. 1087e(g)) is amended by adding at the end the following new paragraph:

''(3) CONSOLIDATION LOANS MADE ON OR AFTER JULY 1, 2026.—Notwithstanding subsections (b)(5), (c)(2), and (c)(3)(A) and (B) of section 428C, a Federal Direct Consolidation Loan offered to a borrower under this part on or after July 1, 2026, may only be repaid pursuant to a repayment plan described in subsection (d)(7)(A)(i) or (ii) of this section, as applicable, and the repayment schedule of such a Consolidation Loan shall be determined in accordance with such repayment plan.''.

(f) INCOME-BASED REPAYMENT.—

(1) AMENDMENTS.—

(A) EXCEPTED CONSOLIDATION LOAN DEFINED.—Section 493C(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1098e(a)(2)) is amended to read as follows:

''(2) EXCEPTED CONSOLIDATION LOAN.—

''(A) IN GENERAL.—The term 'excepted consolidation loan' means—

''(i) a consolidation loan under section 428C, or a Federal Direct Consolidation Loan, if the proceeds of such loan were used to the discharge the liability on an excepted PLUS loan; or

''(ii) a consolidation loan under section 428C, or a Federal Direct Consolidation Loan, if the proceeds of such loan were used to discharge the liability on a consolidation loan under section 428C or a Federal Direct Consolidation Loan described in clause (i).

''(B) EXCLUSION.—The term 'excepted consolidation loan' does not include a Federal Direct Consolidation Loan described in subparagraph (A) that (on the day before the date of enactment of this subparagraph) was being repaid pursuant to the Income-Contingent Repayment (ICR) plan in accordance with section 685.209(a) of title 34, Code of Federal Regulations (as in effect on June 30, 2023).''.

(B) TERMS OF INCOME-BASED REPAYMENT.—Section 493C(b) of the Higher Education Act of 1965 (20 U.S.C. 1098e(b)) is amended—

(i) by amending paragraph (1) to read as follows:

''(1) a borrower of any loan made, insured, or guaranteed under part B or D (other than an excepted PLUS loan or excepted consolidation loan), may elect to have the borrower's aggregate monthly payment for all such loans not exceed the result described in subsection (a)(3)(B) divided by 12;'';

(ii) in paragraph (3)—

(I) in subparagraph (B)—

(aa) in clause (i)—

(AA) by striking subclause (II); and

(BB) by striking ''the borrower'' and all the follows through ''ends'' and inserting ''the borrower ends''; and

(bb) in clause (ii)—

(AA) by striking subclause (II);

(BB) by striking ''the borrower'' and all the follows through ''ends'' and in-

serting ''the borrower ends''; and

(CC) by striking ''or'' at the end;

(iii) by repealing paragraph (6);

(iv) in paragraph (7)(B)—

(I) in the matter preceding clause (i), by striking ''for a period of time prescribed by the Secretary, not to exceed 25 years'' and inserting the following: ''for 25 years (in the case of a borrower who is repaying at least one loan for a program of study for which a graduate credential (as defined in section 472A)) is awarded, or, for 20 years (in the case of a borrower who is not repaying at least one such loan)'';

(II) in clause (i), by inserting ''(as such paragraph was in effect on the day before the date of the repeal of paragraph (6))'' after ''paragraph (6)''; and

(III) in clause (iv), by inserting ''(as such section was in effect on the

day before the date of the repeal of paragraph (6))'' after ''section 455(d)(1)(D)''; and

(v) in paragraph (8), by striking ''standard repayment plan'' and inserting ''standard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A), or the Repayment Assistance Program under section 455(q)''.

(C) ELIGIBILITY DETERMINATIONS.—Section 493C(c)(2) of the Higher Education Act of 1965 (20 U.S.C. 1098e(c)(2)) is further amended—

(i) in subparagraph (A), by inserting ''(as in effect on the day before the date of repeal of subsection (e) of section 455)'' after ''section 455(e)(1)''; and

(ii) in subparagraph (B), by inserting ''(as in effect on the day before the date of repeal of subsection (e) of section 455)'' after ''section 455(e)(8)''.

(D) TERMINATION OF SPECIAL TERMS FOR NEW BORROWERS ON AND AFTER JULY 1, 2014.—Section 493C of the Higher Education

Act of 1965 (20 U.S.C. 1098e(e)) is further amended by striking subsection (e).

(2) EFFECTIVE DATE AND APPLICATION.—The amendments made by this subsection shall take effect on the date of enactment of this title, and shall apply with respect to any borrower who is in repayment before, on, or after the date of enactment of this title.

SEC. 30022. DEFERMENT; FORBEARANCE.

(a) HEADING AMENDMENT.—Section 455(f) of the Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is amended by striking the subsection heading and inserting the following: ''DEFERMENT; FORBEARANCE''.

(b) SUNSET OF ECONOMIC HARDSHIP AND UNEMPLOYMENT DEFERMENTS.—Section 455(f) of the Higher Education Act of 1965 (20 U.S.C.1087e(f)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (B), by striking ''not in'' and inserting ''subject to paragraph (7), not in''; and

(B) in subparagraph (D), by striking ''not in'' and inserting ''subject to paragraph (7), not in''; and

(2) by adding at the end the following:

''(7) SUNSET OF UNEMPLOYMENT AND ECONOMIC HARDSHIP DEFERMENTS.—A borrower who receives a loan made under this part on or after July 1, 2025, shall not be eligible to defer such loan under subparagraph (B) or (D) of paragraph (2).''.

(c) FORBEARANCE ON LOANS MADE UNDER THIS PART ON OR AFTER JULY 1, 2025.—Section 455(f) of the Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is amended by adding at the end the following:

''(8) FORBEARANCE ON LOANS MADE UNDER THIS PART ON OR AFTER JULY 1, 2025.—A borrower who receives a loan made under this part on or after July 1, 2025—

''(A) may only be eligible for a forbearance on such loan pursuant to section 428(c)(3)(B) that does not exceed 9 months during any 24-month period; and

''(B) in the case of a borrower who is serving in a medical or dental internship or residency program (as such program is described in section 428(c)(3)(A)(i)(I)), may be eligible for a forbearance on such loan pursuant to 428(c)(3)(A)(i)(I), during which—

''(i) for the first 4 12-month intervals, interest shall not accrue; and

''(ii) for any subsequent 12-month interval, interest shall accrue.''.

SEC. 30023. LOAN REHABILITATION.

(a) UPDATING LOAN REHABILITATION LIMITS.—

(1) FFEL AND DIRECT LOANS.—Section 428F(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1078–6(a)(5)) is amended by striking ''one time'' and inserting ''two times''.

(2) PERKINS LOANS.—Section 464(h)(1)(D) of the Higher Education Act of 1965 (20 U.S.C. 1087dd(h)(1)(D)) is amended by striking ''once'' and inserting ''twice''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of enactment of this Act, and shall apply with respect to any loan made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(b) MINIMUM MONTHLY PAYMENT AMOUNT.—Section 428F(a)(1)(B) of the Higher Education Act of 1965 (20 U.S.C. 1078–6(a)(1)(B)) is amended by adding at the end the following: ''With respect a loan made under part D on or after July 1, 2025, a monthly payment amount described in subparagraph (A) may not be less than $10.''.

SEC. 30024. PUBLIC SERVICE LOAN FORGIVENESS.

(a) REPAYMENT ASSISTANCE PLAN.—Section 455(m)(1)(A) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)(1)(A)) is amended—

(1) in clause (iii), by striking ''; or'' and inserting a semicolon;

(2) in clause (iv), by striking ''; and'' and inserting ''(as in effect on the day before the date of the repeal of subsection (e) of this section); or''; and

(3) by adding at the end the following new clause:

''(v) on-time payments under the Repayment Assistance Plan under section 455(q); and''.

(b) PUBLIC SERVICE JOB.—Section 455(m)(3)(B) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)(3)(B)) is amended—

(1) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins accordingly;

(2) by striking ''The term'' and inserting the following:

''(i) IN GENERAL.—The term''; and

(3) by adding at the end the following:

''(ii) EXCLUSION.—The term 'public service job' does not include time served in

a medical or dental internship or residency program (as such program is described in section 428(c)(3)(A)(i)(I)) by an individual who, as of June 30, 2025, has not borrowed a Federal Direct PLUS Loan or a Federal Direct Unsubsidized Stafford Loan for a program of study that awards a graduate credential upon completion of such program.''.

SEC. 30025. STUDENT LOAN SERVICING.

Paragraph (1) of section 458(a) of the Higher Education Act of 1965 (20 U.S.C. 1087h(a)(1)) is amended to read as follows:

''(1) ADDITIONAL MANDATORY FUNDS FOR FISCAL YEARS 2025 AND 2026.—For each of the fiscal years 2025 and 2026 there shall be available to the Secretary (in addition to any other amounts appropriated under any appropriations Act for administrative costs under this part and part B and out of any money in the Treasury not otherwise appropriated) funds to be obligated for administrative costs under this part and part B, including the costs of the direct student loan programs under this part, not to exceed $500,000,000 in each such fiscal year.''.

Subtitle D—Pell Grants

SEC. 30031. ELIGIBILITY.

(a) FOREIGN INCOME AND FEDERAL PELL GRANT ELIGIBILITY.—

(1) ADJUSTED GROSS INCOME DEFINED.—Section 401(a)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1070a(a)(2)(A)) is amended to read as follows:

"(A) the term 'adjusted gross income' means—

"(i) in the case of a dependent student, for the second tax year preceding the academic year—

"(I) the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the student's parents; plus

"(II) the foreign income (as described in section 480(b)(5)) of the student's parents; and

"(ii) in the case of an independent student, for the second tax year preceding the academic year—

"(I) the adjusted gross income (as defined in section 62 of the Inter-

nal Revenue Code of 1986) of the student (and the student's spouse, if applicable); plus

"(II) the foreign income (as described in section 480(b)(5)) of the student (and the student's spouse, if applicable);".

(2) SUNSET.—Section 401(b)(1)(D) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(1)(D)) is amended by striking "A student" and inserting "For each academic year beginning before July 1, 2026, a student".

(3) CONFORMING AMENDMENT.—Section 479A(b)(1)(B) of the Higher Education Act of 1965 (20 U.S.C. 1087tt(b)(1)(B)) is amended—

(A) by striking clause (v); and

(B) by redesignating clauses (vi) and (vii) as clauses (v) and (vi), respectively.

(b) DEFINITION OF FULL TIME ENROLLMENT FOR FEDERAL PELL GRANT ELIGIBILITY.—Section 401(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1070a(a)(2)) is further amended—

(1) in subparagraph (E), by striking "and" after the semicolon;

(2) in subparagraph (F), by striking the period and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(G) notwithstanding section 481(a)(2)(A)(iii), the terms 'full time' and 'full-time' (except with respect to subsection (d)(4) when used as part of the term 'normal full-time workload') mean, with respect to a student enrolled in an undergraduate course of study, the student is expected to complete at least 30 semester or trimester hours or 45 quarter credit hours (or the clock hour equivalent) in each award year a student is enrolled in the course of study.''.

(c) FEDERAL PELL GRANT INELIGIBILITY DUE TO A HIGH STUDENT AID INDEX.—Section 401(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1070a–1(b)(1)) is amended by adding at the end the following:

''(F) INELIGIBILITY OF STUDENTS WITH A HIGH STUDENT AID INDEX.—Notwithstanding subparagraphs (A) through (E), a student shall not be eligible for a Federal Pell Grant under this subsection for an academic year in which the student has a student aid index that equals

or exceeds twice the amount of the total maximum Federal Pell Grant for such academic year.''.

(d) NO FEDERAL PELL GRANT ELIGIBILITY FOR STUDENTS ENROLLED LESS THAN HALF TIME.—Section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) is further amended—

(1) in subsection (b)—

(A) by striking ''(2) LESS'' and inserting ''(2)(A) LESS''; and

(B) by inserting after subparagraph (A) (as so designated by subparagraph (A) of this subsection) the following new subparagraph:

''(B) LESS THAN HALF-TIME ENROLLMENT.—Notwithstanding subparagraph (A), a student who first receives a Federal Pell Grant on or after July 1, 2026, shall not be eligible for an award under this subsection for any award year beginning after such date in which the student is enrolled in an eligible program of an institution of higher education on less than a half-time basis. The Secretary shall update the schedule of reductions described in subparagraph (A) in accordance with this subparagraph, including for students receiving the minimum Federal Pell Grant.'';

(2) in subsection (c)(6)(A), by inserting ", and the eligibility requirement of enrollment on at least a half-time basis under subsection (b)(2)," after "(b)(1)"; and

(3) in subsection (d)(5)(A), by inserting "(and at least half time, in the case of a student who first receives a Federal Pell Grant under subsection (b) on or after July 1, 2026)" after "full time".

(e) EFFECTIVE DATE AND APPLICATION.—The amendments made by this section shall take effect on July 1, 2026, and shall apply with respect to award year 2026–2027 and each subsequent award year.

SEC. 30032. WORKFORCE PELL GRANTS.

(a) IN GENERAL.—Section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) is amended by adding at the end the following:—

"(k) WORKFORCE PELL GRANT PROGRAM.—

"(1) IN GENERAL.—For the award year beginning on July 1, 2026, and each subsequent award year, the Secretary shall award grants (to be known as 'Workforce Pell Grants') to eligible students under paragraph (2) in accordance with this subsection.

"(2) ELIGIBLE STUDENTS.—To be eligible to receive a Workforce Pell Grant under this subsection

for any period of enrollment, a student shall meet the eligibility requirements for a Federal Pell Grant under this section, except that the student—

''(A) shall be enrolled, or accepted for enrollment, in an eligible program under section 481(b)(3) (hereinafter referred to as an 'eligible workforce program'); and

''(B) may not—

''(i) be enrolled, or accepted for enrollment, in a program of study that leads to a graduate credential; or

''(ii) have attained such a credential.

''(3) TERMS AND CONDITIONS OF AWARDS.—The Secretary shall award Workforce Pell Grants under this subsection in the same manner and with the same terms and conditions as the Secretary awards Federal Pell Grants under this section, except that—

''(A) each use of the term 'eligible program' (except in subsections (b)(9)(A) and (d)(2)) shall be substituted by 'eligible workforce program under section 481(b)(3)'; and

''(B) a student who is eligible for a grant equal to less than the amount of the minimum Federal Pell Grant because the eligible work-

force program in which the student is enrolled or accepted for enrollment is less than an academic year (in hours of instruction or weeks of duration) may still be eligible for a Workforce Pell Grant in an amount that is prorated based on the length of the program.

''(4) PREVENTION OF DOUBLE BENEFITS.—No eligible student described in paragraph (2) may concurrently receive a grant under both this subsection and—

''(A) subsection (b); or

''(B) subsection (c).

''(5) DURATION LIMIT.—Any period of study covered by a Workforce Pell Grant awarded under this subsection shall be included in determining a student's duration limit under subsection (d)(5).''.

(b) PROGRAM ELIGIBILITY FOR WORKFORCE PELL GRANTS.—Section 481(b) of the Higher Education Act of 1965 (20 U.S.C. 1088(b)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

''(3)(A) A program is an eligible program for purposes of the Workforce Pell Grant program under section 401(k) only if—

''(i) it is a program of at least 150 clock hours of instruction, but less than 600 clock hours of instruction, or an equivalent number of credit hours, offered by an eligible institution during a minimum of 8 weeks, but less than 15 weeks;

''(ii) it is not offered as a correspondence course, as defined in 600.2 of title 34, Code of Federal Regulations (as in effect on September 20, 2020);

''(iii) the Governor of a State, after consultation with the State board, determines that the program—

''(I) provides an education aligned with the requirements of high-skill, high-wage (as identified by the State pursuant to section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342)), or in-demand industry sectors or occupations;

''(II) meets the hiring requirements of potential employers in the sectors or occupations described in subclause (I);

''(III) either—

"(aa) leads to a recognized postsecondary credential that is stackable and portable across more than one employer; or

"(bb) with respect to students enrolled in the program—

"(AA) prepares such students for employment in an occupation for which there is only one recognized postsecondary credential; and

"(BB) provides such students with such a credential upon completion of such program; and

"(IV) prepares students to pursue 1 or more certificate or degree programs at 1 or more institutions of higher education (which may include the eligible institution providing the program), including by ensuring—

"(aa) that a student, upon completion of the program and enrollment in such a related certificate or degree program, will receive academic credit for the Workforce Pell program that will be accepted toward meeting such certificate or degree program requirements; and

''(bb) the acceptability of such credit toward meeting such certificate or degree program requirements; and

''(iv) after the Governor of such State makes the determination that the program meets the requirements under clause (iii), the Secretary determines that—

''(I) the program has been offered by the eligible institution for not less than 1 year prior to the date on which the Secretary makes a determination under this clause;

''(II) for each award year, the program has a verified completion rate of at least 70 percent, within 150 percent of the normal time for completion;

''(III) for each award year, the program has a verified job placement rate of at least 70 percent, measured 180 days after completion; and

''(IV) for each award year, the median value-added earnings (as defined in section 420W) of students who completed such program for the most recent year for which data is available exceeds the median total price (as

defined in section 454(d)(3)(D)) charged to students in such award year.

''(B) In this paragraph:

''(i) The term 'eligible institution' means an institution of higher education (as defined in section 102), or any other entity that has entered into a program participation agreement with the Secretary under section 487(a) (without regard to whether that entity is accredited by a national recognized accrediting agency or association), which has not been subject, during any of the preceding 3 years, to—

''(I) any suspension, emergency action, or termination under this title;

''(II) in the case of an institution of higher education, any adverse action by the institution's accrediting agency or association that revokes or denies accreditation for the institution; or

''(III) any final action by the State in which the institution or other entity holds its legal domicile, authorization, or accreditation that revokes the institution's or entity's license or other authority to operate in such State.

''(ii) The term 'Governor' means the chief executive of a State.

''(iii) The terms 'industry or sector partnership', 'in-demand industry sector or occupation', 'recognized postsecondary credential', and 'State board' have the meanings given such terms in section 3 of the Workforce Innovation and Opportunity Act.''.

(c) STUDENT ELIGIBILITY.—Section 484(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(1)) is amended by inserting ''or, for purposes of section 401(k), at an entity (other than an institution of higher education) that meets the requirements of section 481(b)(3)(B)(i)'' after ''section 487''.

(d) EFFECTIVE DATE; APPLICABILITY.—The amendments made by this section shall take effect on July 1, 2026, and shall apply with respect to award year 2026–2027 and each succeeding award year.

SEC. 30033. PELL SHORTFALL.

Section 401(b)(7)(A) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(7)(A)) is amended—

(1) in clause (iii)—

(A) by striking ''$2,170,000,000'' and inserting ''$5,351,000,000''; and

(B) by striking ''and'' at the end;

(2) in clause (iv)—

(A) by striking ''$1,236,000,000'' and inserting ''$6,058,000,000''; and

(B) by striking '' and each succeeding fiscal year.'' and inserting a semicolon; and

(3) by adding at the end the following:

''(v) $3,743,000,000 for fiscal year 2028; and

''(vi) $1,236,000,000 for each succeeding fiscal year.''.

Subtitle E—Accountability

SEC. 30041. AGREEMENTS WITH INSTITUTIONS.

Section 454 of the Higher Education Act of 1965 (20 U.S.C. 1087d) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by striking ''and'' after the semicolon;

(B) by redesignating paragraph (6) as paragraph (7); and

(C) by inserting after paragraph (5) the following new paragraph:

''(6) provide annual reimbursements to the Secretary in accordance with the requirements under subsection (d); and''; and

(2) by adding at the end the following new subsection:

''(d) REIMBURSEMENT REQUIREMENTS.—

''(1) ANNUAL REIMBURSEMENTS REQUIRED.—Beginning in award year 2028–2029, each institution of higher education participating in the direct student loan program under this part shall, for qualifying student loans, remit to the Secretary, at such time as the Secretary may specify, an annual reimbursement for each student cohort of the institution, based on the non-repayment balance of such cohort and calculated in accordance with paragraph (3).

''(2) STUDENT COHORTS.—

''(A) COHORTS ESTABLISHED.—For each institution of higher education participating in the direct student loan program under this part, the Secretary shall establish student cohorts, beginning with award year 2027–2028, as follows:

''(i) COMPLETING STUDENT COHORT.—For each program of study at such institution, a student cohort comprised of all students who received Federal financial assistance under this title and

who completed such program during such award year.

''(ii) UNDERGRADUATE NON-COMPLETING STUDENT COHORT.—For such institution, a student cohort comprised of all students who received Federal financial assistance under this title, who were enrolled in the institution during the previous award year in a program of study leading to an undergraduate credential, and who at the time the cohort is established—

''(I) have not completed such program of study; and

''(II) are not enrolled at the institution in any program of study leading to an undergraduate credential.

''(iii) GRADUATE NON-COMPLETING STUDENT COHORT.—For each program of study leading to a graduate credential at such institution, a student cohort comprised of all students who received Federal financial assistance under this title, who were enrolled in such program during the

previous award year, and who at the time the cohort is established—

"(I) have not completed such program of study; and

"(II) are not enrolled in such program.

"(B) QUALIFYING STUDENT LOAN.—For the purposes of this subsection, the term 'qualifying student loan' means a loan made under this part on or after July 1, 2027, that—

"(i) was made to a student included in a student cohort of an institution or to a parent on behalf of such a student;

"(ii) except in the case of a loan described in clause (i) or (ii) of subparagraph (C), is not included in any other student cohort of any institution of higher education;

"(iii) is not in—

"(I) a medical or dental internship or residency forbearance described in section 428(c)(3)(A)(i)(I), section 428B(a)(2), section 428H(a), or section 685.205(a)(3) of title 34, Code of Federal Regulations;

"(II) a graduate fellowship deferment described in section 455(f)(2)(A)(ii);

"(III) rehabilitation training program deferment described under section 455(f)(2)(A)(ii);

"(IV) an in-school deferment described under section 455(f)(2)(A)(i);

"(V) a cancer deferment described under section 455(f)(3);

"(VI) a military service deferment described under section 455(f)(2)(C); or

"(VII) a post-active duty student deferment described under section 493D; and

"(iv) is not in default.

"(C) SPECIAL CIRCUMSTANCES.—

"(i) MULTIPLE CREDENTIALS.—In the case of a student who completes two or more programs of study during the same award year, each qualifying student loan of the student shall be included in the student cohort for each of such program of study for such award year.

"(ii) TREATMENT OF CERTAIN CONSOLIDATION LOANS.—A Federal Direct Consolidation loan made under this title shall not be considered a qualifying student loan for a student cohort for an award year if all of the loans included in such consolidation loan are attributable to another student cohort.

"(iii) CONSOLIDATION AFTER INCLUSION IN A STUDENT COHORT.—If a qualifying student loan is consolidated into a consolidation loan under this title after such qualifying student loan has been included in a student cohort, the percentage of the consolidation loan that was attributable to such student cohort at the time of consolidation shall remain attributable to the student cohort for the life of the consolidation loan.

"(3) CALCULATION OF REIMBURSEMENT.—

"(A) REIMBURSEMENT PAYMENT FORMULA.—For each student cohort of an institution of higher education established under this subsection, the annual reimbursement for such cohort shall be equal to—

''(i) the reimbursement percentage for the cohort, determined in accordance with subparagraph (B); multiplied by

''(ii) the non-repayment balance for the cohort for the award year, determined in accordance with subparagraph (C).

''(B) REIMBURSEMENT PERCENTAGE.—The reimbursement percentage of a student cohort of an institution shall be determined by the Secretary when the cohort is established, shall remain constant for the life of the student cohort, and shall be determined as follows:

''(i) COMPLETING STUDENT COHORTS.—The reimbursement percentage of a completing student cohort shall be equal to the percentage determined by—

''(I) subtracting from one the quotient of—

''(aa) the median value-added earnings of students who completed such program of study in the most recent award year for which such earnings data is available; divided by

''(bb) the median total price charged to students included in such cohort; and

''(II) multiplying the difference determined under subclause (I) by 100.

''(ii) SPECIAL CIRCUMSTANCES FOR COMPLETING STUDENT COHORTS.—

''(I) HIGH-RISK COHORTS.—Notwithstanding clause (i), if the median value-added earnings of a completing student cohort under clause (i)(I)(aa) is negative, the reimbursement percentage of the student cohort shall be 100 percent.

''(II) LOW-RISK COHORTS.—Notwithstanding clause (i), if the median value-added earnings of a completing student cohort under clause (i)(I)(aa) exceeds the median total price of such cohort under clause (i)(I)(bb), the reimbursement percentage of the student cohort shall be 0 percent.

''(iii) NON-COMPLETING STUDENT COHORTS.—The reimbursement percentage of

a non-completing student cohort shall be determined based on the most recent data available in the award year in which the cohort is established, and—

''(I) for an undergraduate non-completing student cohort, shall be equal to the percentage of undergraduate students who received Federal financial assistance under this title at such institution who—

''(aa) did not complete an undergraduate program of study at the institution within 150 percent of the program length of such program; or

''(bb) only in the case of a two-year institution, did not, within 6 years after first enrolling at the two-year institution, complete a program of study at a four-year institution for which a bachelor's degree (or substantially similar credential) is awarded; and

''(II) for a graduate non-completing student cohort, shall be equal to the percentage of students who received Federal financial assistance under this title at the institution for the applicable graduate program of study and who did not complete such program of study within 150 percent of the program length.

''(C) NON-REPAYMENT LOAN BALANCE.—

''(i) IN GENERAL.—For each award year, the Secretary shall determine the non-repayment loan balance for such award year for each student cohort of an institution of higher education by calculating the sum of—

''(I) for loans in such cohort, the difference between the total amount of payments due from all borrowers on such loans during such year and the total amount of payments made by all such borrowers on such loans during such year; plus

''(II) the total amount of interest waived, paid, or otherwise not charged

by the Secretary during such year under the income-based repayment plan described in section 455(q); plus

''(III) the total amount of principal and interest forgiven, cancelled, waived, discharged, repaid, or otherwise reduced by the Secretary under any act during such year that is not included in subclause (II) and was not discharged or forgiven under section 437(a), 428J, or section 455(m).

''(ii) SPECIAL CIRCUMSTANCES.—For the purpose of calculating the non-repayment loan balance of student cohorts under this paragraph, the Secretary shall—

''(I) for each qualifying student loan in a student cohort that is included in another student cohort because the student who borrowed such loan completed two or more programs of study during the same award year, the sum of the amounts described in subclauses (I) through (III) of clause (i) for such qualifying student loan shall be divided equally among each of

the student cohorts in which such loan is included; and

''(II) for each consolidation loan in a student cohort—

''(aa) determine the percentage of the outstanding principal balance of the consolidation loan attributable to such student cohort—

''(AA) at the time of that loan was included in such cohort, in the case of a loan consolidated before inclusion in such cohort; or

''(BB) at the time of consolidation, in the case of a loan consolidated after inclusion in such cohort; and

''(bb) include in the calculations under clause (i) for such student cohort only the percentage of the sum of the amounts described in subclauses (I) through (III) of clause (i) for the consolidation loan for such year

that is equal to the percentage of the consolidation loan determined under item (aa).

"(D) TOTAL PRICE.—With respect to a student who received Federal financial assistance under this title and who completes a program of study, the term 'total price' means the total amount, before Federal financial assistance under this title was applied, a student was required to pay to complete the program of study. A student's total price shall be calculated by the Secretary as the difference between—

"(i) the total amount of tuition and fees that were charged to such student before the application of any Federal financial assistance provided under this title; minus

"(ii) the total amount of grants and scholarships described in section 480(i) awarded to such student from non-Federal sources for such program of study.

"(4) NOTIFICATION AND REMITTANCE.—Beginning with the first award year for which reimbursements are required under this subsection, and for each succeeding award year, the Secretary shall—

''(A) notify each institution of higher education of the amounts and due dates of each annual reimbursement calculated under paragraph (3) for each student cohort of the institution within 30 days of calculating such amounts; and

''(B) require the institution to remit such payments within 90 days of such notification.

''(5) PENALTY FOR LATE PAYMENTS.—

''(A) THREE-MONTH DELINQUENCY.—If an institution fails to remit to the Secretary a reimbursement for a student cohort as required under this subsection within 90 days of receiving notification from the Secretary in accordance with paragraph (4), the institution shall pay to the Secretary, in addition to such reimbursement, interest on such reimbursement payment, at a rate that is the average rate applicable to the loans in such student cohort.

''(B) TWELVE-MONTH DELINQUENCY.—If an institution fails to remit to the Secretary a reimbursement for a student cohort as required under this subsection, plus interest owed in under subparagraph (A), within 12 months of receiving notification from the Secretary in ac-

cordance with paragraph (4), the institution shall be ineligible to make direct loans to any student enrolled in the program of study for which the institution has failed to make the reimbursement payments until such payment is made.

''(C) EIGHTEEN-MONTH DELINQUENCY.—If an institution fails to remit to the Secretary a reimbursement for a student cohort as required under this subsection, plus interest owed under subparagraph (A), within 18 months of receiving notification from the Secretary in accordance with paragraph (4), the institution shall be ineligible to make direct loans or award Federal Pell Grants under section 401 to any student enrolled in the institution until such payment is made.

''(D) TWO-YEAR DELINQUENCY.—If an institution fails to remit to the Secretary a reimbursement for a student cohort as required under this subsection, plus interest owed under subparagraph (A), within 2 years of receiving notification from the Secretary in accordance with paragraph (4), the institution shall be in-

eligible to participate in any program under this title for a period of not less than 10 years.

''(6) RELIEF FOR VOLUNTARY CESSATION OF FEDERAL DIRECT LOANS FOR A PROGRAM OF STUDY.—The Secretary shall, upon the request of an institution that voluntarily ceases to make Federal Direct loans to students enrolled in a specific program of study, reduce the amount of the annual reimbursement owed by the institution for each student cohort associated with such program by 50 percent if the institution assures the Secretary that the institution will not make Federal Direct loans to any student enrolled in such program of study (or any substantially similar program of study, as determined by the Secretary) for a period of not less than 10 award years, beginning with the first award year that begins after the date on which the Secretary reduces such reimbursement.

''(7) RESERVATION OF FUNDS FOR PROMISE GRANTS.—Notwithstanding any other provision of this Act, the Secretary shall reserve the funds remitted to the Secretary as reimbursements in accordance with this subsection, and such funds shall be made available to the Secretary only for the purpose

of awarding PROMISE grants in accordance with subpart 11 of part A of this title.''.

SEC. 30042. CAMPUS-BASED AID PROGRAMS.

(a) PROMISE GRANTS.—Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070c et seq.) is amended by adding at the end the following:

''Subpart 11—Promoting Real Opportunities to Maximize Investments and Savings in Education

''SEC. 420S. PROMISE GRANTS.

''For award year 2028–2029 and each succeeding award year, from reserved funds remitted to the Secretary in accordance with section 454(d) and additional funds made available under section 420V, as necessary, the Secretary shall award PROMISE grants to eligible institutions to carry out the activities described in section 420U(c). PROMISE grants awarded under this subpart shall be awarded on a noncompetitive basis to each eligible institution that submits a satisfactory application under section 420T for a 6-year period in an amount that is determined in accordance with section 420U.

''SEC. 420T. ELIGIBLE INSTITUTIONS; APPLICATION.

''(a) ELIGIBLE INSTITUTION.—To be eligible for a PROMISE grant under this subpart, an institution shall—

''(1) be an institution of higher education under section 102, except that an institution described in section 102(a)(1)(C) shall not be an eligible institution under this subpart; and

''(2) meet the maximum total price guarantee requirements under subsection (c).

''(b) APPLICATION.—An eligible institution seeking a PROMISE grant under this subpart (including a renewal of such a grant) shall submit to the Secretary an application, at such time as the Secretary may require, containing the information required under this subsection. Such application shall—

''(1) demonstrate that the institution—

''(A) meets the maximum total price guarantee requirements under subsection (c); and

''(B) will continue to meet the maximum total price guarantee requirements for each award year during the grant period with respect to students first enrolling at the institution for each such award year;

''(2) describe how grant funds awarded under this subpart will be used by the institution to carry out activities related to—

''(A) increasing postsecondary affordability, including—

''(i) the expansion and continuation of the maximum total price guarantee requirements under subsection (c); and

''(ii) any other activities to be carried out by the institution to increase postsecondary affordability and minimize the maximum total price for completion paid by students receiving need-based student aid;

''(B) increasing postsecondary access, which may include—

''(i) the activities described in section 485E of this Act; and

''(ii) any other activities to be carried out by the institution to increase postsecondary access and expand opportunities for low- and middle-income students; and

''(C) increasing postsecondary student success, which may include—

''(i) activities to improve completion rates and reduce time to credential;

''(ii) activities to align programs of study with the needs of employers, including with respect to in-demand industry sectors or occupations (as defined in section 3

of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102)); and

''(iii) any other activities to be carried out by the institution to increase value-added earnings and postsecondary student success;

''(3) describe—

''(A) how the institution will evaluate the effectiveness of the institution's use of grant funds awarded under this subpart; and

''(B) how the institution will collect and disseminate information on promising practices developed with the use of such grant funds; and

''(4) in the case of an institution that has previously received a grant under this subpart, contain the evaluation required under paragraph (3) for each previous grant.

''(c) MAXIMUM TOTAL PRICE GUARANTEE REQUIREMENTS.—As a condition of eligibility for a PROMISE grant under this subpart, an institution shall—

''(1) for each award year beginning after the date of enactment of this subpart, not later than 1 year before the start of each such award year (except that, for the first award year beginning after such date of enactment, the institution shall meet

these requirements as soon as practicable after such date of enactment), determine the maximum total price for completion, in accordance with subsection (e), for each program of study at the institution applicable to students in each income category and student aid index category (as determined by the Secretary) and publish such information on the institution's website and in the institution's catalog, marketing materials, or other official publications;

''(2) for the award year for which the institution is applying for a PROMISE grant, and at least 1 award year preceding such award year, provide to each student who first enrolls, or plans to enroll, in the institution during the award year and who receives Federal financial aid under this title a maximum total price guarantee, in accordance with this section, for the minimum guarantee period applicable to the student; and

''(3) provide to the Secretary an assurance that the institution will continue to meet each of the maximum total price guarantee requirements under this subsection for students who first enroll, or plan to enroll, in the institution during each award year included in the grant period.

''(d) DURATION OF MINIMUM GUARANTEE PERIOD.—

''(1) IN GENERAL.—The minimum period during which a student shall be provided a guarantee under subsection (c) with respect to the maximum total price for completion of a program of study at an institution shall be the average, for the 3 most recent award years for which data are available, of the median time to credential of students who completed any undergraduate program of study at the institution during each such award year, except that such minimum guarantee period shall not be less than the program length of the program of study in which the student is enrolled.

''(2) LIMITATION.—An institution shall not be required to provide a maximum total price guarantee under subsection (c) to a student after the conclusion of the 6-year period beginning on the first day on which the student enrolled at such institution.

''(e) DETERMINATION OF MAXIMUM TOTAL PRICE FOR COMPLETION.—

''(1) IN GENERAL.—For the purposes of subsection (c), an institution shall determine, prior to the first award year in which a student enrolls at the institution, the maximum total price that may be

charged to the student for completion of a program of study at the institution for the minimum guarantee period applicable to a student, before application of any Federal Pell Grants or other Federal financial aid under this title. Such a maximum total price for completion shall be determined for students in each income category and student aid index category (as determined by the Secretary). In determining the maximum total price for completion to be charged to each such category of students, the institution may consider the ability of a category of students to pay tuition and fees, but may not include in such consideration any Federal Pell Grants or other Federal financial aid awards that may be available to such category of students under this title.

''(2) MULTIPLE MAXIMUM TOTAL PRICE GUARANTEES.—In the event that a student receives more than 1 maximum total price guarantee because the student is included in more than 1 category of students for which the institution determines a maximum total price guarantee amount for the purposes of subsection (c), the maximum total price guarantee applicable to such student for the purposes of this

section shall be equal to the lowest such guarantee amount.

"SEC. 420U. GRANT AMOUNTS; FLEXIBLE USE OF FUNDS.

''(a) GRANT AMOUNT FORMULA.—

''(1) FORMULA.—Subject to subsection (b) and section 420V(b), the amount of a PROMISE grant for an eligible institution for each year of the grant period shall be calculated by the Secretary annually and shall be equal to the amount determined by multiplying—

''(A) the lesser of—

''(i) the difference determined by subtracting one from the quotient of—

''(I) the average, for the 3 most recent award years for which data are available, of the median value-added earnings for each such award year of students who completed any program of study of the institution; divided by

''(II) the average, for the 3 most recent award years for which data are available, of the maximum total price for completion determined under section 420T(e) applicable for each such award year to students enrolled in the

institution in any program of study who received financial aid under this title; or

''(ii) the number two;

''(B) the average, for the 3 most recent award years for which data are available, of the total dollar amount of Federal Pell Grants awarded to students enrolled in the institution in each such award year; and

''(C) the average, for the 3 most recent award years for which data are available, of the percentage of low-income students who received Federal financial assistance under this title who were enrolled in the institution in each such award year who—

''(i) completed a program of study at the institution within 100 percent of the program length of such program; or

''(ii) only in the case of a two-year institution or a less than two-year institution—

''(I) transfer to a four-year institution; and

''(II) within 4 years after first enrolling at the two-year or less than

two-year institution, complete a program of study at the four-year institution for which a bachelor's degree (or substantially similar credential) is awarded.

''(2) DEFINITION OF LOW-INCOME.—In this section, the term 'low-income', when used with respect to a student, means that the student's family income does not exceed the maximum income in the lowest income category (as determined by the Secretary).

''(b) MAXIMUM GRANT AMOUNT.—Notwithstanding subsection (a), the maximum amount an eligible institution may receive annually for a grant under this subpart shall be the amount equal to—

''(1) the average, for the 3 most recent award years, of the number of students enrolled in the institution in an award year who receive Federal financial aid under this title; multiplied by

''(2) $5,000.

''(c) FLEXIBLE USE OF FUNDS.—A PROMISE grant awarded under this subpart shall be used by an eligible institution to—

''(1) carry out activities included in the institution's application for such grant related to postsecondary affordability, access, and student success;

''(2) evaluate the effectiveness of the activities carried out with such grant in accordance with section 420T(b)(3)(A); and

''(3) collect and disseminate promising practices related to the activities carried out with such grant, in accordance with section 420T(b)(3)(B).

''SEC. 420V. AVAILABILITY OF FUNDS.

''(a) USED OF RESERVED FUNDS.—

''(1) PRIMARY FUNDS.—To carry out this subpart, there shall be available to the Secretary any funds remitted to the Secretary as reimbursements in accordance with section 454(d) for any award year.

''(2) SECONDARY FUNDS.—Beginning award year 2028–2029, if the amounts made available to the Secretary under paragraph (1) to carry out this subpart in any award year are insufficient to fully fund the PROMISE grants awarded under this subpart in such award year, there shall be available to the Secretary, in addition to such amounts, any funds returned to the Secretary under section 484B in the previous award year.

''(b) REDUCTION OF GRANT AMOUNT IN CASE OF INSUFFICIENT FUNDS.—

''(1) IN GENERAL.—If the amounts made available to the Secretary under subsection (a) to carry out this subpart for an award year are not sufficient to provide grants to each eligible institution in the amount determined under section 420U for such award year, the Secretary shall reduce each such grant amount by the applicable percentage described in paragraph (2).

''(2) APPLICABLE PERCENTAGE.—The applicable percentage described in this paragraph is the percentage determined by dividing—

''(A) the amounts made available under subsection (a) for the award year described in paragraph (1); by

''(B) the total amount that would be necessary to provide grants to all eligible institutions in the amounts determined under section 420U for such award year.

''SEC. 420W. DEFINITIONS.

''In this title:

''(1) VALUE-ADDED EARNINGS.—

''(A) IN GENERAL.—With respect to a student who received Federal financial aid under

this title and who completed a program of study offered by an institution of higher education, the term 'value-added earnings' means—

''(i) the annual earnings of such student measured during the applicable earnings measurement period for such program (as determined under subparagraph (C)); minus

''(ii) in the case of a student who completed a program of study that awards—

''(I) an undergraduate credential, 150 percent of the poverty line applicable to a single individual as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) for such year; or

''(II) a graduate credential, 300 percent of the poverty line applicable to a single individual as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) for such year.

''(B) GEOGRAPHIC ADJUSTMENT.—

''(i) IN GENERAL.—Except as provided in clause (ii), the Secretary shall use the geographic location of the institution at which a student completed a program of study to adjust the value-added earnings of the student calculated under subparagraph (A) by dividing—

''(I) the difference between clauses (i) and (ii) of such subparagraph; by

''(II) the most recent regional price parity index of the Bureau of Economics Analysis for the State or, as applicable, metropolitan area in which such institution is located.

''(ii) EXCEPTION.—The value-added earnings of a student calculated under subparagraph (A) shall not be adjusted based on geographic location in accordance with clause (i) if such student attended principally through distance education.

''(C) EARNINGS MEASUREMENT PERIOD.—

''(i) IN GENERAL.—For the purpose of calculating the value-added earnings of a student, except as provided in clause (ii),

the annual earnings of a student shall be measured—

''(I) in the case of a program of study that awards an undergraduate certificate, post baccalaureate certificate, or graduate certificate, 1 year after the student completes such program;

''(II) in the case of a program of study that awards an associate's degree or master's degree, 2 years after the student completes such program; and

''(III) in the case of a program of study that awards a bachelor's degree, doctoral degree, or professional degree, 4 years after the student completes such program.

''(ii) EXCEPTION.—The Secretary may, as the Secretary determines appropriate based on the characteristics of a program of study, extend an earnings measurement period described in clause (i) for a program of study that—

''(I) requires completion of an additional educational program (such as a residency or fellowship) after completion of the program of study in order to obtain licensure or board certification associated with the credential awarded for such program of study; and

''(II) when combined with the program length of such additional educational program for licensure or board certification, has a total program length that exceeds the relevant earnings measurement period prescribed for such program of study under clause (i),

except that in no case shall the annual earnings of a student be measured more than 1 year after the student completes such additional educational program.

''(2) PROGRAM LENGTH.—The term 'program length' means the minimum amount of time in weeks, months, or years that is specified in the catalog, marketing materials, or other official publications of an institution of higher education for a full-

time student to complete the requirements for a specific program of study.''.

(b) INSTITUTIONAL REFUNDS.—Section 484B of the Higher Education Act of 1965 (20 U.S.C. 1091b) is amended by adding at the end the following:

''(f) RESERVATION OF FUNDS FOR PROMISE GRANTS.—Notwithstanding any other provision of this Act, the Secretary shall reserve the funds returned to the Secretary under this section for 1 year after the return of such funds for the purpose of awarding PROMISE grants in accordance with subpart 4 of part A of this title.''.

Subtitle F—Regulatory Relief

SEC. 30051. REGULATORY RELIEF.

(a) 90/10 RULE.—Section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094) is amended—

(1) in subsection (a), by repealing paragraph (24); and

(2) by repealing subsection (d).

(b) GAINFUL EMPLOYMENT.—The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 101(b)(1), by striking ''gainful employment in'';

(2) in section 102—

(A) in subsection (b)(1)(A)(i), by striking ''gainful employment in''; and

(B) in subsection (c)(1)(A), by striking ''gainful employment in''; and

(3) in section 481(b)(1)(A)(i), by striking ''gainful employment in''.

(c) OTHER REPEALS.—The following regulations (including any supplement or revision to such regulations) are repealed and shall have no legal effect:

(1) CLOSED SCHOOL DISCHARGES.—Sections 674.33(g), 682.402(d), and 685.214 of title 34, Code of Federal Regulations (relating to closed school discharges), as added or amended by the final regulations published by the Department of Education in the Federal Register on November 1, 2022 (87 Fed. Reg. 65904 et seq.).

(2) BORROWER DEFENSE TO REPAYMENT.—Subpart D of part 685 of title 34, Code of Federal Regulations (relating to borrower defense to repayment), as added or amended by the final regulations published by the Department of Education in the Federal Register on November 1, 2022 (87 Fed. Reg. 65904 et seq.).

(d) EFFECT OF REPEALS.—Any regulations relating to closed school discharges or borrower defense to repay-

ment that took effect on July 1, 2020, are restored and revived as such regulations were in effect on such date.

(e) PROHIBITION.—The Secretary of Education may not implement any rule, regulation, policy, or executive action specified in this section (or a substantially similar rule, regulation, policy, or executive action) unless authority for such implementation is explicitly provided in an Act of Congress.

Subtitle G—Limitation on Authority

SEC. 30061. LIMITATION ON AUTHORITY OF THE SECRETARY TO PROPOSE OR ISSUE REGULATIONS AND EXECUTIVE ACTIONS.

Part G of title IV of the Higher Education Act of 1965 (20 U.S.C. 1088 et seq.) is amended by inserting after section 492 the following:

"SEC. 492A. LIMITATION ON AUTHORITY OF THE SECRETARY TO PROPOSE OR ISSUE REGULATIONS AND EXECUTIVE ACTIONS.

''(a) DRAFT REGULATIONS.—Beginning on the date of enactment of this section, a draft regulation implementing this title (as described in section 492(b)(1)) that is determined by the Secretary to be economically significant shall be subject to the following requirements (regardless of whether negotiated rulemaking occurs):

''(1) The Secretary shall determine whether the draft regulation, if implemented, would result in an increase in a subsidy cost.

''(2) If the Secretary determines under paragraph (1) that the draft regulation would result in an increase in a subsidy cost, then the Secretary may not take any further action with respect to such regulation.

''(b) PROPOSED OR FINAL REGULATIONS AND EXECUTIVE ACTIONS.—Beginning on the date of enactment of this section, the Secretary may not issue a proposed rule, final regulation, or executive action implementing this title if the Secretary determines that the rule, regulation, or executive action—

''(1) is economically significant; and

''(2) would result in an increase in a subsidy cost.

''(c) RELATIONSHIP TO OTHER REQUIREMENTS.—The analyses required under subsections (a) and (b) shall be in addition to any other cost analysis required under law for a regulation implementing this title, including any cost analysis that may be required pursuant to Executive Order 12866 (58 Fed. Reg. 51735; relating to regulatory planning and review), Executive Order 13563 (76 Fed.

Reg. 3821; relating to improving regulation and regulatory review), or any related or successor orders.

''(d) DEFINITION.—In this section, the term 'economically significant', when used with respect to a draft, proposed, or final regulation or executive action, means that the regulation or executive action is likely, as determined by the Secretary—

''(1) to have an annual effect on the economy of $100,000,000 or more; or

''(2) to adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities.''.

TITLE IV—ENERGY AND COMMERCE

Subtitle A—Energy

SEC. 41001. RESCISSIONS RELATING TO CERTAIN INFLATION REDUCTION ACT PROGRAMS.

(a) STATE-BASED HOME ENERGY EFFICIENCY CONTRACTOR TRAINING GRANTS.—The unobligated balance of any amounts made available under subsection (a) of section 50123 of Public Law 117–169 (42 U.S.C. 18795b) is rescinded.

(b) FUNDING FOR DEPARTMENT OF ENERGY LOAN PROGRAMS OFFICE.—The unobligated balance of any amounts made available under subsection (b) of section 50141 of Public Law 117–169 (136 Stat. 2042) is rescinded.

(c) ADVANCED TECHNOLOGY VEHICLE MANUFACTURING.—The unobligated balance of any amounts made available under subsection (a) of section 50142 of Public Law 117–169 (136 Stat. 2044) is rescinded.

(d) ENERGY INFRASTRUCTURE REINVESTMENT FINANCING.—The unobligated balance of any amounts made available under subsection (a) of section 50144 of Public Law 117–169 (136 Stat. 2044) is rescinded.

(e) TRIBAL ENERGY LOAN GUARANTEE PROGRAM.—The unobligated balance of any amounts made available under subsection (a) of section 50145 of Public Law 117–169 (136 Stat. 2045) is rescinded.

(f) TRANSMISSION FACILITY FINANCING.—The unobligated balance of any amounts made available under subsection (a) of section 50151 of Public Law 117–169 (42 U.S.C. 18715) is rescinded.

(g) GRANTS TO FACILITATE THE SITING OF INTERSTATE ELECTRICITY TRANSMISSION LINES.—The unobligated balance of any amounts made available under sub-

section (a) of section 50152 of Public Law 117–169 (42 U.S.C. 18715a) is rescinded.

(h) INTERREGIONAL AND OFFSHORE WIND ELECTRICITY TRANSMISSION PLANNING, MODELING, AND ANALYSIS.—The unobligated balance of any amounts made available under subsection (a) of section 50153 of Public Law 117–169 (42 U.S.C. 18715b) is rescinded.

(i) ADVANCED INDUSTRIAL FACILITIES DEPLOYMENT PROGRAM.—The unobligated balance of any amounts made available under subsection (a) of section 50161 of Public Law 117–169 (42 U.S.C. 17113a) is rescinded.

SEC. 41002. NATURAL GAS EXPORTS AND IMPORTS.

Section 3 of the Natural Gas Act (15 U.S.C. 717b) is amended by adding at the end the following:

''(g) CHARGE FOR EXPORTATION OR IMPORTATION OF NATURAL GAS.—The Secretary of Energy shall, by rule, impose and collect, for each application to export natural gas from the United States to a foreign country with which there is not in effect a free trade agreement requiring national treatment for trade in natural gas, or to import natural gas from such a foreign country, a nonrefundable charge of $1,000,000, and, for purposes of subsection (a), the importation or exportation of natural gas that is proposed in an application for which such a non-

refundable charge was imposed and collected shall be deemed to be in the public interest, and such an application shall be granted without modification or delay.''.

SEC. 41003. FUNDING FOR DEPARTMENT OF ENERGY LOAN GUARANTEE EXPENSES.

In addition to amounts otherwise available, there is appropriated to the Secretary of Energy, out of any money in the Treasury not otherwise appropriated, $5,000,000, to remain available for a period of five years for administrative expenses associated with carrying out section 116 of the Alaska Natural Gas Pipeline Act (15 U.S.C. 720n).

SEC. 41004. EXPEDITED PERMITTING.

The Natural Gas Act is amended by adding after section 15 (15 U.S.C. 717n) the following:

''SEC. 15A. EXPEDITED PERMITTING.

''(a) DEFINITIONS.—In this section:

''(1) COVERED APPLICATION.—The term 'covered application' means an application for an authorization under section 3 or a certificate of public convenience and necessity under section 7, as applicable, for activities that include construction.

''(2) FEDERAL AUTHORIZATION.—The term 'Federal authorization' has the meaning given such term in section 15(a).

''(b) EXPEDITED REVIEW.—

''(1) NOTIFICATION OF ELECTION AND PAYMENT OF FEE.—Prior to submitting a covered application, an applicant may elect to obtain an expedited review of authorizations pursuant to Sections 3 and 7 of the Natural Gas Act for the approval of such covered application by—

''(A) submitting to the Commission a written notification—

''(i) of the election; and

''(ii) that identifies each Federal authorization required for the approval of the covered application and each Federal, State, or interstate agency that will consider an aspect of each such Federal authorization; and

''(B) making a payment to the Secretary of the Treasury in an amount that is the lesser of—

''(i) one percent of the expected cost of the applicable construction, as determined by the applicant; or

''(ii) $10,000,000 (adjusted for inflation, as the Secretary of the Treasury determines necessary).

''(2) SUBMISSION AND REVIEW OF APPLICATIONS.—

''(A) APPLICATION.—Not later than 60 days after the date on which an applicant elects to obtain an expedited review under paragraph (1), the applicant shall submit to the Commission the covered application for which such election for an expedited review was made, which shall include—

''(i) the scope of the applicable activities, including capital investment, siting, temporary construction, and final workforce numbers;

''(ii) the industrial sector of the applicant, as classified by the North American Industry Classification System; and

''(iii) a list of the statutes and regulations that are relevant to the covered application.

''(B) APPROVAL.—

''(i) STANDARD DEADLINE.—Except as provided in clause (ii), not later than one year after the date on which an applicant submits a covered application pursuant to subparagraph (A)—

"(I) each Federal, State, or interstate agency identified under paragraph (1)(A)(ii) shall—

"(aa) review the relevant Natural Gas Act sections 3 or 7 authorization identified under such paragraph; and

"(bb) subject to any conditions determined by such agency to be necessary to comply with the requirements of the Federal law under which such approval is required, approve such Federal authorization; and

"(II) the Commission shall—

"(aa) review the covered application; and

"(bb) subject to any conditions determined by the Commission to be necessary to comply with the requirements of this Act, approve the covered application.

"(ii) EXTENDED DEADLINE.—

"(I) EXTENSION.—With respect to a covered application submitted pursuant to subparagraph (A), the Commission may approve a request by an agency identified under paragraph (1)(A)(ii) for an extension of the one-year deadline imposed by clause (i) of this subparagraph for a period of 6 months if the Commission receives consent from the relevant applicant.

"(II) APPLICABILITY.—If the Commission approves a request for an extension under subclause (I), such extension shall apply to the applicable covered application and the Federal authorization for which the extension was requested.

"(C) EFFECT OF FAILURE TO MEET DEADLINE.—

"(i) DEEMED APPROVAL.—Any covered application submitted pursuant to subparagraph (A), or Federal authorization that is required with respect to such covered application, that is not approved by the applicable deadline under subpara-

graph (B) shall be deemed approved in perpetuity.

''(ii) COMPLIANCE.—A person carrying out activities under a covered application or Federal authorization that has been deemed approved under clause (i) shall comply with the requirements of the Natural Gas Act.

''(c) JUDICIAL REVIEW.—

''(1) REVIEWABLE CLAIMS.—

''(A) IN GENERAL.—No court shall have jurisdiction to review a claim with respect to the approval of a covered application or Federal authorization under subparagraph (B) or (C)(i) of subsection (b)(2), except for a claim under chapter 7 of title 5, United States Code, filed not later than 180 days after the date of such approval by—

''(i) the applicant; or

''(ii) a person who has suffered, or likely and imminently will suffer, direct and irreparable economic harm from the approval.

''(B) CLAIMS BY CERTAIN NON-APPLICANTS.—An association may only bring a claim

on behalf of one or more of its members pursuant to subparagraph (A)(ii) if each member of the association has suffered, or likely and imminently will suffer, the harm described in subparagraph (A)(ii).

''(2) STANDARD OF REVIEW.—If an applicant or other person brings a claim described in paragraph (1) with respect to the approval of a covered application or Federal authorization under subsection (b)(2)(B), the court shall hold unlawful and set aside any agency actions, findings, and conclusions in accordance with section 706(2) of title 5, United States Code, except that, for purposes of the application of subparagraph (E) of such section, the court shall apply such subparagraph by substituting 'clear and convincing evidence' for 'substantial evidence'.

''(3) EXCLUSIVE JURISDICTION.—The United States Court of Appeals for the District of Columbia Circuit shall have original and exclusive jurisdiction over any claim—

''(A) alleging the invalidity of subsection (b); or

''(B) that an agency action relating to a covered application or Federal authorization

under subsection (b) is beyond the scope of authority conferred by the Federal law under which such agency action is made.''.

SEC. 41005. DE-RISKING COMPENSATION PROGRAM.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available through September 30, 2034, to carry out this section: *Provided*, That no disbursements may be made under this section after September 30, 2034.

(b) DE-RISKING COMPENSATION PROGRAM.—

(1) ESTABLISHMENT.—There is established in the Department of Energy a program, to be known as the De-Risking Compensation Program, to provide compensation to sponsors, with respect to covered energy projects, that suffer unrecoverable losses due to qualifying Federal actions.

(2) ELIGIBILITY.—A sponsor may enroll in the program with respect to a covered energy project if—

(A) all approvals or permits required or authorized under Federal law for the covered energy project have been received, regardless of

whether a court order subsequently remands or vacates such approvals or permits;

(B) the sponsor commenced construction of the covered energy project or made capital expenditures with respect to the covered energy project in reliance on such approvals or permits; and

(C) at the time of enrollment, no qualifying Federal action has been issued or taken that has an effect described in subsection (g)(4)(B) on the covered energy project.

(3) APPLICATION.—A sponsor may apply to enroll with respect to a covered energy project in the program by submitting to the Secretary an application containing such information as the Secretary may require.

(4) ENROLLMENT.—Not later than 90 days after the date on which the Secretary receives an application submitted under paragraph (3), the Secretary shall enroll the sponsor in the program for the covered energy project with respect to which the application was submitted if the Secretary determines that the sponsor meets the requirements of paragraph (2) with respect to the covered energy project.

(c) FEES AND PREMIUMS.—

(1) ENROLLMENT FEE.—Not later than 60 days after the date on which a sponsor is enrolled in the program under subsection (b)(4), the sponsor shall pay to the Secretary a one-time enrollment fee equal to 5 percent of the sponsor capital contribution for the applicable covered energy project.

(2) ANNUAL PREMIUMS.—

(A) IN GENERAL.—The Secretary shall establish and annually collect a premium from each sponsor enrolled in the program for each covered energy project with respect to which the sponsor is enrolled.

(B) REQUIREMENTS.—A premium established and collected from a sponsor under subparagraph (A) shall—

(i) be equal to 1.5 percent of the sponsor capital contribution for the applicable covered energy project; and

(ii) be paid beginning with the year of enrollment and continuing until the earlier of—

(I) fiscal year 2033; or

(II) the year in which the sponsor withdraws from the program with

respect to the applicable covered energy project.

(C) ADJUSTMENT.—The Secretary may adjust the percentage required by subparagraph (B)(i) once every two fiscal years to ensure Fund solvency, except that—

(i) the Secretary may not vary such percentage between sponsors or projects; and

(ii) such percentage may not exceed 5 percent.

(D) PUBLICATION.—The Secretary shall publish in the Federal Register not later than 60 days prior to the start of each fiscal year a list of each premium to be collected for the fiscal year.

(d) COMPENSATION.—

(1) IN GENERAL.—Using amounts available in the Fund, and subject to paragraph (5), the Secretary shall provide compensation to a sponsor enrolled in the program with respect to a covered energy project if—

(A) the sponsor paid the enrollment fee and the premium for each year the sponsor was

enrolled in the program with respect to the covered energy project; and

(B) the sponsor demonstrates, in a request submitted to the Secretary, that a qualifying Federal action has been issued or taken that has an effect described in subsection (g)(4)(B) on the covered energy project.

(2) REQUEST FOR COMPENSATION.—A request under paragraph (1) shall contain the following:

(A) Information on each Federal approval or permit relating to the covered energy project, including the date on which such approval or permit was issued.

(B) A certified accounting of capital expenditures made in reliance on each such Federal approval or permit.

(C) A description of, and, if applicable, a citation to, the applicable qualifying Federal action.

(D) A causal statement showing how the qualifying Federal action directly resulted in unrecoverable losses or cessation of the covered energy project and that absent the qualifying Federal action the project would have otherwise been viable.

(E) Any supporting economic analysis demonstrating the financial effects of the covered energy project being rendered unviable.

(3) APPROVAL.—The Secretary shall approve a request submitted under paragraph (1) and, subject to paragraph (5), provide compensation to the applicable sponsor if the Secretary determines that such request is complete and in compliance with the requirements of this section.

(4) LIMITATIONS ON DENIALS.—The Secretary may not deny a request submitted under paragraph (1) based on—

(A) the merit of the applicable covered energy project, as determined by the Secretary; or

(B) the type of technology used in the applicable covered energy project.

(5) LIMITATIONS ON COMPENSATION AMOUNT.—

(A) SPONSORS.—The amount of compensation provided to a sponsor under this subsection with respect to a covered energy project shall not exceed the sponsor capital contribution for the covered energy project.

(B) AVAILABLE FUNDS.—In determining the amount of compensation to be provided to a sponsor under this subsection—

(i) such amount may be any amount, including zero, that is less than or equal to the amount of the sponsor capital contribution for the covered energy project, regardless of the amount of capital expenditures made by the sponsor (as certified and included in the request pursuant to paragraph (2)(B)); and

(ii) the Secretary shall determine such amount in a manner that ensures no funds will be obligated or expended in amounts that exceed the amounts in the Fund at the time of approval of the applicable request submitted under paragraph (1).

(e) DE-RISKING COMPENSATION FUND.—

(1) ESTABLISHMENT.—There is established a fund, to be known as the De-Risking Compensation Fund, consisting of such amounts as are deposited in the Fund under this subsection or credited to the Fund under subsection (f).

(2) USE OF FUNDS.—Amounts in the Fund—

(A) shall remain available until September 30, 2034; and

(B) may be used, without further appropriation—

(i) to make compensation payments to sponsors under this section; and

(ii) to administer the program.

(3) LIMITATION ON ADMINISTRATIVE EXPENSES.—Not more than 3 percent of amounts in the Fund may be used to administer the program.

(4) DEPOSITS.—The Secretary shall deposit the fees and premiums received under subsection (c) into the Fund.

(f) FUND MANAGEMENT AND INVESTMENT.—The Fund shall be managed and invested as follows:

(1) The Fund shall be maintained and administered by the Secretary.

(2) Amounts in the Fund shall be invested in obligations of the United States in accordance with the requirements of section 9702 of title 31, United States Code.

(3) The interest on such investments shall be credited to the Fund.

(g) DEFINITIONS.—For purposes of this section:

(1) COVERED ENERGY PROJECT.—The term ''covered energy project'' means a project located in the United States for the development, extraction, processing, transportation, or use of coal, coal by-products, critical minerals, oil, natural gas, or nuclear energy with a total projected capital expenditure of not less than $30,000,000, as certified by the Secretary.

(2) FUND.—The term ''Fund'' means the De-Risking Compensation Fund established in subsection (e)(1).

(3) PROGRAM.—The term ''program'' means the De-Risking Compensation Program established in subsection (b)(1).

(4) QUALIFYING FEDERAL ACTION.—The term ''qualifying Federal action'' means a regulation, administrative decision, or executive action—

(A) issued or taken after a sponsor received a Federal approval or permit for a covered energy project; and

(B) that revokes such approval or permit or cancels, delays, or renders unviable the covered energy project regardless of whether the regulation, administrative decision, or executive action is responsive to a court order.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(6) SPONSOR.—The term ''sponsor'' means an entity incorporated and headquartered in the United States with an ownership or development interest in a covered energy project.

(7) SPONSOR CAPITAL CONTRIBUTION.—The term ''sponsor capital contribution'' means the projected capital expenditure of a sponsor for a covered energy project, as certified by the Secretary at the time of enrollment in the program, which shall include verifiable development, construction, permitting, and financing costs directly related to the covered energy project.

SEC. 41006. STRATEGIC PETROLEUM RESERVE.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Department of Energy for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $218,000,000 for maintenance of, including repairs to, storage facilities and related facilities (as such terms are defined in section 152 of the Energy Policy and Conservation Act (42 U.S.C. 6232)) of the Strategic Petroleum Reserve; and

(2) $1,321,000,000 to acquire, by purchase, petroleum products for storage in the Strategic Petroleum Reserve.

(b) REPEAL OF STRATEGIC PETROLEUM RESERVE DRAWDOWN AND SALE MANDATE.—Section 20003 of Public Law 115–97 (42 U.S.C. 6241 note) is repealed.

Subtitle B—Environment

PART 1—REPEALS AND RESCISSIONS

SEC. 42101. REPEAL AND RESCISSION RELATING TO CLEAN HEAVY-DUTY VEHICLES.

(a) REPEAL.—Section 132 of the Clean Air Act (42 U.S.C. 7432) is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 132 of the Clean Air Act (42 U.S.C. 7432) (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42102. REPEAL AND RESCISSION RELATING TO GRANTS TO REDUCE AIR POLLUTION AT PORTS.

(a) REPEAL.—Section 133 of the Clean Air Act (42 U.S.C. 7433) is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 133 of the Clean Air Act (42 U.S.C. 7433) (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42103. REPEAL AND RESCISSION RELATING TO GREENHOUSE GAS REDUCTION FUND.

(a) REPEAL.—Section 134 of the Clean Air Act (42 U.S.C. 7434) is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 134 of the Clean Air Act (42 U.S.C. 7434) (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42104. REPEAL AND RESCISSION RELATING TO DIESEL EMISSIONS REDUCTIONS.

(a) REPEAL.—Section 60104 of Public Law 117–169 is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 60104 of Public Law 117–169 (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42105. REPEAL AND RESCISSION RELATING TO FUNDING TO ADDRESS AIR POLLUTION.

(a) REPEAL.—Section 60105 of Public Law 117–169 is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 60105 of Public Law 117–169 (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42106. REPEAL AND RESCISSION RELATING TO FUNDING TO ADDRESS AIR POLLUTION AT SCHOOLS.

(a) REPEAL.—Section 60106 of Public Law 117–169 is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 60106 of Public Law 117–169 (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42107. REPEAL AND RESCISSION RELATING TO LOW EMISSIONS ELECTRICITY PROGRAM.

(a) REPEAL.—Section 135 of the Clean Air Act (42 U.S.C. 7435) is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 135 of the Clean Air Act (42 U.S.C. 7435) (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42108. REPEAL AND RESCISSION RELATING TO FUNDING FOR SECTION 211(o) OF THE CLEAN AIR ACT.

(a) REPEAL.—Section 60108 of Public Law 117–169 is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 60108 of Public Law 117–169 (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42109. REPEAL AND RESCISSION RELATING TO FUNDING FOR IMPLEMENTATION OF THE AMERICAN INNOVATION AND MANUFACTURING ACT.

(a) REPEAL.—Section 60109 of Public Law 117–169 is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 60109 of Public Law 117–169 (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42110. REPEAL AND RESCISSION RELATING TO FUNDING FOR ENFORCEMENT TECHNOLOGY AND PUBLIC INFORMATION.

(a) REPEAL.—Section 60110 of Public Law 117–169 is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 60110 of Public Law 117–169 (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42111. REPEAL AND RESCISSION RELATING TO GREENHOUSE GAS CORPORATE REPORTING.

(a) REPEAL.—Section 60111 of Public Law 117–169 is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 60111 of Public

Law 117–169 (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42112. REPEAL AND RESCISSION RELATING TO ENVIRONMENTAL PRODUCT DECLARATION ASSISTANCE.

(a) REPEAL.—Section 60112 of Public Law 117–169 (42 U.S.C. 4321 note) is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 60112 of Public Law 117–169 (42 U.S.C. 4321 note) (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42113. REPEAL OF FUNDING FOR METHANE EMISSIONS AND WASTE REDUCTION INCENTIVE PROGRAM FOR PETROLEUM AND NATURAL GAS SYSTEMS.

(a) REPEAL AND RESCISSION.—Subsections (a) and (b) of section 136 of the Clean Air Act (42 U.S.C. 7436) are repealed and the unobligated balances of amounts made available under those subsections (as in effect on the day before the date of enactment of this Act) are rescinded.

(b) CONFORMING AMENDMENTS.—Section 136 of the Clean Air Act (42 U.S.C. 7436) is amended—

(1) by redesignating subsections (c) through (i) as subsections (a) through (g), respectively;

(2) by striking ''subsection (c)'' each place it appears and inserting ''subsection (a)'';

(3) by striking ''subsection (d)'' each place it appears and inserting ''subsection (b)'';

(4) by striking ''subsection (f)'' each place it appears and inserting ''subsection (d)'';

(5) in subsection (e) (as so redesignated), by striking ''calendar year 2024'' and inserting ''calendar year 2034''; and

(6) in subsection (f) (as so redesignated)—

(A) by striking ''subsections (e) and (f)'' and inserting ''subsections (c) and (d)''; and

(B) by striking ''including data collected pursuant to subsection (a)(4),''.

SEC. 42114. REPEAL AND RESCISSION RELATING TO GREENHOUSE GAS AIR POLLUTION PLANS AND IMPLEMENTATION GRANTS.

(a) REPEAL.—Section 137 of the Clean Air Act (42 U.S.C. 7437) is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 137 of the Clean Air Act (42 U.S.C. 7437) (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42115. REPEAL AND RESCISSION RELATING TO ENVIRONMENTAL PROTECTION AGENCY EFFICIENT, ACCURATE, AND TIMELY REVIEWS.

(a) REPEAL.—Section 60115 of Public Law 117–169 is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 60115 of Public Law 117–169 (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42116. REPEAL AND RESCISSION RELATING TO LOW-EMBODIED CARBON LABELING FOR CONSTRUCTION MATERIALS.

(a) REPEAL.—Section 60116 of Public Law 117–169 (42 U.S.C. 4321 note) is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 60116 of Public Law 117–169 (42 U.S.C. 4321 note) (as in effect on the day before the date of enactment of this Act) is rescinded.

SEC. 42117. REPEAL AND RESCISSION RELATING TO ENVIRONMENTAL AND CLIMATE JUSTICE BLOCK GRANTS.

(a) REPEAL.—Section 138 of the Clean Air Act (42 U.S.C. 7438) is repealed.

(b) RESCISSION.—The unobligated balance of any amounts made available under section 138 of the Clean

Air Act (42 U.S.C. 7438) (as in effect on the day before the date of enactment of this Act) is rescinded.

PART 2—REPEAL OF EPA RULES RELATING TO GREENHOUSE GAS AND MULTI-POLLUTANT EMISSIONS STANDARDS

SEC. 42201. REPEAL OF EPA RULES RELATING TO GREENHOUSE GAS AND MULTI-POLLUTANT EMISSIONS STANDARDS.

The final rules issued by the Environmental Protection Agency relating to ''Revised 2023 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions Standards'' (86 Fed. Reg. 74434 (December 30, 2021)) and ''Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles'' (89 Fed. Reg. 27842 (April 18, 2024)) shall have no force or effect.

PART 3—REPEAL OF NHTSA RULES RELATING TO CAFE STANDARDS

SEC. 42301. REPEAL OF NHTSA RULES RELATING TO CAFE STANDARDS.

The final rules issued by the National Highway Traffic Safety Administration relating to ''Corporate Average Fuel Economy Standards for Model Years 2024–2026 Passenger Cars and Light Trucks'' (87 Fed. Reg. 25710 (May 2, 2022)) and ''Corporate Average Fuel Economy

Standards for Passenger Cars and Light Trucks for Model Years 2027 and Beyond and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans for Model Years 2030 and Beyond'' (89 Fed. Reg. 52540 (June 24, 2024)) shall have no force or effect.

Subtitle C—Communications

PART 1—SPECTRUM AUCTIONS

SEC. 43101. IDENTIFICATION AND AUCTION OF SPECTRUM.

(a) IDENTIFICATION.—

(1) IN GENERAL.—Not later than 2 years after the date of the enactment of this Act, the Assistant Secretary and the Commission shall identify, from spectrum in the covered band that is allocated for Federal use, non-Federal use, or shared Federal and non-Federal use, a total of not less than 600 megahertz of spectrum for reallocation for non-Federal use on an exclusive, licensed basis for mobile broadband services, fixed broadband services, mobile and fixed broadband services, or a combination thereof.

(2) WITHDRAWAL OR MODIFICATION OF FEDERAL GOVERNMENT ASSIGNMENTS.—The President, acting through the Assistant Secretary, shall—

(A) withdraw or modify the assignments to Federal Government stations of spectrum iden-

tified under paragraph (1) as necessary for the Commission to comply with subsection (b); and

(B) not later than 30 days after completing any necessary withdrawal or modification under subparagraph (A), notify the Commission that the withdrawal or modification is complete.

(3) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to change the respective authorities of the Assistant Secretary and the Commission with respect to spectrum allocated for Federal use, non-Federal use, or shared Federal and non-Federal use.

(b) AUCTION.—

(1) IN GENERAL.—The Commission shall, through 1 or more systems of competitive bidding under section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)), grant licenses for the use of the spectrum identified under subsection (a) on an exclusive, licensed basis for mobile broadband services, fixed broadband services, mobile and fixed broadband services, or a combination thereof.

(2) SCHEDULE.—Notwithstanding paragraph (15)(A) of section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)), the Commission shall

auction spectrum under paragraph (1) of this subsection according to the following schedule:

(A) Not later than 3 years after the date of the enactment of this Act, the Commission shall complete 1 or more systems of competitive bidding for not less than 200 megahertz of such spectrum.

(B) Not later than 6 years after the date of the enactment of this Act, the Commission shall complete 1 or more systems of competitive bidding for any remaining spectrum required to be auctioned under paragraph (1) after compliance with subparagraph (A) of this paragraph.

(c) AUCTION PROCEEDS TO COVER 110 PERCENT OF FEDERAL RELOCATION OR SHARING COSTS.—Nothing in this section may be construed to relieve the Commission from the requirements of section 309(j)(16)(B) of the Communications Act of 1934 (47 U.S.C. 309(j)(16)(B)).

(d) AUCTION AUTHORITY.—Section 309(j)(11) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)) is amended by striking ''grant a license or permit under this subsection shall expire March 9, 2023'' and all that follows and inserting ''complete a system of competitive bidding under this subsection shall expire September 30, 2034.''.

(e) DEFINITIONS.—In this section:

(1) ASSISTANT SECRETARY.—The term ''Assistant Secretary'' means the Assistant Secretary of Commerce for Communications and Information.

(2) COMMISSION.—The term ''Commission'' means the Federal Communications Commission.

(3) COVERED BAND.—

(A) IN GENERAL.—The term ''covered band'' means the band of frequencies between 1.3 gigahertz and 10 gigahertz, inclusive.

(B) EXCLUSION.—The term ''covered band'' does not include the following:

(i) The band of frequencies between 3.1 gigahertz and 3.45 gigahertz, inclusive.

(ii) The band of frequencies between 5.925 gigahertz and 7.125 gigahertz, inclusive.

PART 2—ARTIFICIAL INTELLIGENCE AND INFORMATION TECHNOLOGY MODERNIZATION

SEC. 43201. ARTIFICIAL INTELLIGENCE AND INFORMATION TECHNOLOGY MODERNIZATION INITIATIVE.

(a) APPROPRIATION OF FUNDS.—There is hereby appropriated to the Department of Commerce for fiscal year 2025, out of any funds in the Treasury not otherwise appropriated, $500,000,000, to remain available until Sep-

tember 30, 2034, to modernize and secure Federal information technology systems through the deployment of commercial artificial intelligence, the deployment of automation technologies, and the replacement of antiquated business systems in accordance with subsection (b).

(b) AUTHORIZED USES.—The Secretary of Commerce shall use the funds appropriated under subsection (a) for the following:

(1) To replace or modernize, within the Department of Commerce, legacy business systems with state-of-the-art commercial artificial intelligence systems and automated decision systems.

(2) To facilitate, within the Department of Commerce, the adoption of artificial intelligence models that increase operational efficiency and service delivery.

(3) To improve, within the Department of Commerce, the cybersecurity posture of Federal information technology systems through modernized architecture, automated threat detection, and integrated artificial intelligence solutions.

(c) MORATORIUM.—

(1) IN GENERAL.—Except as provided in paragraph (2), no State or political subdivision thereof may enforce, during the 10-year period beginning on

the date of the enactment of this Act, any law or regulation of that State or a political subdivision thereof limiting, restricting, or otherwise regulating artificial intelligence models, artificial intelligence systems, or automated decision systems entered into interstate commerce.

(2) RULE OF CONSTRUCTION.—Paragraph (1) may not be construed to prohibit the enforcement of—

(A) any law or regulation that—

(i) the primary purpose and effect of which is to—

(I) remove legal impediments to, or facilitate the deployment or operation of, an artificial intelligence model, artificial intelligence system, or automated decision system; or

(II) streamline licensing, permitting, routing, zoning, procurement, or reporting procedures in a manner that facilitates the adoption of artificial intelligence models, artificial intelligence systems, or automated decision systems;

(ii) does not impose any substantive design, performance, data-handling, documentation, civil liability, taxation, fee, or other requirement on artificial intelligence models, artificial intelligence systems, or automated decision systems unless such requirement—

(I) is imposed under Federal law; or

(II) in the case of a requirement imposed under a generally applicable law, is imposed in the same manner on models and systems, other than artificial intelligence models, artificial intelligence systems, and automated decision systems, that provide comparable functions to artificial intelligence models, artificial intelligence systems, or automated decision systems; and

(iii) does not impose a fee or bond unless—

(I) such fee or bond is reasonable and cost-based; and

(II) under such fee or bond, artificial intelligence models, artificial intelligence systems, and automated decision systems are treated in the same manner as other models and systems that perform comparable functions; or

(B) any provision of a law or regulation to the extent that the violation of such provision carries a criminal penalty.

(d) DEFINITIONS.—In this section:

(1) ARTIFICIAL INTELLIGENCE.—The term ''artificial intelligence'' has the meaning given such term in section 5002 of the National Artificial Intelligence Initiative Act of 2020 (15 U.S.C. 9401).

(2) ARTIFICIAL INTELLIGENCE MODEL.—The term ''artificial intelligence model'' means a software component of an information system that implements artificial intelligence technology and uses computational, statistical, or machine-learning techniques to produce outputs from a defined set of inputs.

(3) ARTIFICIAL INTELLIGENCE SYSTEM.—The term ''artificial intelligence system'' means any data system, hardware, tool, or utility that operates, in whole or in part, using artificial intelligence.

(4) AUTOMATED DECISION SYSTEM.—The term ''automated decision system'' means any computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues a simplified output, including a score, classification, or recommendation, to materially influence or replace human decision making.

Subtitle D—Health

PART 1—MEDICAID

Subpart A—Reducing Fraud and Improving Enrollment Processes

SEC. 44101. MORATORIUM ON IMPLEMENTATION OF RULE RELATING TO ELIGIBILITY AND ENROLLMENT IN MEDICARE SAVINGS PROGRAMS.

The Secretary of Health and Human Services shall not, during the period beginning on the date of the enactment of this section and ending January 1, 2035, implement, administer, or enforce the provisions of the final rule published by the Centers for Medicare & Medicaid Services on September 21, 2023, and titled ''Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment'' (88 Fed. Reg. 65230).

SEC. 44102. MORATORIUM ON IMPLEMENTATION OF RULE RELATING TO ELIGIBILITY AND ENROLLMENT FOR MEDICAID, CHIP, AND THE BASIC HEALTH PROGRAM.

The Secretary of Health and Human Services shall not, during the period beginning on the date of the enactment of this section and ending January 1, 2035, implement, administer, or enforce the provisions of the final rule published by the Centers for Medicare & Medicaid Services on April 2, 2024, and titled ''Medicaid Program; Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes'' (89 Fed. Reg. 22780).

SEC. 44103. ENSURING APPROPRIATE ADDRESS VERIFICATION UNDER THE MEDICAID AND CHIP PROGRAMS.

(a) MEDICAID.—

(1) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(A) in subsection (a)—

(i) in paragraph (86), by striking ''and'' at the end;

(ii) in paragraph (87), by striking the period and inserting ''; and''; and

(iii) by inserting after paragraph (87) the following new paragraph:

''(88) provide—

''(A) beginning not later than January 1, 2027, in the case of 1 of the 50 States and the District of Columbia, for a process to regularly obtain address information for individuals enrolled under such plan (or a waiver of such plan) in accordance with subsection (vv); and

''(B) beginning not later than October 1, 2029—

''(i) for the State to submit to the system established by the Secretary under subsection (uu), with respect to an individual enrolled or seeking to enroll under such plan, not less frequently than once each month and during each determination or redetermination of the eligibility of such individual for medical assistance under such plan (or waiver of such plan)—

''(I) the social security number of such individual, if such individual has a social security number and is required to provide such number to enroll under such plan (or waiver); and

''(II) such other information with respect to such individual as determined necessary by the Secretary for purposes of preventing individuals from simultaneously being enrolled under State plans (or waivers of such plans) of multiple States;

''(ii) for the use of such system to prevent such simultaneous enrollment; and

''(iii) in the case that such system indicates that an individual enrolled or seeking to enroll under such plan (or wavier of such plan) is enrolled under a State plan (or waiver of such a plan) of another State, for the taking of appropriate action (as determined by the Secretary) to identify whether such an individual resides in the State and disenroll an individual from the State plan of such State if such individual does not reside in such State (unless such individual meets such an exception as the Secretary may specify).''; and

(B) by adding at the end the following new subsections:

''(uu) PREVENTION OF ENROLLMENT UNDER MULTIPLE STATE PLANS.—

''(1) IN GENERAL.—Not later than October 1, 2029, the Secretary shall establish a system to be utilized by the Secretary and States to prevent an individual from being simultaneously enrolled under the State plans (or waivers of such plans) of multiple States. Such system shall—

''(A) provide for the receipt of information submitted by a State under subsection (a)(88)(B)(i); and

''(B) not less than once each month, notify or transmit information to a State (or allow the Secretary to notify or transmit information to a State) regarding whether an individual enrolled or seeking to enroll under the State plan of such State (or waiver of such plan) is enrolled under the State plan (or waiver of such plan) of another State.

''(2) STANDARDS.—The Secretary shall establish such standards as determined necessary by the Secretary to limit and protect information submitted under such system and ensure the privacy of such information, consistent with subsection (a)(7).

''(3) IMPLEMENTATION FUNDING.—There are appropriated to the Secretary, out of amounts in the Treasury not otherwise appropriated, in addition to amounts otherwise available—

''(A) for fiscal year 2026, $10,000,000 for purposes of establishing the system required under this subsection, to remain available until expended; and

''(B) for fiscal year 2029, $20,000,000 for purposes of maintaining such system, to remain available until expended.

''(vv) PROCESS TO OBTAIN ENROLLEE ADDRESS INFORMATION.—

''(1) IN GENERAL.—For purposes of subsection (a)(88)(A), a process to regularly obtain address information for individuals enrolled under a State plan (or a waiver of such plan) shall obtain address information from reliable data sources described in paragraph (2) and take such actions as the Secretary shall specify with respect to any changes to such address based on such information.

''(2) RELIABLE DATA SOURCES DESCRIBED.—For purposes of paragraph (1), the reliable data sources described in this paragraph are the following:

''(A) Mail returned to the State by the United States Postal Service with a forwarding address.

''(B) The National Change of Address Database maintained by the United States Postal Service.

''(C) A managed care entity (as defined in section 1932(a)(1)(B)) or prepaid inpatient health plan or prepaid ambulatory health plan (as such terms are defined in section 1903(m)(9)(D)) that has a contract under the State plan if the address information is provided to such entity or plan directly from, or verified by such entity or plan directly with, such individual.

''(D) Other data sources as identified by the State and approved by the Secretary.''.

(2) CONFORMING AMENDMENTS.—

(A) PARIS.—Section 1903(r)(3) of the Social Security Act (42 U.S.C. 1396b(r)(3)) is amended—

(i) by striking ''In order'' and inserting ''(A) In order'';

(ii) by striking ''through the Public'' and inserting ''through—

"(i) the Public";

(iii) by striking the period at the end and inserting "; and

"(ii) beginning October 1, 2029, the system established by the Secretary under section 1902(uu).''; and

(iv) by adding at the end the following new subparagraph:

"(B) Beginning October 1, 2029, the Secretary may determine that a State is not required to have in operation an eligibility determination system which provides for data matching through the system described in subparagraph (A)(i) to meet the requirements of this paragraph.''.

(B) MANAGED CARE.—Section 1932 of the Social Security Act (42 U.S.C. 1396u–2) is amended by adding at the end the following new subsection:

"(j) TRANSMISSION OF ADDRESS INFORMATION.—Beginning January 1, 2027, each contract under a State plan with a managed care entity (as defined in section 1932(a)(1)(B)) or with a prepaid inpatient health plan or prepaid ambulatory health plan (as such terms are defined in section 1903(m)(9)(D)), shall provide that such entity or plan shall promptly transmit to the State any address

information for an individual enrolled with such entity or plan that is provided to such entity or plan directly from, or verified by such entity or plan directly with, such individual.''.

(b) CHIP.—

(1) IN GENERAL.—Section 2107(e)(1) of the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended—

(A) by redesignating subparagraphs (H) through (U) as subparagraphs (I) through (V), respectively; and

(B) by inserting after subparagraph (G) the following new subparagraph:

''(H) Section 1902(a)(88) (relating to address information for enrollees and prevention of simultaneous enrollments).''.

(2) MANAGED CARE.—Section 2103(f)(3) of the Social Security Act (42 U.S.C. 1397cc(f)(3)) is amended by striking ''and (e)'' and inserting ''(e), and (j)''.

SEC. 44104. MODIFYING CERTAIN STATE REQUIREMENTS FOR ENSURING DECEASED INDIVIDUALS DO NOT REMAIN ENROLLED.

Section 1902 of the Social Security Act (42 U.S.C. 1396a), as amended by section 44103, is further amended—

(1) in subsection (a)—

(A) in paragraph (87), by striking ''; and'' and inserting a semicolon;

(B) in paragraph (88), by striking the period at the end and inserting ''; and''; and

(C) by inserting after paragraph (88) the following new paragraph:

''(89) provide that the State shall comply with the eligibility verification requirements under subsection (ww), except that this paragraph shall apply only in the case of the 50 States and the District of Columbia.''; and

(2) by adding at the end the following new subsection:

''(ww) VERIFICATION OF CERTAIN ELIGIBILITY CRITERIA.—

''(1) IN GENERAL.—For purposes of subsection (a)(89), the eligibility verification requirements, beginning January 1, 2028, are as follows:

''(A) QUARTERLY SCREENING TO VERIFY ENROLLEE STATUS.—The State shall, not less frequently than quarterly, review the Death Master File (as such term is defined in section 203(d) of the Bipartisan Budget Act of 2013) to determine whether any individuals enrolled for medical assistance under the State plan (or waiver of such plan) are deceased.

''(B) DISENROLLMENT UNDER STATE PLAN.—If the State determines, based on information obtained from the Death Master File, that an individual enrolled for medical assistance under the State plan (or waiver of such plan) is deceased, the State shall—

''(i) treat such information as factual information confirming the death of a beneficiary for purposes of section 431.213(a) of title 42, Code of Federal Regulations;

''(ii) disenroll such individual from the State plan (or waiver of such plan); and

''(iii) discontinue any payments for medical assistance under this title made on behalf of such individual (other than payments for any items or services furnished

to such individual prior to the death of such individual).

''(C) REINSTATEMENT OF COVERAGE IN THE EVENT OF ERROR.—If a State determines that an individual was misidentified as deceased based on information obtained from the Death Master File and was erroneously disenrolled from medical assistance under the State plan (or waiver of such plan) based on such misidentification, the State shall immediately re-enroll such individual under the State plan (or waiver of such plan), retroactive to the date of such disenrollment.

''(2) RULE OF CONSTRUCTION.—Nothing under this subsection shall be construed to preclude the ability of a State to use other electronic data sources to timely identify potentially deceased beneficiaries, so long as the State is also in compliance with the requirements of this subsection (and all other requirements under this title relating to Medicaid eligibility determination and redetermination).''.

SEC. 44105. MEDICAID PROVIDER SCREENING REQUIREMENTS.

Section 1902(kk)(1) of the Social Security Act (42 U.S.C. 1396a(kk)(1)) is amended—

(1) by striking ''The State'' and inserting:

''(A) IN GENERAL.—The State''; and

(2) by adding at the end the following new subparagraph:

''(B) ADDITIONAL PROVIDER SCREENING.—Beginning January 1, 2028, as part of the enrollment (or reenrollment or revalidation of enrollment) of a provider or supplier under this title, and not less frequently than monthly during the period that such provider or supplier is so enrolled, the State conducts a check of any database or similar system developed pursuant to section 6401(b)(2) of the Patient Protection and Affordable Care Act to determine whether the Secretary has terminated the participation of such provider or supplier under title XVIII, or whether any other State has terminated the participation of such provider or supplier under such other State's State plan under this title (or waiver of the plan), or such other State's State child health plan under title XXI (or waiver of the plan).''.

SEC. 44106. ADDITIONAL MEDICAID PROVIDER SCREENING REQUIREMENTS.

Section 1902(kk)(1) of the Social Security Act (42 U.S.C. 1396a(kk)(1)), as amended by section 44105, is further amended by adding at the end the following new subparagraph:

"(C) PROVIDER SCREENING AGAINST DEATH MASTER FILE.—Beginning January 1, 2028, as part of the enrollment (or reenrollment or revalidation of enrollment) of a provider or supplier under this title, and not less frequently than quarterly during the period that such provider or supplier is so enrolled, the State conducts a check of the Death Master File (as such term is defined in section 203(d) of the Bipartisan Budget Act of 2013) to determine whether such provider or supplier is deceased.".

SEC. 44107. REMOVING GOOD FAITH WAIVER FOR PAYMENT REDUCTION RELATED TO CERTAIN ERRONEOUS EXCESS PAYMENTS UNDER MEDICAID.

(a) IN GENERAL.—Section 1903(u)(1) of the Social Security Act (42 U.S.C. 1396b(u)(1)) is amended—

(1) in subparagraph (B)—

(A) by striking ''The Secretary'' and inserting ''(i) Subject to clause (ii), the Secretary''; and

(B) by adding at the end the following new clause:

''(ii) The amount waived under clause (i) for a fiscal year may not exceed an amount equal to the difference between—

''(I) the amount of the reduction required under subparagraph (A) for such fiscal year (without application of this subparagraph); and

''(II) the sum of the erroneous excess payments for medical assistance described in subclauses (I) and (III) of subparagraph (D)(i) made for such fiscal year.'';

(2) in subparagraph (C), by striking ''he'' in each place it appears and inserting ''the Secretary'' in each such place; and

(3) in subparagraph (D)—

(A) in clause (i)—

(i) in subclause (I), by striking ''and'' at the end;

(ii) in subclause (II), by striking the period at the end and inserting '', and''; and

(iii) by adding at the end the following new subclause:

''(III) payments (other than payments described in subclause (I)) for items and services furnished to an eligible individual who is not eligible for medical assistance under the State plan (or a waiver of such plan) with respect to such items and services.''; and

(B) by adding at the end the following new clause:

''(vi) In determining the amount of erroneous excess payments for medical assistance under clause (i), the Secretary shall include any payments described in such clause that are identified under the payment error rate measurement (PERM) program, the Medicaid Eligibility Quality Control (MEQC) program, an audit conducted by the Inspector General of the Department of Health and Human Services, or any other independent audit made by the Secretary.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply beginning with respect to fiscal year 2030.

SEC. 44108. INCREASING FREQUENCY OF ELIGIBILITY REDETERMINATIONS FOR CERTAIN INDIVIDUALS.

Section 1902(e)(14) of the Social Security Act (42 U.S.C. 1396a(e)(14)) is amended by adding at the end the following new subparagraph:

''(L) FREQUENCY OF ELIGIBILITY REDETERMINATIONS FOR CERTAIN INDIVIDUALS.—With respect to redeterminations of eligibility for medical assistance under a State plan (or waiver of such plan) scheduled on or after December 31, 2026, a State shall make such a redetermination once every 6 months for the following individuals:

''(i) Individuals enrolled under subsection (a)(10)(A)(i)(VIII).

''(ii) Individuals described in such subsection who are otherwise enrolled under a waiver of such plan that provides coverage that is equivalent to minimum essential coverage (as described in section 5000A(f)(1)(A) of the Internal Revenue Code of 1986 and determined in accordance with standards prescribed by the Secretary in regulations) to all individuals described in subsection (a)(10)(A)(i)(VIII).''.

SEC. 44109. REVISING HOME EQUITY LIMIT FOR DETERMINING ELIGIBILITY FOR LONG-TERM CARE SERVICES UNDER THE MEDICAID PROGRAM.

(a) REVISING HOME EQUITY LIMIT.—Section 1917(f)(1) of the Social Security Act (42 U.S.C. 1396p(f)(1)) is amended—

(1) in subparagraph (B)—

(A) by striking ''A State'' and inserting ''(i) A State'';

(B) in clause (i), as inserted by subparagraph (A)—

(i) by striking '' '$500,000' '' and inserting ''the amount specified in subparagraph (A)''; and

(ii) by inserting '', in the case of an individual's home that is located on a lot that is zoned for agricultural use,'' after ''apply subparagraph (A)''; and

(C) by adding at the end the following new clause:

''(ii) A State may elect, without regard to the requirements of section 1902(a)(1) (relating to statewideness) and section 1902(a)(10)(B) (relating to comparability), to apply subparagraph (A), in the case of an individual's home that is not described in clause (i), by substituting for the amount specified

in such subparagraph, an amount that exceeds such amount, but does not exceed $1,000,000.''; and

(2) in subparagraph (C)—

(A) by inserting ''(other than the amount specified in subparagraph (B)(ii) (relating to certain non-agricultural homes))'' after ''specified in this paragraph''; and

(B) by adding at the end the following new sentence: ''In the case that application of the preceding sentence would result in a dollar amount (other than the amount specified in subparagraph (B)(i) (relating to certain agricultural homes)) exceeding $1,000,000, such amount shall be deemed to be equal to $1,000,000.''.

(b) CLARIFICATION.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(1) in subsection (r)(2), by adding at the end the following new subparagraph:

''(C) This paragraph shall not be construed as permitting a State to determine the eligibility of an individual for medical assistance with respect to nursing facility services or other long-term care services without application of the limit under section 1917(f)(1).''; and

(2) in subsection (e)(14)(D)(iv)—

(A) by striking ''Subparagraphs'' and inserting

''(I) IN GENERAL.—Subparagraphs''; and

(B) by adding at the end the following new subclause:

''(II) APPLICATION OF HOME EQUITY INTEREST LIMIT.—Section 1917(f) shall apply for purposes of determining the eligibility of an individual for medical assistance with respect to nursing facility services or other long-term care services.''.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply beginning on January 1, 2028.

SEC. 44110. PROHIBITING FEDERAL FINANCIAL PARTICIPATION UNDER MEDICAID AND CHIP FOR INDIVIDUALS WITHOUT VERIFIED CITIZENSHIP, NATIONALITY, OR SATISFACTORY IMMIGRATION STATUS.

(a) IN GENERAL.—

(1) MEDICAID.—Section 1903(i)(22) of the Social Security Act (42 U.S.C. 1396b(i)(22)) is amended—

(A) by adding ''and'' at the end;

(B) by striking ''to amounts'' and inserting ''to—

''(A) amounts''; and

(C) by adding at the end the following new subparagraph:

''(B) in the case that the State elects under section 1902(a)(46)(C) to provide for making medical assistance available to an individual during—

''(i) the period in which the individual is provided the reasonable opportunity to present satisfactory documentary evidence of citizenship or nationality under section 1902(ee)(2)(C) or subsection (x)(4);

''(ii) the 90-day period described in section 1902(ee)(1)(B)(ii)(II); or

''(iii) the period in which the individual is provided the reasonable opportunity to submit evidence indicating a satisfactory immigration status under section 1137(d)(4),

amounts expended for such medical assistance, unless the citizenship or nationality of such individual or the satisfactory immigration status

of such individual (as applicable) is verified by the end of such period;''.

(2) CHIP.—Section 2107(e)(1)(N) of the Social Security Act (42 U.S.C. 1397gg(e)(1)(N)) is amended by striking ''and (17)'' and inserting ''(17), and (22)''.

(b) ELIMINATING STATE REQUIREMENT TO PROVIDE MEDICAL ASSISTANCE DURING REASONABLE OPPORTUNITY PERIOD.—

(1) DOCUMENTARY EVIDENCE OF CITIZENSHIP OR NATIONALITY.—Section 1903(x)(4) of the Social Security Act (42 U.S.C. 1396b(x)) is amended—

(A) by striking ''under clauses (i) and (ii) of section 1137(d)(4)(A)'' and inserting ''under section 1137(d)(4)''; and

(B) by inserting '', except that the State shall not be required to make medical assistance available to such individual during the period in which such individual is provided such reasonable opportunity if the State has not elected the option under section 1902(a)(46)(C)'' before the period at the end.

(2) SOCIAL SECURITY DATA MATCH.—Section 1902(ee) of the Social Security Act (42 U.S.C. 1396a(ee)) is amended—

(A) in paragraph (1)(B)(ii)—

(i) in subclause (II), by striking ''(and continues to provide the individual with medical assistance during such 90-day period)'' and inserting ''and, if the State has elected the option under subsection (a)(46)(C), continues to provide the individual with medical assistance during such 90-day period''; and

(ii) in subclause (III), by inserting '', or denies eligibility for medical assistance under this title for such individual, as applicable'' after ''under this title''; and

(B) in paragraph (2)(C)—

(i) by striking ''under clauses (i) and (ii) of section 1137(d)(4)(A)'' and inserting ''under section 1137(d)(4)''; and

(ii) by inserting '', except that the State shall not be required to make medical assistance available to such individual during the period in which such individual is provided such reasonable opportunity if the State has not elected the option under section 1902(a)(46)(C)'' before the period at the end.

(3) INDIVIDUALS WITH SATISFACTORY IMMIGRATION STATUS.—Section 1137(d)(4) of the Social Security Act (42 U.S.C. 1320b–7(d)(4)) is amended—

(A) in subparagraph (A)(ii), by inserting ''(except that such prohibition on delay, denial, reduction, or termination of eligibility for benefits under the Medicaid program under title XIX shall apply only if the State has elected the option under section 1902(a)(46)(C))'' after ''has been provided''; and

(B) in subparagraph (B)(ii), by inserting ''(except that such prohibition on delay, denial, reduction, or termination of eligibility for benefits under the Medicaid program under title XIX shall apply only if the State has elected the option under section 1902(a)(46)(C))'' after ''status''.

(c) OPTION TO CONTINUE PROVIDING MEDICAL ASSISTANCE DURING REASONABLE OPPORTUNITY PERIOD.—

(1) MEDICAID.—Section 1902(a)(46) of the Social Security Act (42 U.S.C. 1396a(a)(46)) is amended—

(A) in subparagraph (A), by striking ''and'' at the end;

(B) in subparagraph (B)(ii), by adding ''and'' at the end; and

(C) by inserting after subparagraph (B)(ii) the following new subparagraph:

''(C) provide, at the option of the State, for making medical assistance available—

''(i) to an individual described in subparagraph (B) during the period in which such individual is provided the reasonable opportunity to present satisfactory documentary evidence of citizenship or nationality under subsection (ee)(2)(C) or section 1903(x)(4), or during the 90-day period described in subsection (ee)(1)(B)(ii)(II); or

''(ii) to an individual who is not a citizen or national of the United States during the period in which such individual is provided the reasonable opportunity to submit evidence indicating a satisfactory immigration status under section 1137(d)(4);''.

(2) CHIP.—Section 2105(c)(9) of the Social Security Act (42 U.S.C. 1397ee(c)(9)) is amended

by adding at the end the following new subparagraph:

''(C) OPTION TO CONTINUE PROVIDING CHILD HEALTH ASSISTANCE DURING REASONABLE OPPORTUNITY PERIOD.—Section 1902(a)(46)(C) shall apply to States under this title in the same manner as it applies to a State under title XIX.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply beginning October 1, 2026.

SEC. 44111. REDUCING EXPANSION FMAP FOR CERTAIN STATES PROVIDING PAYMENTS FOR HEALTH CARE FURNISHED TO CERTAIN INDIVIDUALS.

Section 1905 of the Social Security Act (42 U.S.C. 1395d) is amended—

(1) in subsection (y)—

(A) in paragraph (1)(E), by inserting ''(or, for calendar quarters beginning on or after October 1, 2027, in the case such State is a specified State with respect to such calendar quarter, 80 percent)'' after ''thereafter''; and

(B) in paragraph (2), by adding at the end the following new subparagraph:

''(C) SPECIFIED STATE.—The term 'specified State' means, with respect to a quarter, a State that—

''(i) provides any form of financial assistance during such quarter, in whole or in part, whether or not made under a State plan (or waiver of such plan) under this title or under another program established by the State, and regardless of the source of funding for such assistance, to or on behalf of an alien who is not a qualified alien and is not a child or pregnant woman who is lawfully residing in the United States and receiving medical assistance pursuant to section 1903(v)(4), for the purchasing of health insurance coverage (as defined in section 2791(b)(1) of the Public Health Service Act) for an alien who is not a qualified alien and is not such a child or pregnant woman; or

''(ii) provides any form of comprehensive health benefits coverage during such quarter, whether or not under a State plan (or wavier of such plan) under this title or under another program established by the

State, and regardless of the source of funding for such coverage, to an alien who is not a qualified alien and is not such a child or pregnant woman.

''(D) IMMIGRATION TERMS.—

''(i) ALIEN.—The term 'alien' has the meaning given such term in section 101(a) of the Immigration and Nationality Act.

''(ii) QUALIFIED ALIEN.—The term 'qualified alien' has the meaning given such term in section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, except that—

''(I) such term does not include an alien described in subsection (b)(4) of such section (other than a qualified alien under section 402(b)(2) of such Act);

''(II) the reference to 'at the time the alien applies for, receives, or attempts to receive a Federal public benefit' in subsection (b) of such section 431 shall be treated as a reference to 'at the time the alien is provided comprehensive health benefits

coverage described in clause (ii) of section 1905(y)(C) of the Social Security Act or is provided with financial assistance described in clause (i) of such section, as applicable'; and

''(III) the references to '(in the opinion of the agency providing such benefits)' in subsection (c) of such section 431 shall be treated as references to '(in the opinion of the State in which such comprehensive health benefits coverage or such financial assistance is provided, as applicable)'.''; and

(2) in subsection (z)(2)—

(A) in subparagraph (A), by striking ''for such year'' and inserting ''for such quarter''; and

(B) in subparagraph (B)(i)—

(i) in the matter preceding subclause (I), by striking ''for a year'' and inserting ''for a calendar quarter in a year''; and

(ii) in subclause (II), by striking ''for the year'' and inserting ''for the quarter for the State''.

Subpart B—Preventing Wasteful Spending

SEC. 44121. MORATORIUM ON IMPLEMENTATION OF RULE RELATING TO STAFFING STANDARDS FOR LONG-TERM CARE FACILITIES UNDER THE MEDICARE AND MEDICAID PROGRAMS.

The Secretary of Health and Human Services shall not, during the period beginning on the date of the enactment of this section and ending January 1, 2035, implement, administer, or enforce the provisions of the final rule published by the Centers for Medicare & Medicaid Services on May 10, 2024, and titled ''Medicare and Medicaid Programs; Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting'' (89 Fed. Reg. 40876).

SEC. 44122. MODIFYING RETROACTIVE COVERAGE UNDER THE MEDICAID AND CHIP PROGRAMS.

(a) IN GENERAL.—Section 1902(a)(34) of the Social Security Act (42 U.S.C. 1396a(a)(34)) is amended—

(1) by striking ''him'' and inserting ''the individual'';

(2) by striking ''the third month'' and inserting ''the month'';

(3) by striking ''he'' and inserting ''the individual''; and

(4) by striking ''his'' and inserting ''the individual's''.

(b) DEFINITION OF MEDICAL ASSISTANCE.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended by striking ''in or after the third month before the month in which the recipient makes application for assistance'' and inserting ''in or after the month before the month in which the recipient makes application for assistance''.

(c) CHIP.—Section 2102(b)(1)(B) of the Social Security Act (42 U.S.C. 1397bb(b)(1)(B)) is amended—

(1) in clause (iv), by striking ''and'' at the end;

(2) in clause (v), by striking the period and inserting ''; and''; and

(3) by adding at the end the following new clause:

''(vi) shall, in the case that the State elects to provide child health or pregnancy-related assistance to an individual for any period prior to the month in which the individual made application for such assistance (or application was made on behalf of the individual), provide that such assistance is not made available to such individual for items and services included under the State child health plan (or waiver of such plan) that are furnished before

the month preceding the month in which such individual made application (or application was made on behalf of such individual) for such assistance.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance and child health assistance, and pregnancy-related assistance with respect to individuals whose eligibility for such medical assistance, child health assistance, or pregnancy-related assistance is based on an application made on or after December 31, 2026.

SEC. 44123. ENSURING ACCURATE PAYMENTS TO PHARMACIES UNDER MEDICAID.

(a) IN GENERAL.—Section 1927(f) of the Social Security Act (42 U.S.C. 1396r–8(f)) is amended—

(1) in paragraph (1)(A)—

(A) by redesignating clause (ii) as clause (iii); and

(B) by striking ''and'' after the semicolon at the end of clause (i) and all that precedes it through ''(1)'' and inserting the following:

''(1) DETERMINING PHARMACY ACTUAL ACQUISITION COSTS.—The Secretary shall conduct a survey of retail community pharmacy drug prices and applicable non-retail pharmacy drug prices to deter-

mine national average drug acquisition cost benchmarks (as such term is defined by the Secretary) as follows:

"(A) USE OF VENDOR.—The Secretary may contract services for—

"(i) with respect to retail community pharmacies, the determination of retail survey prices of the national average drug acquisition cost for covered outpatient drugs that represent a nationwide average of consumer purchase prices for such drugs, net of all discounts, rebates, and other price concessions (to the extent any information with respect to such discounts, rebates, and other price concessions is available) based on a monthly survey of such pharmacies;

"(ii) with respect to applicable non-retail pharmacies—

"(I) the determination of survey prices, separate from the survey prices described in clause (i), of the non-retail national average drug acquisition cost for covered outpatient drugs that represent a nationwide average of con-

sumer purchase prices for such drugs, net of all discounts, rebates, and other price concessions (to the extent any information with respect to such discounts, rebates, and other price concessions is available) based on a monthly survey of such pharmacies; and

''(II) at the discretion of the Secretary, for each type of applicable non-retail pharmacy, the determination of survey prices, separate from the survey prices described in clause (i) or subclause (I) of this clause, of the national average drug acquisition cost for such type of pharmacy for covered outpatient drugs that represent a nationwide average of consumer purchase prices for such drugs, net of all discounts, rebates, and other price concessions (to the extent any information with respect to such discounts, rebates, and other price concessions is available) based on a

monthly survey of such pharmacies; and'';

(2) in subparagraph (B) of paragraph (1), by striking ''subparagraph (A)(ii)'' and inserting ''subparagraph (A)(iii)'';

(3) in subparagraph (D) of paragraph (1), by striking clauses (ii) and (iii) and inserting the following:

''(ii) The vendor must update the Secretary no less often than monthly on the survey prices for covered outpatient drugs.

''(iii) The vendor must differentiate, in collecting and reporting survey data, for all cost information collected, whether a pharmacy is a retail community pharmacy or an applicable non-retail pharmacy, including whether such pharmacy is an affiliate (as defined in subsection (k)(14)), and, in the case of an applicable non-retail pharmacy, which type of applicable non-retail pharmacy it is using the relevant pharmacy type indicators included in the guidance required by subsection (d)(2) of section 44123 of the Act titled 'An Act to

provide for reconciliation pursuant to title II of H. Con. Res. 14'.'';

(4) by adding at the end of paragraph (1) the following:

''(F) SURVEY REPORTING.—In order to meet the requirement of section 1902(a)(54), a State shall require that any retail community pharmacy or applicable non-retail pharmacy in the State that receives any payment, reimbursement, administrative fee, discount, rebate, or other price concession related to the dispensing of covered outpatient drugs to individuals receiving benefits under this title, regardless of whether such payment, reimbursement, administrative fee, discount, rebate, or other price concession is received from the State or a managed care entity or other specified entity (as such terms are defined in section 1903(m)(9)(D)) directly or from a pharmacy benefit manager or another entity that has a contract with the State or a managed care entity or other specified entity (as so defined), shall respond to surveys conducted under this paragraph.

''(G) SURVEY INFORMATION.—Information on national drug acquisition prices obtained under this paragraph shall be made publicly available in a form and manner to be determined by the Secretary and shall include at least the following:

''(i) The monthly response rate to the survey including a list of pharmacies not in compliance with subparagraph (F).

''(ii) The sampling methodology and number of pharmacies sampled monthly.

''(iii) Information on price concessions to pharmacies, including discounts, rebates, and other price concessions, to the extent that such information may be publicly released and has been collected by the Secretary as part of the survey.

''(H) PENALTIES.—

''(i) IN GENERAL.—Subject to clauses (ii), (iii), and (iv), the Secretary shall enforce the provisions of this paragraph with respect to a pharmacy through the establishment of civil money penalties applicable to a retail community pharmacy or an applicable non-retail pharmacy.

"(ii) BASIS FOR PENALTIES.—The Secretary shall impose a civil money penalty established under this subparagraph on a retail community pharmacy or applicable non-retail pharmacy if—

"(I) the retail pharmacy or applicable non-retail pharmacy refuses or otherwise fails to respond to a request for information about prices in connection with a survey under this subsection;

"(II) knowingly provides false information in response to such a survey; or

"(III) otherwise fails to comply with the requirements established under this paragraph.

"(iii) PARAMETERS FOR PENALTIES.—

"(I) IN GENERAL.—A civil money penalty established under this subparagraph may be assessed with respect to each violation, and with respect to each non-compliant retail community pharmacy (including a

pharmacy that is part of a chain) or non-compliant applicable non-retail pharmacy (including a pharmacy that is part of a chain), in an amount not to exceed $100,000 for each such violation.

''(II) CONSIDERATIONS.—In determining the amount of a civil money penalty imposed under this subparagraph, the Secretary may consider the size, business structure, and type of pharmacy involved, as well as the type of violation and other relevant factors, as determined appropriate by the Secretary.

''(iv) RULE OF APPLICATION.—The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under this subparagraph in the same manner as such provisions apply to a civil money penalty or proceeding under section 1128A(a).

''(I) LIMITATION ON USE OF APPLICABLE NON-RETAIL PHARMACY PRICING INFORMATION.—No State shall use pricing information

reported by applicable non-retail pharmacies under subparagraph (A)(ii) to develop or inform payment methodologies for retail community pharmacies.'';

(5) in paragraph (2)—

(A) in subparagraph (A), by inserting '', including payment rates and methodologies for determining ingredient cost reimbursement under managed care entities or other specified entities (as such terms are defined in section 1903(m)(9)(D)),'' after ''under this title''; and

(B) in subparagraph (B), by inserting ''and the basis for such dispensing fees'' before the semicolon;

(6) by redesignating paragraph (4) as paragraph (5);

(7) by inserting after paragraph (3) the following new paragraph:

''(4) OVERSIGHT.—

''(A) IN GENERAL.—The Inspector General of the Department of Health and Human Services shall conduct periodic studies of the survey data reported under this subsection, as appropriate, including with respect to substantial variations in acquisition costs or other applica-

ble costs, as well as with respect to how internal transfer prices and related party transactions may influence the costs reported by pharmacies that are affiliates (as defined in subsection (k)(13)) or are owned by, controlled by, or related under a common ownership structure with a wholesaler, distributor, or other entity that acquires covered outpatient drugs relative to costs reported by pharmacies not affiliated with such entities. The Inspector General shall provide periodic updates to Congress on the results of such studies, as appropriate, in a manner that does not disclose trade secrets or other proprietary information.

''(B) APPROPRIATION.—There is appropriated to the Inspector General of the Department of Health and Human Services, out of any money in the Treasury not otherwise appropriated, $5,000,000 for fiscal year 2026, to remain available until expended, to carry out this paragraph.''; and

(8) in paragraph (5), as so redesignated—

(A) by inserting '', and $8,000,000 for each of fiscal years 2026 through 2033,'' after ''2010''; and

(B) by inserting ''Funds appropriated under this paragraph for each of fiscal years 2026 through 2033 shall remain available until expended.'' after the period.

(b) DEFINITIONS.—Section 1927(k) of the Social Security Act (42 U.S.C. 1396r–8(k)) is amended—

(1) in the matter preceding paragraph (1), by striking ''In the section'' and inserting ''In this section''; and

(2) by adding at the end the following new paragraphs:

''(12) APPLICABLE NON-RETAIL PHARMACY.—The term 'applicable non-retail pharmacy' means a pharmacy that is licensed as a pharmacy by the State and that is not a retail community pharmacy, including a pharmacy that dispenses prescription medications to patients primarily through mail and specialty pharmacies. Such term does not include nursing home pharmacies, long-term care facility pharmacies, hospital pharmacies, clinics, charitable or not-for-profit pharmacies, government pharmacies, or low dispensing pharmacies (as defined by the Secretary).

''(13) AFFILIATE.—The term 'affiliate' means any entity that is owned by, controlled by, or related

under a common ownership structure with a pharmacy benefit manager or a managed care entity or other specified entity (as such terms are defined in section 1903(m)(9)(D)).''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by this section shall apply beginning on the first day of the first quarter that begins on or after the date that is 6 months after the date of enactment of this section.

(2) DELAYED APPLICATION TO APPLICABLE NON-RETAIL PHARMACIES.—The pharmacy survey requirements established by the amendments to section 1927(f) of the Social Security Act (42 U.S.C. 1396r–8(f)) made by this section shall apply to retail community pharmacies beginning on the effective date described in paragraph (1), but shall not apply to applicable non-retail pharmacies until the first day of the first quarter that begins on or after the date that is 18 months after the date of enactment of this section.

(d) IDENTIFICATION OF APPLICABLE NON-RETAIL PHARMACIES.—

(1) IN GENERAL.—Not later than January 1, 2027, the Secretary of Health and Human Services

shall publish guidance specifying pharmacies that meet the definition of applicable non-retail pharmacies (as such term is defined in subsection (k)(12) of section 1927 of the Social Security Act (42 U.S.C. 1396r–8), as added by subsection (b)), and that will be subject to the survey requirements under subsection (f)(1) of such section, as amended by subsection (a).

(2) INCLUSION OF PHARMACY TYPE INDICATORS.—The guidance published under paragraph (1) shall include pharmacy type indicators to distinguish between different types of applicable non-retail pharmacies, such as pharmacies that dispense prescriptions primarily through the mail and pharmacies that dispense prescriptions that require special handling or distribution. An applicable non-retail pharmacy may be identified through multiple pharmacy type indicators.

(e) IMPLEMENTATION.—Implementation of the amendments made by this section shall be exempt from the requirements of section 553 of title 5, United States Code.

(f) NONAPPLICATION OF PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code, shall not apply to any data collection undertaken by the Sec-

retary of Health and Human Services under section 1927(f) of the Social Security Act (42 U.S.C. 1396r–8(f)), as amended by this section.

SEC. 44124. PREVENTING THE USE OF ABUSIVE SPREAD PRICING IN MEDICAID.

(a) IN GENERAL.—Section 1927 of the Social Security Act (42 U.S.C. 1396r–8) is amended—

(1) in subsection (e), by adding at the end the following new paragraph:

''(6) TRANSPARENT PRESCRIPTION DRUG PASS-THROUGH PRICING REQUIRED.—

''(A) IN GENERAL.—A contract between the State and a pharmacy benefit manager (referred to in this paragraph as a 'PBM'), or a contract between the State and a managed care entity or other specified entity (as such terms are defined in section 1903(m)(9)(D) and collectively referred to in this paragraph as the 'entity') that includes provisions making the entity responsible for coverage of covered outpatient drugs dispensed to individuals enrolled with the entity, shall require that payment for such drugs and related administrative services (as applicable), including payments made by a PBM on behalf of the State or entity, is based

on a transparent prescription drug pass-through pricing model under which—

"(i) any payment made by the entity or the PBM (as applicable) for such a drug—

"(I) is limited to—

"(aa) ingredient cost; and

"(bb) a professional dispensing fee that is not less than the professional dispensing fee that the State would pay if the State were making the payment directly in accordance with the State plan;

"(II) is passed through in its entirety (except as reduced under Federal or State laws and regulations in response to instances of waste, fraud, or abuse) by the entity or PBM to the pharmacy or provider that dispenses the drug; and

"(III) is made in a manner that is consistent with sections 447.502, 447.512, 447.514, and 447.518 of title 42, Code of Federal Regulations

as if such requirements applied directly to the entity or the PBM, except that any payment by the entity or the PBM for the ingredient cost of such drug purchased by a covered entity (as defined in subsection (a)(5)(B)) may exceed the actual acquisition cost (as defined in 447.502 of title 42, Code of Federal Regulations) for such drug if—

''(aa) such drug was subject to an agreement under section 340B of the Public Health Service Act;

''(bb) such payment for the ingredient cost of such drug does not exceed the maximum payment that would have been made by the entity or the PBM for the ingredient cost of such drug if such drug had not been purchased by such covered entity; and

''(cc) such covered entity reports to the Secretary (in a form

and manner specified by the Secretary), on an annual basis and with respect to payments for the ingredient costs of such drugs so purchased by such covered entity that are in excess of the actual acquisition costs for such drugs, the aggregate amount of such excess;

''(ii) payment to the entity or the PBM (as applicable) for administrative services performed by the entity or PBM is limited to an administrative fee that reflects the fair market value (as defined by the Secretary) of such services;

''(iii) the entity or the PBM (as applicable) makes available to the State, and the Secretary upon request in a form and manner specified by the Secretary, all costs and payments related to covered outpatient drugs and accompanying administrative services (as described in clause (ii)) incurred, received, or made by the entity or the PBM, broken down (as specified by the Secretary), to the extent such costs and

payments are attributable to an individual covered outpatient drug, by each such drug, including any ingredient costs, professional dispensing fees, administrative fees (as described in clause (ii)), post-sale and post-invoice fees, discounts, or related adjustments such as direct and indirect remuneration fees, and any and all other remuneration, as defined by the Secretary; and

''(iv) any form of spread pricing whereby any amount charged or claimed by the entity or the PBM (as applicable) that exceeds the amount paid to the pharmacies or providers on behalf of the State or entity, including any post-sale or post-invoice fees, discounts, or related adjustments such as direct and indirect remuneration fees or assessments, as defined by the Secretary, (after allowing for an administrative fee as described in clause (ii)) is not allowable for purposes of claiming Federal matching payments under this title.

''(B) PUBLICATION OF INFORMATION.—The Secretary shall publish, not less frequently

than on an annual basis and in a manner that does not disclose the identity of a particular covered entity or organization, information received by the Secretary pursuant to subparagraph (A)(iii)(III) that is broken out by State and by each of the following categories of covered entity within each such State:

''(i) Covered entities described in subparagraph (A) of section 340B(a)(4) of the Public Health Service Act.

''(ii) Covered entities described in subparagraphs (B) through (K) of such section.

''(iii) Covered entities described in subparagraph (L) of such section.

''(iv) Covered entities described in subparagraph (M) of such section.

''(v) Covered entities described in subparagraph (N) of such section.

''(vi) Covered entities described in subparagraph (O) of such section.''; and

(2) in subsection (k), as previously amended by this subtitle, by adding at the end the following new paragraph:

''(14) PHARMACY BENEFIT MANAGER.—The term 'pharmacy benefit manager' means any person or entity that, either directly or through an intermediary, acts as a price negotiator or group purchaser on behalf of a State, managed care entity (as defined in section 1903(m)(9)(D)), or other specified entity (as so defined), or manages the prescription drug benefits provided by a State, managed care entity, or other specified entity, including the processing and payment of claims for prescription drugs, the performance of drug utilization review, the processing of drug prior authorization requests, the managing of appeals or grievances related to the prescription drug benefits, contracting with pharmacies, controlling the cost of covered outpatient drugs, or the provision of services related thereto. Such term includes any person or entity that acts as a price negotiator (with regard to payment amounts to pharmacies and providers for a covered outpatient drug or the net cost of the drug) or group purchaser on behalf of a State, managed care entity, or other specified entity or that carries out 1 or more of the other activities described in the preceding sentence, irrespective of whether such person or entity calls itself a pharmacy benefit manager.''.

(b) CONFORMING AMENDMENTS.—Section 1903(m) of such Act (42 U.S.C. 1396b(m)) is amended—

(1) in paragraph (2)(A)(xiii)—

(A) by striking ''and (III)'' and inserting ''(III)'';

(B) by inserting before the period at the end the following: '', and (IV) if the contract includes provisions making the entity responsible for coverage of covered outpatient drugs, the entity shall comply with the requirements of section 1927(e)(6)''; and

(C) by moving the left margin 2 ems to the left; and

(2) by adding at the end the following new paragraph:

''(10) No payment shall be made under this title to a State with respect to expenditures incurred by the State for payment for services provided by an other specified entity (as defined in paragraph (9)(D)(iii)) unless such services are provided in accordance with a contract between the State and such entity which satisfies the requirements of paragraph (2)(A)(xiii).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contracts between States and

managed care entities, other specified entities, or pharmacy benefit managers that have an effective date beginning on or after the date that is 18 months after the date of enactment of this section.

(d) IMPLEMENTATION.—Implementation of the amendments made by this section shall be exempt from the requirements of section 553 of title 5, United States Code.

(e) NONAPPLICATION OF PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code, shall not apply to any data collection undertaken by the Secretary of Health and Human Services under section 1927(e) of the Social Security Act (42 U.S.C. 1396r–8(e)), as amended by this section.

SEC. 44125. PROHIBITING FEDERAL MEDICAID AND CHIP FUNDING FOR GENDER TRANSITION PROCEDURES.

(a) MEDICAID.—Section 1903(i) of the Social Security Act (42 U.S.C. 1396b(i)) is amended—

(1) in paragraph (26), by striking ''; or'' and inserting a semicolon;

(2) in paragraph (27), by striking the period at the end and inserting ''; or'';

(3) by inserting after paragraph (27) the following new paragraph:

''(28) with respect to any amount expended for specified gender transition procedures (as defined in section 1905(kk)) furnished to an individual enrolled in a State plan (or waiver of such plan).''; and

(4) in the flush left matter at the end, by striking ''and (18),'' and inserting ''(18), and (28)''.

(b) CHIP.—Section 2107(e)(1)(N) of the Social Security Act (42 U.S.C. 1397gg(e)(1)(N)) is amended by striking ''and (17)'' and inserting ''(17), and (28)''.

(c) SPECIFIED GENDER TRANSITION PROCEDURES DEFINED.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by adding at the end the following new subsection:

''(kk) SPECIFIED GENDER TRANSITION PROCEDURES.—

''(1) IN GENERAL.—For purposes of section 1903(i)(28), except as provided in paragraph (2), the term 'specified gender transition procedure' means, with respect to an individual, any of the following when performed for the purpose of intentionally changing the body of such individual (including by disrupting the body's development, inhibiting its natural functions, or modifying its appearance) to no longer correspond to the individual's sex:

''(A) Performing any surgery, including—

‘‘(i) castration;

‘‘(ii) sterilization;

‘‘(iii) orchiectomy;

‘‘(iv) scrotoplasty;

‘‘(v) vasectomy;

‘‘(vi) tubal ligation;

‘‘(vii) hysterectomy;

‘‘(viii) oophorectomy;

‘‘(ix) ovariectomy;

‘‘(x) metoidioplasty;

‘‘(xi) clitoroplasty;

‘‘(xii) reconstruction of the fixed part of the urethra with or without a metoidioplasty or a phalloplasty;

‘‘(xiii) penectomy;

‘‘(xiv) phalloplasty;

‘‘(xv) vaginoplasty;

‘‘(xvi) vaginectomy;

‘‘(xvii) vulvoplasty;

‘‘(xviii) reduction thyrochondroplasty;

‘‘(xix) chondrolaryngoplasty;

‘‘(xx) mastectomy; and

‘‘(xxi) any plastic, cosmetic, or aesthetic surgery that feminizes or

masculinizes the facial or other body features of an individual.

''(B) Any placement of chest implants to create feminine breasts or any placement of erection or testicular prostheses.

''(C) Any placement of fat or artificial implants in the gluteal region.

''(D) Administering, prescribing, or dispensing to an individual medications, including—

''(i) gonadotropin-releasing hormone (GnRH) analogues or other puberty-blocking drugs to stop or delay normal puberty; and

''(ii) testosterone, estrogen, or other androgens to an individual at doses that are supraphysiologic than would normally be produced endogenously in a healthy individual of the same age and sex.

''(2) EXCEPTION.—Paragraph (1) shall not apply to the following when furnished to an individual by a health care provider with the consent of such individual's parent or legal guardian:

''(A) Puberty suppression or blocking prescription drugs for the purpose of normalizing

puberty for an individual experiencing precocious puberty.

''(B) Medically necessary procedures or treatments to correct for—

''(i) a medically verifiable disorder of sex development, including—

''(I) 46,XX chromosomes with virilization;

''(II) 46,XY chromosomes with undervirilization; and

''(III) both ovarian and testicular tissue;

''(ii) sex chromosome structure, sex steroid hormone production, or sex hormone action, if determined to be abnormal by a physician through genetic or biochemical testing;

''(iii) infection, disease, injury, or disorder caused or exacerbated by a previous procedure described in paragraph (1), or a physical disorder, physical injury, or physical illness that would, as certified by a physician, place the individual in imminent danger of death or impairment of a major bodily function unless the procedure is per-

formed, not including procedures performed for the alleviation of mental distress; or

''(iv) procedures to restore or reconstruct the body of the individual in order to correspond to the individual's sex after one or more previous procedures described in paragraph (1), which may include the removal of a pseudo phallus or breast augmentation.

''(3) SEX.—For purposes of paragraph (1), the term 'sex' means either male or female, as biologically determined and defined in paragraphs (4) and (5), respectively.

''(4) FEMALE.—For purposes of paragraph (3), the term 'female' means an individual who naturally has, had, will have, or would have, but for a developmental or genetic anomaly or historical accident, the reproductive system that at some point produces, transports, and utilizes eggs for fertilization.

''(5) MALE.—For purposes of paragraph (3), the term 'male' means an individual who naturally has, had, will have, or would have, but for a developmental or genetic anomaly or historical accident, the

reproductive system that at some point produces, transports, and utilizes sperm for fertilization.''.

SEC. 44126. FEDERAL PAYMENTS TO PROHIBITED ENTITIES.

(a) IN GENERAL.—No Federal funds that are considered direct spending and provided to carry out a State plan under title XIX of the Social Security Act or a waiver of such a plan shall be used to make payments to a prohibited entity for items and services furnished during the 10-year period beginning on the date of the enactment of this Act, including any payments made directly to the prohibited entity or under a contract or other arrangement between a State and a covered organization.

(b) DEFINITIONS.—In this section:

(1) PROHIBITED ENTITY.—The term ''prohibited entity'' means an entity, including its affiliates, subsidiaries, successors, and clinics—

(A) that, as of the date of enactment of this Act—

(i) is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;

(ii) is an essential community provider described in section 156.235 of title 45,

Code of Federal Regulations (as in effect on the date of enactment of this Act), that is primarily engaged in family planning services, reproductive health, and related medical care; and

(iii) provides for abortions, other than an abortion—

(I) if the pregnancy is the result of an act of rape or incest; or

(II) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed; and

(B) for which the total amount of Federal and State expenditures under the Medicaid program under title XIX of the Social Security Act in fiscal year 2024 made directly, or by a covered organization, to the entity or to any affiliates, subsidiaries, successors, or clinics of the entity, or made to the entity or to any affiliates,

subsidiaries, successors, or clinics of the entity as part of a nationwide health care provider network, exceeded $1,000,000.

(2) DIRECT SPENDING.—The term ''direct spending'' has the meaning given that term under section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)).

(3) COVERED ORGANIZATION.—The term ''covered organization'' means a managed care entity (as defined in section 1932(a)(1)(B) of the Social Security Act (42 U.S.C. 1396u–2(a)(1)(B))) or a prepaid inpatient health plan or prepaid ambulatory health plan (as such terms are defined in section 1903(m)(9)(D) of such Act (42 U.S.C. 1396b(m)(9)(D))).

(4) STATE.—The term ''State'' has the meaning given such term in section 1101 of the Social Security Act (42 U.S.C. 1301).

Subpart C—Stopping Abusive Financing Practices

SEC. 44131. SUNSETTING ELIGIBILITY FOR INCREASED FMAP FOR NEW EXPANSION STATES.

Section 1905(ii)(3) of the Social Security Act (42 U.S.C. 1396d(ii)(3)) is amended—

(1) by striking ''which has not'' and inserting the following: ''which—

''(A) has not'';

(2) in subparagraph (A), as so inserted, by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(B) begins to expend amounts for all such individuals prior to January 1, 2026.''.

SEC. 44132. MORATORIUM ON NEW OR INCREASED PROVIDER TAXES.

Section 1903(w)(1)(A)(iii) of the Social Security Act (42 U.S.C. 1396b(w)(1)(A)(iii)) is amended—

(1) by striking ''or'' at the end;

(2) by striking ''if there'' and inserting ''if—

''(I) there''; and

(3) by adding at the end the following new subclauses:

''(II) the tax is first imposed by the State (or by a unit of local government in the State) on or after the date of the enactment of this subclause (other than such a tax for which the legislation or regulations providing for the imposition of such tax were enacted or adopted prior to such date of enactment); or

''(III) on or after the date of the enactment of this subclause, the State (or unit of local government) increases the amount or rate of tax imposed with respect to a class of health care items or services (or with respect to a type of provider or activity within such a class), or increases the base of the tax such that the tax is imposed with respect to a class of items or services (or with respect to a type of provider or activity within such a class) to which the tax did not previously apply, but only to the extent that such revenues are attributable to such increase and only if such increase was not provided for in legislation or regulations enacted or adopted prior to such date of enactment; or''.

SEC. 44133. REVISING PAYMENTS FOR CERTAIN STATE DIRECTED PAYMENTS.

(a) IN GENERAL.—Subject to subsection (b), the Secretary of Health and Human Services (in this section referred to as the Secretary) shall revise section 438.6(c)(2)(iii) of title 42, Code of Federal Regulations such that, with respect to a payment described in such section made for a service furnished during a rating period beginning on or after the date of the enactment of this Act, the total payment rate for such service is limited to—

(1) in the case of a State that provides coverage to all individuals described in section 1902(a)(10)(A)(i)(VIII) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)(VIII)) that is equivalent to minimum essential coverage (as described in section 5000A(f)(1)(A) of the Internal Revenue Code of 1986 and determined in accordance with standards prescribed by the Secretary in regulations) under the State plan (or waiver of such plan) of such State under title XIX of such Act, 100 percent of the specified total published Medicare payment rate (or, in the absence of a specified total published Medicare payment rate, an equivalent Medicare payment rate); or

(2) in the case of a State other than a State described in paragraph (1), 110 percent of the specified total published Medicare payment rate (or, in the absence of a specified total published Medicare payment rate, an equivalent Medicare payment rate).

(b) GRANDFATHERING CERTAIN PAYMENTS.—In the case of a payment described in section 438.6(c)(2)(iii) of title 42, Code of Federal Regulations for which written prior approval was made before the date of the enactment of this Act for the rating period occurring as of such date

of enactment, or a payment so described for such rating period for which a preprint was submitted to the Secretary prior to such date of enactment, the revisions described in subsection (a) shall not apply to such payment for such rating period and for any subsequent rating period if the amount of such payment does not exceed the amount of such payment so approved.

(c) TREATMENT OF EXPANSION STATES.—The revisions described in subsection (a) shall provide that, with respect to a State that begins providing the coverage described in paragraph (1) of such subsection on or after the date of the enactment of this Act, the limitation described in such paragraph shall apply to such State with respect to a payment described in section 438.6(c)(2)(iii) of title 42, Code of Federal Regulations for a service furnished during a rating period beginning on or after the date on which such State begins providing such coverage, including with respect to a payment so described for which written prior approval was made before such date.

(d) DEFINITIONS.—In this section:

(1) EQUIVALENT MEDICARE PAYMENT RATE.—The term ''equivalent Medicare payment rate'' means amounts calculated as payment for specific services comparable to the service furnished that have been developed under part A or part B of title

XVIII of the Social Security Act (42 U.S.C. 1396 et seq.).

(2) RATING PERIOD.—The term ''rating period'' has the meaning given such term in section 438.2 of title 42, Code of Federal Regulations.

(3) TOTAL PUBLISHED MEDICARE PAYMENT RATE.—The term ''total published Medicare payment rate'' means amounts calculated as payment for specific services including the service furnished that have been developed under part A or part B of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(4) WRITTEN PRIOR APPROVAL.—The term ''written prior approval'' has the meaning given such term in section 438.6(c)(2)(i) of title 42, Code of Federal Regulations.

(e) FUNDING.—There are appropriated out of any monies in the Treasury not otherwise appropriated $7,000,000 for each of fiscal years 2026 through 2033 for purposes of carrying out this section.

SEC. 44134. REQUIREMENTS REGARDING WAIVER OF UNIFORM TAX REQUIREMENT FOR MEDICAID PROVIDER TAX.

(a) IN GENERAL.—Section 1903(w) of the Social Security Act (42 U.S.C. 1396b(w)) is amended—

(1) in paragraph (3)(E), by inserting after clause (ii)(II) the following new clause:

''(iii) For purposes of clause (ii)(I), a tax is not considered to be generally redistributive if any of the following conditions apply:

''(I) Within a permissible class, the tax rate imposed on any taxpayer or tax rate group (as defined in paragraph (7)(J)) explicitly defined by its relatively lower volume or percentage of Medicaid taxable units (as defined in paragraph (7)(H)) is lower than the tax rate imposed on any other taxpayer or tax rate group explicitly defined by its relatively higher volume or percentage of Medicaid taxable units.

''(II) Within a permissible class, the tax rate imposed on any taxpayer or tax rate group (as so defined) based upon its Medicaid taxable units (as so defined) is higher than the tax rate imposed on any taxpayer or tax rate group based upon its non-Medicaid taxable unit (as defined in paragraph (7)(I)).

''(III) The tax excludes or imposes a lower tax rate on a taxpayer or tax rate group (as so defined) based on or defined by any description that results in the same effect as described in subclause (I) or

(II) for a taxpayer or tax rate group. Characteristics that may indicate such type of exclusion include the use of terminology to establish a tax rate group—

''(aa) based on payments or expenditures made under the program under this title without mentioning the term 'Medicaid' (or any similar term) to accomplish the same effect as described in subclause (I) or (II); or

''(bb) that closely approximates a taxpayer or tax rate group under the program under this title, to the same effect as described in subclause (I) or (II).''; and

(2) in paragraph (7), by adding at the end the following new subparagraphs:

''(H) The term 'Medicaid taxable unit' means a unit that is being taxed within a health care related tax that is applicable to the program under this title. Such term includes a unit that is used as the basis for—

''(i) payment under the program under this title (such as Medicaid bed days);

''(ii) Medicaid revenue;

''(iii) costs associated with the program under this title (such as Medicaid charges, claims, or expenditures); and

''(iv) other units associated with the program under this title, as determined by the Secretary.

''(I) The term 'non-Medicaid taxable unit' means a unit that is being taxed within a health care related tax that is not applicable to the program under this title. Such term includes a unit that is used as the basis for—

''(i) payment by non-Medicaid payers (such as non-Medicaid bed days);

''(ii) non-Medicaid revenue;

''(iii) costs that are not associated with the program under this title (such as non-Medicaid charges, non-Medicaid claims, or non-Medicaid expenditures); and

''(iv) other units not associated with the program under this title, as determined by the Secretary.

''(J) The term 'tax rate group' means a group of entities contained within a permissible class of a health care related tax that are taxed at the same rate.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect upon the date of enactment of this Act, subject to any applicable transition period de-

termined appropriate by the Secretary of Health and Human Services, not to exceed 3 fiscal years.

SEC. 44135. REQUIRING BUDGET NEUTRALITY FOR MEDICAID DEMONSTRATION PROJECTS UNDER SECTION 1115.

Section 1115 of the Social Security Act (42 U.S.C. 1315) is amended by adding at the end the following new subsection:

''(g) REQUIREMENT OF BUDGET NEUTRALITY FOR MEDICAID DEMONSTRATION PROJECTS.—

''(1) IN GENERAL.—Beginning on the date of the enactment of this subsection, the Secretary may not approve an application for (or renewal or amendment of) an experimental, pilot, or demonstration project undertaken under subsection (a) to promote the objectives of title XIX in a State (in this subsection referred to as a 'Medicaid demonstration project') unless the Secretary certifies that such project is not expected to result in an increase in the amount of expenditures compared to the amount that such expenditures would otherwise be in the absence of such project.

''(2) TREATMENT OF SAVINGS.—In the event that expenditures with respect to a State under a Medicaid demonstration project are, during an ap-

proval period for such project, less than the amount of such expenditures that would have otherwise been made in the absence of such project, the Secretary shall specify the methodology to be used with respect to any subsequent approval period for such project for purposes of taking the difference between such expenditures into account.''.

Subpart D—Increasing Personal Accountability

SEC. 44141. REQUIREMENT FOR STATES TO ESTABLISH MEDICAID COMMUNITY ENGAGEMENT REQUIREMENTS FOR CERTAIN INDIVIDUALS.

(a) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a), as amended by sections 44103 and 44104, is further amended by adding at the end the following new subsection:

''(xx) COMMUNITY ENGAGEMENT REQUIREMENT FOR APPLICABLE INDIVIDUALS.—

''(1) IN GENERAL.—Beginning not later than December 31, 2026, or, at the option of the State, such earlier date as the State may specify, subject to the succeeding provisions of this subsection, a State shall provide, as a condition of eligibility for medical assistance for an applicable individual, that such individual is required to demonstrate community engagement under paragraph (2)—

''(A) in the case of an applicable individual who has filed an application for medical assistance under a State plan (or a waiver of such plan) under this title, for 1 or more (as specified by the State) consecutive months immediately preceding the month during which such individual applies for such medical assistance; and

''(B) in the case of an applicable individual enrolled and receiving medical assistance under a State plan (or under a waiver of such plan) under this title, for 1 or more (as specified by the State) months, whether or not consecutive—

''(i) during the period between such individual's most recent determination (or redetermination, as applicable) of eligibility and such individual's next regularly scheduled redetermination of eligibility (as verified by the State as part of such regularly scheduled redetermination of eligibility); or

''(ii) in the case of a State that has elected under paragraph (4) to conduct more frequent verifications of compliance

with the requirement to demonstrate community engagement, during the period between the most recent and next such verification with respect to such individual.

''(2) COMMUNITY ENGAGEMENT COMPLIANCE DESCRIBED.—Subject to paragraph (3), an applicable individual demonstrates community engagement under this paragraph for a month if such individual meets 1 or more of the following conditions with respect to such month, as determined in accordance with criteria established by the Secretary through regulation:

''(A) The individual works not less than 80 hours.

''(B) The individual completes not less than 80 hours of community service.

''(C) The individual participates in a work program for not less than 80 hours.

''(D) The individual is enrolled in an educational program at least half-time.

''(E) The individual engages in any combination of the activities described in subparagraphs (A) through (D), for a total of not less than 80 hours.

''(F) The individual has a monthly income that is not less than the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act of 1938, multiplied by 80 hours.

''(3) EXCEPTIONS.—

''(A) MANDATORY EXCEPTION FOR CERTAIN INDIVIDUALS.—The State shall deem an applicable individual to have demonstrated community engagement under paragraph (2) for a month if—

''(i) for part or all of such month, the individual—

''(I) was a specified excluded individual (as defined in paragraph (9)(A)(ii)); or

''(II) was—

''(aa) under the age of 19;

''(bb) pregnant or entitled to postpartum medical assistance under paragraph (5) or (16) of subsection (e);

''(cc) entitled to, or enrolled for, benefits under part A of title

XVIII, or enrolled for benefits under part B of title XVIII; or

''(dd) described in any of subclauses (I) through (VII) of subsection (a)(10)(A)(i); or

''(ii) at any point during the 3-month period ending on the first day of such month, the individual was an inmate of a public institution.

''(B) OPTIONAL EXCEPTION FOR SHORT-TERM HARDSHIP EVENTS.—

''(i) IN GENERAL.—The State plan (or waiver of such plan) may provide, in the case of an applicable individual who experiences a short-term hardship event during a month, that the State shall, upon the request of such individual under procedures established by the State (in accordance with standards specified by the Secretary), deem such individual to have demonstrated community engagement under paragraph (2) for such month.

''(ii) SHORT-TERM HARDSHIP EVENT DEFINED.—For purposes of this subparagraph, an applicable individual experiences

a short-term hardship event during a month if, for part or all of such month—

"(I) such individual receives inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric hospital services, or such other services of similar acuity (including outpatient care relating to other services specified in this subclause) as the Secretary determines appropriate; or

"(II) such individual resides in a county (or equivalent unit of local government)—

"(aa) in which there exists an emergency or disaster declared by the President pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act; or

"(bb) that, subject to a request from the State to the Sec-

retary, made in such form, at such time, and containing such information as the Secretary may require, has an unemployment rate that is at or above the lesser of—

''(AA) 8 percent; or

''(BB) 1.5 times the national unemployment rate.

''(4) OPTION TO CONDUCT MORE FREQUENT COMPLIANCE VERIFICATIONS.—With respect to an applicable individual enrolled and receiving medical assistance under a State plan (or a waiver of such plan) under this title, the State shall verify (in accordance with procedures specified by the Secretary) that each such individual has met the requirement to demonstrate community engagement under paragraph (1) during each such individual's regularly scheduled redetermination of eligibility, except that a State may provide for such verifications more frequently.

''(5) EX PARTE VERIFICATIONS.—For purposes of verifying that an applicable individual has met the requirement to demonstrate community engagement under paragraph (1), the State shall, in accordance

with standards established by the Secretary, establish processes and use reliable information available to the State (such as payroll data) without requiring, where possible, the applicable individual to submit additional information.

''(6) PROCEDURE IN THE CASE OF NONCOMPLIANCE.—

''(A) IN GENERAL.—If a State is unable to verify that an applicable individual has met the requirement to demonstrate community engagement under paragraph (1) (including, if applicable, by verifying that such individual was deemed to have demonstrated community engagement under paragraph (3)) the State shall (in accordance with standards specified by the Secretary)—

''(i) provide such individual with the notice of noncompliance described in subparagraph (B);

''(ii) (I) provide such individual with a period of 30 calendar days, beginning on the date on which such notice of noncompliance is received by the individual, to—

''(aa) make a satisfactory showing to the State of compliance with such requirement (including, if applicable, by showing that such individual was deemed to have demonstrated community engagement under paragraph (3)); or

''(bb) make a satisfactory showing to the State that such requirement does not apply to such individual on the basis that such individual does not meet the definition of applicable individual under paragraph (9)(A); and

''(II) if such individual is enrolled under the State plan (or a waiver of such plan) under this title, continue to provide such individual with medical assistance during such 30-calendar-day period; and

''(iii) if no such satisfactory showing is made and the individual is not a specified excluded individual described in paragraph (9)(A)(ii), deny such individual's application for medical assistance under the State plan (or waiver of such plan) or, as

applicable, disenroll such individual from the plan (or waiver of such plan) not later than the end of the month following the month in which such 30-calendar-day period ends, provided that—

''(I) the State first determines whether, with respect to the individual, there is any other basis for eligibility for medical assistance under the State plan (or waiver of such plan) or for another insurance affordability program; and

''(II) the individual is provided written notice and granted an opportunity for a fair hearing in accordance with subsection (a)(3).

''(B) NOTICE.—The notice of noncompliance provided to an applicable individual under subparagraph (A)(i) shall include information (in accordance with standards specified by the Secretary) on—

''(i) how such individual may make a satisfactory showing of compliance with such requirement (as described in subparagraph (A)(ii)) or make a satisfactory show-

ing that such requirement does not apply to such individual on the basis that such individual does not meet the definition of applicable individual under paragraph (9)(A); and

''(ii) how such individual may reapply for medical assistance under the State plan (or a waiver of such plan) under this title in the case that such individuals' application is denied or, as applicable, in the case that such individual is disenrolled from the plan (or waiver).

''(7) TREATMENT OF NONCOMPLIANT INDIVIDUALS IN RELATION TO CERTAIN OTHER PROVISIONS.—

''(A) CERTAIN FMAP INCREASES.—A State shall not be treated as not providing medical assistance to all individuals described in section 1902(a)(10)(A)(i)(VIII), or as not expending amounts for all such individuals under the State plan (or waiver of such plan), solely because such an individual is determined ineligible for medical assistance under the State plan (or waiver) on the basis of a failure to meet the re-

quirement to demonstrate community engagement under paragraph (1).

''(B) OTHER PROVISIONS.—For purposes of section 36B(c)(2)(B) of the Internal Revenue Code of 1986, an individual shall be deemed to be eligible for minimum essential coverage described in section 5000A(f)(1)(A)(ii) of such Code for a month if such individual would have been eligible for medical assistance under a State plan (or a waiver of such plan) under this title but for a failure to meet the requirement to demonstrate community engagement under paragraph (1).

''(8) OUTREACH.—

''(A) IN GENERAL.—In accordance with standards specified by the Secretary, beginning not later than the date that precedes December 31, 2026 (or, if the State elects under paragraph (1) to specify an earlier date, such earlier date) by the number of months specified by the State under paragraph (1)(A) plus 3 months, and periodically thereafter, the State shall notify applicable individuals enrolled under a State plan (or waiver) under this title of the requirement to demonstrate community engage-

ment under this subsection. Such notice shall include information on—

''(i) how to comply with such requirement, including an explanation of the exceptions to such requirement under paragraph (3) and the definition of the term 'applicable individual' under paragraph (9)(A);

''(ii) the consequences of noncompliance with such requirement; and

''(iii) how to report to the State any change in the individual's status that could result in—

''(I) the applicability of an exception under paragraph (3) (or the end of the applicability of such an exception); or

''(II) the individual qualifying as a specified excluded individual under paragraph (9)(A)(ii).

''(B) FORM OF OUTREACH NOTICE.—A notice required under subparagraph (A) shall be delivered—

''(i) by regular mail (or, if elected by the individual, in an electronic format); and

''(ii) in 1 or more additional forms, which may include telephone, text message, an internet website, other commonly available electronic means, and such other forms as the Secretary determines appropriate.

''(9) DEFINITIONS.—In this subsection:

''(A) APPLICABLE INDIVIDUAL.—

''(i) IN GENERAL.—The term 'applicable individual' means an individual (other than a specified excluded individual (as defined in clause (ii)))—

''(I) who is eligible to enroll (or is enrolled) under the State plan under subsection (a)(10)(A)(i)(VIII); or

''(II) who—

''(aa) is otherwise eligible to enroll (or is enrolled) under a waiver of such plan that provides coverage that is equivalent to minimum essential coverage (as

described in section 5000A(f)(1)(A) of the Internal Revenue Code of 1986 and as determined in accordance with standards prescribed by the Secretary in regulations); and

''(bb) has attained the age of 19 and is under 65 years of age, is not pregnant, is not entitled to, or enrolled for, benefits under part A of title XVIII, or enrolled for benefits under part B of title XVIII, and is not otherwise eligible to enroll under such plan.

''(ii) SPECIFIED EXCLUDED INDIVIDUAL.—For purposes of clause (i), the term 'specified excluded individual' means an individual, as determined by the State (in accordance with standards specified by the Secretary)—

''(I) who is described in subsection (a)(10)(A)(i)(IX);

''(II) who—

''(aa) is an Indian or an Urban Indian (as such terms are defined in paragraphs (13) and (28) of section 4 of the Indian Health Care Improvement Act);

''(bb) is a California Indian described in section 809(a) of such Act; or

''(cc) has otherwise been determined eligible as an Indian for the Indian Health Service under regulations promulgated by the Secretary;

''(III) who is the parent, guardian, or caretaker relative of a disabled individual or a dependent child;

''(IV) who is a veteran with a disability rated as total under section 1155 of title 38, United States Code;

''(V) who is medically frail or otherwise has special medical needs (as defined by the Secretary), including an individual—

‘‘(aa) who is blind or disabled (as defined in section 1614);

‘‘(bb) with a substance use disorder;

‘‘(cc) with a disabling mental disorder;

‘‘(dd) with a physical, intellectual or developmental disability that significantly impairs their ability to perform 1 or more activities of daily living; or

‘‘(ee) with a serious or complex medical condition;

‘‘(VI) who—

‘‘(aa) is in compliance with any requirements imposed by the State pursuant to section 407; or

‘‘(bb) is a member of a household that receives supplemental nutrition assistance program benefits under the Food and Nutrition Act of 2008 and is not exempt from a work requirement under such Act;

"(VII) who is participating in a drug addiction or alcoholic treatment and rehabilitation program (as defined in section 3(h) of the Food and Nutrition Act of 2008); or

"(VIII) who is an inmate of a public institution.

"(B) EDUCATIONAL PROGRAM.—The term 'educational program' includes—

"(i) an institution of higher education (as defined in section 101 of the Higher Education Act of 1965); and

"(ii) a program of career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006).

"(C) STATE.—The term 'State' means 1 of the 50 States or the District of Columbia.

"(D) WORK PROGRAM.—The term 'work program' has the meaning given such term in section 6(o)(1) of the Food and Nutrition Act of 2008.

"(10) PROHIBITING WAIVER OF COMMUNITY ENGAGEMENT REQUIREMENTS.—Notwithstanding

section 1115(a), the provisions of this subsection may not be waived.''.

(b) CONFORMING AMENDMENT.—Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)(VIII)) is amended by striking ''subject to subsection (k)'' and inserting ''subject to subsections (k) and (xx)''.

(c) GUIDANCE.—Not later than December 31, 2025, the Secretary of Health and Human Services shall issue guidance relating to the initial implementation of the amendments made by this section.

(d) DEVELOPMENT OF GOVERNMENT EFFICIENCY GRANTS TO STATES.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall, out of amounts appropriated under paragraph (3), award to each State a grant equal to the amount specified in paragraph (2) for such State for purposes of establishing systems necessary to carry out the provisions of, and amendments made by, this section.

(2) AMOUNT SPECIFIED.—For purposes of paragraph (2), the amount specified in this paragraph is an amount that bears the same ratio to the amount appropriated under paragraph (3) as the number of applicable individuals (as defined in sec-

tion 1902(xx) of the Social Security Act, as added by subsection (a)) residing in such State bears to the total number of such individuals residing in all States.

(3) FUNDING.—There are appropriated, out of any monies in the Treasury not otherwise appropriated, $100,000,000 for fiscal year 2026 for purposes of awarding grants under paragraph (1).

(4) DEFINITION.—In this subsection, the term ''State'' means 1 of the 50 States and the District of Columbia.

(e) IMPLEMENTATION FUNDING.—For the purposes of carrying out the provisions of, and the amendments made by, this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Secretary of Health and Human Services, $50,000,000 for fiscal year 2026, to remain available until expended.

SEC. 44142. MODIFYING COST SHARING REQUIREMENTS FOR CERTAIN EXPANSION INDIVIDUALS UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Section 1916 of the Social Security Act (42 U.S.C. 1396o) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by inserting ''(other than, beginning

October 1, 2028, specified individuals (as defined in subsection (k)(3)))'' after ''individuals''; and

(2) by adding at the end the following new subsection:

''(k) SPECIAL RULES FOR CERTAIN EXPANSION INDIVIDUALS.—

''(1) PREMIUMS.—Beginning October 1, 2028, the State plan shall provide that in the case of a specified individual (as defined in paragraph (3)) who is eligible under the plan, no enrollment fee, premium, or similar charge will be imposed under the plan.

''(2) REQUIRED IMPOSITION OF COST SHARING.—

''(A) IN GENERAL.—Subject to subparagraph (B) and subsection (j), in the case of a specified individual, the State plan shall, beginning October 1, 2028, provide for the imposition of such deductions, cost sharing, or similar charges determined appropriate by the State (in an amount greater than $0) with respect to medical assistance furnished to such an individual.

''(B) LIMITATIONS.—

''(i) EXCLUSION OF CERTAIN SERVICES.—In no case may a deduction, cost sharing, or similar charge be imposed under the State plan with respect to services described in any of subparagraphs (B) through (J) of subsection (a)(2), or any primary care services, mental health care services, or substance use disorder services, furnished to a specified individual.

''(ii) ITEM AND SERVICE LIMITATION.—

''(I) IN GENERAL.—Except as provided in subclause (II), in no case may a deduction, cost sharing, or similar charge imposed under the State plan with respect to an item or service furnished to a specified individual exceed $35.

''(II) SPECIAL RULES FOR PRESCRIPTION DRUGS.—In no case may a deduction, cost sharing, or similar charge imposed under the State plan with respect to a prescription drug furnished to a specified individual exceed the limit that would be applicable

under paragraph (2)(A)(i) or (2)(B) of section 1916A(c) with respect to such drug and individual if such drug so furnished were subject to cost sharing under such section.

''(iii) MAXIMUM LIMIT ON COST SHARING.—The total aggregate amount of deductions, cost sharing, or similar charges imposed under the State plan for all individuals in the family may not exceed 5 percent of the family income of the family involved, as applied on a quarterly or monthly basis (as specified by the State).

''(C) CASES OF NONPAYMENT.—Notwithstanding subsection (e), a State may permit a provider participating under the State plan to require, as a condition for the provision of care, items, or services to a specified individual entitled to medical assistance under this title for such care, items, or services, the payment of any deductions, cost sharing, or similar charges authorized to be imposed with respect to such care, items, or services. Nothing in this subparagraph shall be construed as preventing a provider from reducing or waiving the applica-

tion of such deductions, cost sharing, or similar charges on a case-by-case basis.

''(3) SPECIFIED INDIVIDUAL DEFINED.—For purposes of this subsection, the term 'specified individual' means an individual who has a family income (as determined in accordance with section 1902(e)(14)) that exceeds the poverty line (as defined in section 2110(c)(5)) applicable to a family of the size involved and—

''(A) is enrolled under section 1902(a)(10)(A)(i)(VIII); or

''(B) is described in such subsection and otherwise enrolled under a waiver of such plan that provides coverage that is equivalent to minimum essential coverage (as described in section 5000A(f)(1)(A) of the Internal Revenue Code of 1986 and determined in accordance with standards prescribed by the Secretary in regulations) to all individuals described in section 1902(a)(10)(A)(i)(VIII).''.

(b) CONFORMING AMENDMENTS.—

(1) REQUIRED APPLICATION.—Section 1902(a)(14) of the Social Security Act (42 U.S.C. 1396a(a)(14)) is amended by inserting ''and provide for imposition of such deductions, cost sharing, or

similar charges for medical assistance furnished to specified individuals (as defined in paragraph (3) of section 1916(k)) in accordance with paragraph (2) of such section'' after ''section 1916''.

(2) NONAPPLICABILITY OF ALTERNATIVE COST SHARING.—Section 1916A(a)(1) of the Social Security Act (42 U.S.C. 1396o–1(a)(1)) is amended, in the second sentence, by striking ''or (j)'' and inserting ''(j), or (k)''.

PART 2—AFFORDABLE CARE ACT

SEC. 44201. ADDRESSING WASTE, FRAUD, AND ABUSE IN THE ACA EXCHANGES.

(a) CHANGES TO ENROLLMENT PERIODS FOR ENROLLING IN EXCHANGES.—Section 1311 of the Patient Protection and Affordable Care Act (42 U.S.C. 18031) is amended—

(1) in subsection (c)(6)—

(A) by striking subparagraph (A);

(B) by striking ''The Secretary'' and inserting the following:

''(A) IN GENERAL.—The Secretary'';

(C) by redesignating subparagraphs (B) through (D) as clauses (i) through (iii), respectively, and adjusting the margins accordingly;

(D) in clause (i), as so redesignated, by striking ''periods, as determined by the Secretary for calendar years after the initial enrollment period;'' and inserting the following: ''periods for plans offered in the individual market—

''(I) for enrollment for plan years beginning before January 1, 2026, as determined by the Secretary; and

''(II) for enrollment for plan years beginning on or after January 1, 2026, beginning on November 1 and ending on December 15 of the preceding calendar year;'';

(E) in clause (ii), as so redesignated, by inserting ''subject to subparagraph (B),'' before ''special enrollment periods specified''; and

(F) by adding at the end the following new subparagraph:

''(B) PROHIBITED SPECIAL ENROLLMENT PERIOD.—With respect to plan years beginning on or after January 1, 2026, the Secretary may not require an Exchange to provide for a special enrollment period for an individual on the basis of the relationship of the income of such

individual to the poverty line, other than a special enrollment period based on a change in circumstances or the occurrence of a specific event.''; and

(2) in subsection (d), by adding at the end the following new paragraphs:

''(8) PROHIBITED ENROLLMENT PERIODS.—An Exchange may not provide for, with respect to enrollment for plan years beginning on or after January 1, 2026—

''(A) an annual open enrollment period other than the period described in subparagraph (A)(i) of subsection (c)(6); or

''(B) a special enrollment period described in subparagraph (B) of such subsection.

''(9) VERIFICATION OF ELIGIBILITY FOR SPECIAL ENROLLMENT PERIODS.—

''(A) IN GENERAL.—With respect to enrollment for plan years beginning on or after January 1, 2026, an Exchange shall verify that each individual seeking to enroll in a qualified health plan offered by the Exchange during a special enrollment period selected under subparagraph (B) is eligible to enroll during such special en-

rollment period prior to enrolling such individual in such plan.

''(B) SELECTED SPECIAL ENROLLMENT PERIODS.—For purposes of subparagraph (A), an Exchange shall select one or more special enrollment periods for a plan year with respect to which such Exchange shall conduct the verification required under subparagraph (A) such that the Exchange conducts such verification for not less than 75 percent of all individuals enrolling in a qualified health plan offered by the Exchange during any special enrollment period with respect to such plan year.''.

(b) VERIFYING INCOME FOR INDIVIDUALS ENROLLING IN A QUALIFIED HEALTH PLAN THROUGH AN EXCHANGE.—

(1) IN GENERAL.—Section 1411(e)(4) of the Patient Protection and Affordable Care Act (42 U.S.C. 18081(e)(4)) is amended—

(A) by redesignating subparagraph (C) as subparagraph (E); and

(B) by inserting after subparagraph (B) the following new subparagraphs:

"(C) REQUIRING VERIFICATION OF INCOME AND FAMILY SIZE WHEN TAX DATA IS UNAVAILABLE.—For plan years beginning on or after January 1, 2026, for purposes of subparagraph (A), in the case that the Exchange requests data from the Secretary of the Treasury regarding an individual's household income and the Secretary of the Treasury does not return such data, such information may not be verified solely on the basis of the attestation of such individual with respect to such household income, and the Exchange shall take the actions described in subparagraph (A).

"(D) REQUIRING VERIFICATION OF INCOME IN THE CASE OF CERTAIN INCOME DISCREPANCIES.—

"(i) IN GENERAL.—Subject to clause (iii), for plan years beginning on or after January 1, 2026, for purposes of subparagraph (A), in the case that a specified income discrepancy described in clause (ii) of this subparagraph exists with respect to the information provided by an applicant under subsection (b)(3), the household income of such individual shall be treated as

inconsistent with information in the records maintained by persons under subsection (c), or as not verified under subsection (d), and the Exchange shall take the actions described in such subparagraph (A).

''(ii) SPECIFIED INCOME DISCREPANCY.—For purposes of clause (i), a specified income discrepancy exists with respect to the information provided by an applicant under subsection (b)(3) if—

''(I) the applicant attests to a projected annual household income that would qualify such applicant to be an applicable taxpayer under section 36B(c)(1)(A) of the Internal Revenue Code of 1986 with respect to the taxable year involved;

''(II) the Exchange receives data from the Secretary of the Treasury or other reliable, third party data, that indicates that the household income of such applicant is less than the household income that would qualify such applicant to be an applicable taxpayer

under such section 36B(c)(1)(A) with respect to the taxable year involved;

''(III) such attested projected annual household income exceeds the income reflected in the data described in subclause (II) by a reasonable threshold established by the Exchange and approved by the Secretary (which shall be not less than 10 percent, and may also be a dollar amount); and

''(IV) the Exchange has not assessed or determined based on the data described in subclause (II) that the household income of the applicant meets the applicable income-based eligibility standard for the Medicaid program under title XIX of the Social Security Act or the State children's health insurance program under title XXI of such Act.

''(iii) EXCLUSION OF CERTAIN INDIVIDUALS INELIGIBLE FOR MEDICAID.—This subparagraph shall not apply in the case of an applicant who is an alien lawfully present in the United States, who is

not eligible for the Medicaid program under title XIX of the Social Security Act by reason of such alien status.''.

(2) REQUIRING INDIVIDUALS ON WHOSE BEHALF ADVANCE PAYMENTS OF THE PREMIUM TAX CREDITS ARE MADE TO FILE AND RECONCILE ON AN ANNUAL BASIS.—Section 1412(b) of the Patient Protection and Affordable Care Act (42 U.S.C. 18082(b)) is amended by adding at the end the following new paragraph:

''(3) ANNUAL REQUIREMENT TO FILE AND RECONCILE.—

''(A) IN GENERAL.—For plan years beginning on or after January 1, 2026, in the case of an individual with respect to whom any advance payment of the premium tax credit allowable under section 36B of the Internal Revenue Code of 1986 was made under this section to the issuer of a qualified health plan for the relevant prior tax year, an advance determination of eligibility for such premium tax credit may not be made under this subsection with respect to such individual and such plan year if the Exchange determines, based on information pro-

vided by the Secretary of the Treasury, that such individual—

''(i) has not filed an income tax return, as required under sections 6011 and 6012 of such Code (and implementing regulations), for the relevant prior tax year; or

''(ii) as necessary, has not reconciled (in accordance with subsection (f) of such section 36B) the advance payment of the premium tax credit made with respect to such individual for such relevant prior tax year.

''(B) RELEVANT PRIOR TAX YEAR.—For purposes of subparagraph (A), the term 'relevant prior tax year' means, with respect to the advance determination of eligibility made under this subsection with respect to an individual, the taxable year for which tax return data would be used for purposes of verifying the household income and family size of such individual (as described in section 1411(b)(3)(A)).

''(C) PRELIMINARY ATTESTATION.—If an individual subject to subparagraph (A) attests that such individual has fulfilled the require-

ments to file an income tax return for the relevant prior tax year and, as necessary, to reconcile the advance payment of the premium tax credit made with respect to such individual for such relevant prior tax year (as described in clauses (i) and (ii) of such subparagraph), the Secretary may make an initial advance determination of eligibility with respect to such individual and may delay for a reasonable period (as determined by the Secretary) any determination based on information provided by the Secretary of the Treasury that such individual has not fulfilled such requirements.

''(D) NOTICE.—If the Secretary determines that an individual did not meet the requirements described in subparagraph (A) with respect to the relevant prior tax year and notifies the Exchange of such determination, the Exchange shall comply with the notification requirement described in section 155.305(f)(4)(i) of title 45, Code of Federal Regulations (as in effect with respect to plan year 2025).''.

(3) REMOVING AUTOMATIC EXTENSION OF PERIOD TO RESOLVE INCOME INCONSISTENCIES.—The Secretary of Health and Human Services shall revise

section 155.315(f) of title 45, Code of Federal Regulations, to remove paragraph (7) of such section such that, with respect to enrollment for plan years beginning on or after January 1, 2026, in the case that an Exchange established under subtitle D of title I of the Patient Protection and Affordable Care Act (42 U.S.C. 18021 et seq.) provides an individual applying for enrollment in a qualified health plan with a 90-day period to resolve an inconsistency in the application of such individual pursuant to section 1411(e)(4)(A)(ii)(II) of such Act, the Exchange may not provide for an automatic extension to such 90-day period on the basis that such individual is required to present satisfactory documentary evidence to verify household income.

(c) REVISING RULES ON ALLOWABLE VARIATION IN ACTUARIAL VALUE OF HEALTH PLANS.—The Secretary of Health and Human Services shall—

(1) revise section 156.140(c) of title 45, Code of Federal Regulations, to provide that, for plan years beginning on or after January 1, 2026, the allowable variation in the actuarial value of a health plan applicable under such section shall be the allowable variation for such plan applicable under such section for plan year 2022;

(2) revise section 156.200(b)(3) of title 45, Code of Federal Regulations, to provide that, for plan years beginning on or after January 1, 2026, the requirement for a qualified health plan issuer described in such section is that the issuer ensures that each qualified health plan complies with benefit design standards, as defined in section 156.20 of such title; and

(3) revise section 156.400 of title 45, Code of Federal Regulations, to provide that, for plan years beginning on or after January 1, 2026, the term ''de minimis variation for a silver plan variation'' means a minus 1 percentage point and plus 1 percentage point allowable actuarial value variation.

(d) UPDATING PREMIUM ADJUSTMENT PERCENTAGE METHODOLOGY.—Section 1302(c)(4) of the Patient Protection and Affordable Care Act (42 U.S.C. 18022(c)(4)) is amended—

(1) by striking ''For purposes'' and inserting:

''(A) IN GENERAL.—For purposes''; and

(2) by adding at the end the following new subparagraph:

''(B) UPDATE TO METHODOLOGY.—For calendar years beginning with 2026, the premium adjustment percentage under this para-

graph for such calendar year shall be determined consistent with the methodology published in the Federal Register on April 25, 2019 (84 Fed. Reg. 17537 through 17541).''.

(e) ELIMINATING THE FIXED-DOLLAR AND GROSS-PERCENTAGE THRESHOLDS APPLICABLE TO EXCHANGE ENROLLMENTS.—The Secretary of Health and Human Services shall revise section 155.400(g) of title 45, Code of Federal Regulations to eliminate, for plan years beginning on or after January 1, 2026, the gross premium percentage-based premium payment threshold policy described in paragraph (2) of such section and the fixed-dollar premium payment threshold policy described in paragraph (3) of such section.

(f) PROHIBITING AUTOMATIC REENROLLMENT FROM BRONZE TO SILVER LEVEL QUALIFIED HEALTH PLANS OFFERED BY EXCHANGES.—The Secretary of Health and Human Services shall revise section 155.335(j) of title 45, Code of Federal Regulations to remove paragraph (4) of such section such that, with respect to reenrollments for plan years beginning on or after January 1, 2026, an Exchange established under subtitle D of title I of the Patient Protection and Affordable Care Act (42 U.S.C. 18021 et seq.) may not reenroll an individual who was enrolled in a bronze level qualified health plan in a silver

level qualified health plan (as such terms are defined in section 1301(a) and described in 1302(d) of such Act) unless otherwise permitted under section 155.335(j) of title 45, Code of Federal Regulations, as in effect on the day before the date of the enactment of this section.

(g) REDUCING ADVANCE PAYMENTS OF PREMIUM TAX CREDITS FOR CERTAIN INDIVIDUALS REENROLLED IN EXCHANGES.—Section 1412 of the Patient Protection and Affordable Care Act (42 U.S.C. 18082) is amended—

(1) in subsection (a)(3), by inserting ", subject to subsection (c)(2)(C)," after "qualified health plans"; and

(2) in subsection (c)(2)—

(A) in subparagraph (A), by striking "The" and inserting "Subject to subparagraph (C), the"; and

(B) by adding at the end the following new subparagraph:

"(C) REDUCTION IN ADVANCE PAYMENT FOR SPECIFIED REENROLLED INDIVIDUALS.—

"(i) IN GENERAL.—The amount of an advance payment made under subparagraph (A) to reduce the premium payable for a qualified health plan that provides coverage to a specified reenrolled individual

for an applicable month shall be an amount equal to the amount that would otherwise be made under such subparagraph reduced by $5 (or such higher amount as the Secretary determines appropriate).

''(ii) DEFINITIONS.—In this subparagraph:

''(I) APPLICABLE MONTH.—The term 'applicable month' means, with respect to a specified reenrolled individual, any month during a plan year beginning on or after January 1, 2027 (or, in the case of an individual reenrolled in a qualified health plan by an Exchange established pursuant to section 1321(c), January 1, 2026) if, prior to the first day of such month, such individual has failed to confirm or update such information as is necessary to redetermine the eligibility of such individual for such plan year pursuant to section 1411(f).

''(II) SPECIFIED REENROLLED INDIVIDUAL.—The term 'specified re-

enrolled individual' means an individual who is reenrolled in a qualified health plan and with respect to whom the advance payment made under subparagraph (A) would, without application of any reduction under this subparagraph, reduce the premium payable for a qualified health plan that provides coverage to such an individual to $0.''.

(h) PROHIBITING COVERAGE OF GENDER TRANSITION PROCEDURES AS AN ESSENTIAL HEALTH BENEFIT UNDER PLANS OFFERED BY EXCHANGES.—

(1) IN GENERAL.—Section 1302(b)(2) of the Patient Protection and Affordable Care Act (42 U.S.C. 18022(b)(2)) is amended by adding at the end the following new subparagraph:

''(C) GENDER TRANSITION PROCEDURES.—For plan years beginning on or after January 1, 2027, the essential health benefits defined pursuant to paragraph (1) may not include items and services furnished for a gender transition procedure.''.

(2) GENDER TRANSITION PROCEDURE DEFINED.—Section 1304 of the Patient Protection and

Affordable Care Act (42 U.S.C. 18024) is amended by adding at the end the following new subsection:

''(f) GENDER TRANSITION PROCEDURE.—

''(1) IN GENERAL.—In this title, except as provided in paragraph (2), the term 'gender transition procedure' means, with respect to an individual, any of the following when performed for the purpose of intentionally changing the body of such individual (including by disrupting the body's development, inhibiting its natural functions, or modifying its appearance) to no longer correspond to the individual's sex:

''(A) Performing any surgery, including—

''(i) castration;

''(ii) sterilization;

''(iii) orchiectomy;

''(iv) scrotoplasty;

''(v) vasectomy;

''(vi) tubal ligation;

''(vii) hysterectomy;

''(viii) oophorectomy;

''(ix) ovariectomy;

''(x) metoidioplasty;

''(xi) clitoroplasty;

''(xii) reconstruction of the fixed part of the urethra with or without a metoidioplasty or a phalloplasty;

''(xiii) penectomy;

''(xiv) phalloplasty;

''(xv) vaginoplasty;

''(xvi) vaginectomy;

''(xvii) vulvoplasty;

''(xviii) reduction thyrochondroplasty;

''(xix) chondrolaryngoplasty;

''(xx) mastectomy; and

''(xxi) any plastic, cosmetic, or aesthetic surgery that feminizes or masculinizes the facial or other body features of an individual.

''(B) Any placement of chest implants to create feminine breasts or any placement of erection or testicular prosetheses.

''(C) Any placement of fat or artificial implants in the gluteal region.

''(D) Administering, prescribing, or dispensing to an individual medications, including—

''(i) gonadotropin-releasing hormone (GnRH) analogues or other puberty-block-

ing drugs to stop or delay normal puberty; and

''(ii) testosterone, estrogen, or other androgens to an individual at doses that are supraphysiologic than would normally be produced endogenously in a healthy individual of the same age and sex.

''(2) EXCEPTION.—Paragraph (1) shall not apply to the following:

''(A) Puberty suppression or blocking prescription drugs for the purpose of normalizing puberty for an individual experiencing precocious puberty.

''(B) Medically necessary procedures or treatments to correct for—

''(i) a medically verifiable disorder of sex development, including—

''(I) 46,XX chromosomes with virilization;

''(II) 46,XY chromosomes with undervirilization; and

''(III) both ovarian and testicular tissue;

''(ii) sex chromosome structure, sex steroid hormone production, or sex hor-

mone action, if determined to be abnormal by a physician through genetic or biochemical testing;

''(iii) infection, disease, injury, or disorder caused or exacerbated by a previous procedure described in paragraph (1), or a physical disorder, physical injury, or physical illness that would, as certified by a physician, place the individual in imminent danger of death or impairment of a major bodily function unless the procedure is performed, not including procedures performed for the alleviation of mental distress; or

''(iv) procedures to restore or reconstruct the body of the individual in order to correspond to the individual's sex after one or more previous procedures described in paragraph (1), which may include the removal of a pseudo phallus or breast augmentation.

''(3) SEX.—For purposes of this subsection, the term 'sex' means either male or female, as biologically determined and defined by subparagraph (A) and subparagraph (B).

''(A) FEMALE.—The term 'female' means an individual who naturally has, had, will have, or would have, but for a developmental or genetic anomaly or historical accident, the reproductive system that at some point produces, transports, and utilizes eggs for fertilization.

''(B) MALE.—The term 'male' means an individual who naturally has, had, will have, or would have, but for a developmental or genetic anomaly or historical accident, the reproductive system that at some point produces, transports, and utilizes sperm for fertilization.''.

(i) CLARIFYING LAWFUL PRESENCE FOR PURPOSES OF THE EXCHANGES.—

(1) IN GENERAL.—Section 1312(f) of the Patient Protection and Affordable Care Act (42 U.S.C. 18032(f)) is amended by adding at the end the following new paragraph:

''(4) CLARIFICATION OF LAWFUL PRESENCE.—In this title, the term 'alien lawfully present in the United States' does not include an alien granted deferred action under the Deferred Action for Childhood Arrivals process pursuant to the memorandum of the Department of Homeland Security entitled 'Exercising Prosecutorial Discretion with Respect to

Individuals Who Came to the United States as Children' issued on June 15, 2012.''.

(2) COST-SHARING REDUCTIONS.—Section 1402(e)(2) of the Patient Protection and Affordable Care Act (42 U.S.C. 18071(e)(2)) is amended by adding at the end the following new sentence: ''For purposes of this section, an individual shall not be treated as lawfully present if the individual is an alien granted deferred action under the Deferred Action for Childhood Arrivals process pursuant to the memorandum of the Department of Homeland Security entitled 'Exercising Prosecutorial Discretion with Respect to Individuals Who Came to the United States as Children' issued on June 15, 2012.''.

(3) PAYMENT PROHIBITION.—Section 1412(d) of the Patient Protection and Affordable Care Act (42 U.S.C. 18082(d)) is amended by adding at the end the following new sentence: ''For purposes of the previous sentence, an individual shall not be treated as lawfully present if the individual is an alien granted deferred action under the Deferred Action for Childhood Arrivals process pursuant to the memorandum of the Department of Homeland Security entitled 'Exercising Prosecutorial Discretion

with Respect to Individuals Who Came to the United States as Children' issued on June 15, 2012.''.

(4) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning on or after January 1, 2026.

(j) ENSURING APPROPRIATE APPLICATION OF GUARANTEED ISSUE REQUIREMENTS IN CASE OF NONPAYMENT OF PAST PREMIUMS.—

(1) IN GENERAL.—Section 2702 of the Public Health Service Act (42 U.S.C. 300gg–1) is amended by adding at the end the following new subsection:

''(e) NONPAYMENT OF PAST PREMIUMS.—

''(1) IN GENERAL.—A health insurance issuer offering individual health insurance coverage may, to the extent allowed under State law, deny such coverage in the case of an individual who owes any amount for premiums for individual health insurance coverage offered by such issuer (or by a health insurance issuer in the same controlled group (as defined in paragraph (3)) as such issuer) in which such individual was previously enrolled.

''(2) ATTRIBUTION OF INITIAL PREMIUM PAYMENT TO OWED AMOUNT.—A health insurance issuer offering individual health insurance coverage may, in the case of an individual described in para-

graph (1) and to the extent allowed under State law, attribute the initial premium payment for such coverage applicable to such individual to the amount owed by such individual for premiums for individual health insurance coverage offered by such issuer (or by a health insurance issuer in the same controlled group as such issuer) in which such individual was previously enrolled.

''(3) CONTROLLED GROUP DEFINED.—For purposes of this subsection, the term 'controlled group' means a group of of two or more persons that is treated as a single employer under section 52(a), 52(b), 414(m), or 414(o) of the Internal Revenue Code of 1986.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to plan years beginning on or after January 1, 2026.

SEC. 44202. FUNDING COST SHARING REDUCTION PAYMENTS.

Section 1402 of the Patient Protection and Affordable Care Act (42 U.S.C. 18071) is amended by adding at the end the following new subsection:

''(h) FUNDING.—

''(1) IN GENERAL.—There are appropriated out of any monies in the Treasury not otherwise appro-

priated such sums as may be necessary for purposes of making payments under this section for plan years beginning on or after January 1, 2026.

''(2) LIMITATION.—

''(A) IN GENERAL.—The amounts appropriated under paragraph (1) may not be used for purposes of making payments under this section for a qualified health plan that provides health benefit coverage that includes coverage of abortion.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to payments for a qualified health plan that provides coverage of abortion only if necessary to save the life of the mother or if the pregnancy is a result of an act of rape or incest.''.

PART 3—IMPROVING AMERICANS' ACCESS TO CARE

SEC. 44301. EXPANDING AND CLARIFYING THE EXCLUSION FOR ORPHAN DRUGS UNDER THE DRUG PRICE NEGOTIATION PROGRAM.

(a) IN GENERAL.—Section 1192(e) of the Social Security Act (42 U.S.C. 1320f–1(e)) is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking ''and (3)'' and inserting ''through (4)'';

(2) in paragraph (3)(A)—

(A) by striking ''only one rare disease or condition'' and inserting ''one or more rare diseases or conditions''; and

(B) by striking ''such disease or condition'' and inserting ''one or more rare diseases or conditions (as such term is defined in section 526(a)(2) of the Federal Food, Drug, and Cosmetic Act)''; and

(3) by adding at the end the following new paragraph:

''(4) TREATMENT OF FORMER ORPHAN DRUGS.—In the case of a drug or biological product that, as of the date of the approval or licensure of such drug or biological product, is a drug or biological product described in paragraph (3)(A), paragraph (1)(A)(ii) or (1)(B)(ii) (as applicable) shall apply as if the reference to 'the date of such approval' or 'the date of such licensure', respectively, were instead a reference to 'the first day after the date of such approval for which such drug is not a drug described in paragraph (3)(A)' or 'the first day

after the date of such licensure for which such biological product is not a biological product described in paragraph (3)(A)', respectively.''.

(b) APPLICATION.—The amendments made by subsection (a) shall apply with respect to initial price applicability years (as defined in section 1191(b) of the Social Security Act (42 U.S.C. 1320f(b))) beginning on or after January 1, 2028.

SEC. 44302. STREAMLINED ENROLLMENT PROCESS FOR ELIGIBLE OUT-OF-STATE PROVIDERS UNDER MEDICAID AND CHIP.

(a) IN GENERAL.—Section 1902(kk) of the Social Security Act (42 U.S.C. 1396a(kk)) is amended by adding at the end the following new paragraph:

''(10) STREAMLINED ENROLLMENT PROCESS FOR ELIGIBLE OUT-OF-STATE PROVIDERS.—

''(A) IN GENERAL.—The State—

''(i) adopts and implements a process to allow an eligible out-of-State provider to enroll under the State plan (or a waiver of such plan) to furnish items and services to, or order, prescribe, refer, or certify eligibility for items and services for, qualifying individuals without the imposition of screening or enrollment requirements by

such State that exceed the minimum necessary for such State to provide payment to an eligible out-of-State provider under such State plan (or a waiver of such plan), such as the provider's name and National Provider Identifier (and such other information specified by the Secretary); and

''(ii) provides that an eligible out-of-State provider that enrolls as a participating provider in the State plan (or a waiver of such plan) through such process shall be so enrolled for a 5-year period, unless the provider is terminated or excluded from participation during such period.

''(B) DEFINITIONS.—In this paragraph:

''(i) ELIGIBLE OUT-OF-STATE PROVIDER.—The term 'eligible out-of-State provider' means, with respect to a State, a provider—

''(I) that is located in any other State;

''(II) that—

''(aa) was determined by the Secretary to have a limited risk of fraud, waste, and abuse for

purposes of determining the level of screening to be conducted under section 1866(j)(2), has been so screened under such section 1866(j)(2), and is enrolled in the Medicare program under title XVIII; or

''(bb) was determined by the State agency administering or supervising the administration of the State plan (or a waiver of such plan) of such other State to have a limited risk of fraud, waste, and abuse for purposes of determining the level of screening to be conducted under paragraph (1) of this subsection, has been so screened under such paragraph (1), and is enrolled under such State plan (or a waiver of such plan); and

''(III) that has not been—

''(aa) excluded from participation in any Federal health care

program pursuant to section 1128 or 1128A;

''(bb) excluded from participation in the State plan (or a waiver of such plan) pursuant to part 1002 of title 42, Code of Federal Regulations, or State law; or

''(cc) terminated from participating in a Federal health care program or the State plan (or a waiver of such plan) for a reason described in paragraph (8)(A).

''(ii) QUALIFYING INDIVIDUAL.—The term 'qualifying individual' means an individual under 21 years of age who is enrolled under the State plan (or waiver of such plan).

''(iii) STATE.—The term 'State' means 1 of the 50 States or the District of Columbia.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1902(a)(77) of the Social Security Act (42 U.S.C. 1396a(a)(77)) is amended by inserting ''enrollment,'' after ''screening,''.

(2) The subsection heading for section 1902(kk) of such Act (42 U.S.C. 1396a(kk)) is amended by inserting ''ENROLLMENT,'' after ''SCREENING,''.

(3) Section 2107(e)(1)(G) of such Act (42 U.S.C. 1397gg(e)(1)(G)) is amended by inserting ''enrollment,'' after ''screening,''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply beginning on the date that is 4 years after the date of enactment of this Act.

SEC. 44303. DELAYING DSH REDUCTIONS.

(a) IN GENERAL.—Section 1923(f) of the Social Security Act (42 U.S.C. 1396r–4(f)) is amended—

(1) in paragraph (7)(A)—

(A) in clause (i)—

(i) in the matter preceding subclause (I), by striking ''2026 through 2028'' and inserting ''2029 through 2031''; and

(ii) in subclause (II), by striking ''or period''; and

(B) in clause (ii), by striking ''2026 through 2028'' and inserting ''2029 through 2031''; and

(2) in paragraph (8), by striking ''2027'' and inserting ''2031''.

(b) TENNESSEE DSH ALLOTMENT.—Section 1923(f)(6)(A)(vi) of the Social Security Act (42 U.S.C. 1396r–4(f)(6)(A)(vi)) is amended—

(1) in the header, by striking ''2025'' and inserting ''2028''; and

(2) by striking ''fiscal year 2025'' and inserting ''fiscal year 2028''.

SEC. 44304. MODIFYING UPDATE TO THE CONVERSION FACTOR UNDER THE PHYSICIAN FEE SCHEDULE UNDER THE MEDICARE PROGRAM.

Section 1848(d) of the Social Security Act (42 U.S.C. 1395w–4(d)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) in the first sentence, by striking ''and ending with 2025''; and

(ii) by striking the second sentence; and

(B) in subparagraph (D), by striking ''(or, beginning with 2026, applicable conversion factor)''; and

(2) by amending paragraph (20) to read as follows:

''(20) UPDATE FOR 2026 AND SUBSEQUENT YEARS.—The update to the single conversion factor established in paragraph (1)(A)—

''(A) for 2026 is 75 percent of the Secretary's estimate of the percentage increase in the MEI (as defined in section 1842(i)(3)) for the year; and

''(B) for 2027 and each subsequent year is 10 percent of the Secretary's estimate of the percentage increase in the MEI for the year.''.

SEC. 44305. MODERNIZING AND ENSURING PBM ACCOUNTABILITY.

(a) IN GENERAL.—

(1) PRESCRIPTION DRUG PLANS.—Section 1860D–12 of the Social Security Act (42 U.S.C. 1395w–112) is amended by adding at the end the following new subsection:

''(h) REQUIREMENTS RELATING TO PHARMACY BENEFIT MANAGERS.—For plan years beginning on or after January 1, 2028:

''(1) AGREEMENTS WITH PHARMACY BENEFIT MANAGERS.—Each contract entered into with a PDP sponsor under this part with respect to a prescription drug plan offered by such sponsor shall provide that any pharmacy benefit manager acting on behalf of such sponsor has a written agreement with the PDP sponsor under which the pharmacy benefit manager, and any affiliates of such pharmacy benefit manager, as applicable, agree to meet the following requirements:

''(A) NO INCOME OTHER THAN BONA FIDE SERVICE FEES.—

''(i) IN GENERAL.—The pharmacy benefit manager and any affiliate of such pharmacy benefit manager shall not derive any remuneration with respect to any services provided on behalf of any entity or individual, in connection with the utilization of covered part D drugs, from any such entity or individual other than bona fide service fees, subject to clauses (ii) and (iii).

''(ii) INCENTIVE PAYMENTS.—For the purposes of this subsection, an incentive payment (as determined by the Secretary) paid by a PDP sponsor to a pharmacy

benefit manager (or an affiliate of such pharmacy benefit manager) that is performing services on behalf of such sponsor shall be deemed a 'bona fide service fee' (even if such payment does not otherwise meet the definition of such term under paragraph (7)(B)) if such payment is a flat dollar amount, is consistent with fair market value (as specified by the Secretary), is related to services actually performed by the pharmacy benefit manager or affiliate of such pharmacy benefit manager, on behalf of the PDP sponsor making such payment, in connection with the utilization of covered part D drugs, and meets additional requirements, if any, as determined appropriate by the Secretary.

''(iii) CLARIFICATION ON REBATES AND DISCOUNTS USED TO LOWER COSTS FOR COVERED PART D DRUGS.—Rebates, discounts, and other price concessions received by a pharmacy benefit manager or an affiliate of a pharmacy benefit manager from manufacturers, even if such price concessions are calculated as a percentage

of a drug's price, shall not be considered a violation of the requirements of clause (i) if they are fully passed through to a PDP sponsor and are compliant with all regulatory and subregulatory requirements related to direct and indirect remuneration for manufacturer rebates under this part, including in cases where a PDP sponsor is acting as a pharmacy benefit manager on behalf of a prescription drug plan offered by such PDP sponsor.

''(iv) EVALUATION OF REMUNERATION ARRANGEMENTS.—Components of subsets of remuneration arrangements (such as fees or other forms of compensation paid to or retained by the pharmacy benefit manager or affiliate of such pharmacy benefit manager), as determined appropriate by the Secretary, between pharmacy benefit managers or affiliates of such pharmacy benefit managers, as applicable, and other entities involved in the dispensing or utilization of covered part D drugs (including PDP sponsors, manufacturers, and pharmacies) shall be subject to review by

the Secretary, in consultation with the Office of the Inspector General of the Department of Health and Human Services, as determined appropriate by the Secretary. The Secretary, in consultation with the Office of the Inspector General, shall review whether remuneration under such arrangements is consistent with fair market value (as specified by the Secretary) through reviews and assessments of such remuneration, as determined appropriate.

''(v) DISGORGEMENT.—The pharmacy benefit manager shall disgorge any remuneration paid to such pharmacy benefit manager or an affiliate of such pharmacy benefit manager in violation of this subparagraph to the PDP sponsor.

''(vi) ADDITIONAL REQUIREMENTS.—The pharmacy benefit manager shall—

''(I) enter into a written agreement with any affiliate of such pharmacy benefit manager, under which the affiliate shall identify and disgorge any remuneration described in clause

(v) to the pharmacy benefit manager; and

''(II) attest, subject to any requirements determined appropriate by the Secretary, that the pharmacy benefit manager has entered into a written agreement described in subclause (I) with any relevant affiliate of the pharmacy benefit manager.

''(B) TRANSPARENCY REGARDING GUARANTEES AND COST PERFORMANCE EVALUATIONS.—The pharmacy benefit manager shall—

''(i) define, interpret, and apply, in a fully transparent and consistent manner for purposes of calculating or otherwise evaluating pharmacy benefit manager performance against pricing guarantees or similar cost performance measurements related to rebates, discounts, price concessions, or net costs, terms such as—

''(I) 'generic drug', in a manner consistent with the definition of the term under section 423.4 of title 42, Code of Federal Regulations;

''(II) 'brand name drug', in a manner consistent with the definition of the term under section 423.4 of title 42, Code of Federal Regulations;

''(III) 'specialty drug';

''(IV) 'rebate'; and

''(V) 'discount';

''(ii) identify any drugs, claims, or price concessions excluded from any pricing guarantee or other cost performance measure in a clear and consistent manner; and

''(iii) where a pricing guarantee or other cost performance measure is based on a pricing benchmark other than the wholesale acquisition cost (as defined in section 1847A(c)(6)(B)) of a drug, calculate and provide a wholesale acquisition cost-based equivalent to the pricing guarantee or other cost performance measure.

''(C) PROVISION OF INFORMATION.—

''(i) IN GENERAL.—Not later than July 1 of each year, beginning in 2028, the pharmacy benefit manager shall submit to the PDP sponsor, and to the Secretary, a

report, in accordance with this subparagraph, and shall make such report available to such sponsor at no cost to such sponsor in a format specified by the Secretary under paragraph (5). Each such report shall include, with respect to such PDP sponsor and each plan offered by such sponsor, the following information with respect to the previous plan year:

''(I) A list of all drugs covered by the plan that were dispensed including, with respect to each such drug—

''(aa) the brand name, generic or non-proprietary name, and National Drug Code;

''(bb) the number of plan enrollees for whom the drug was dispensed, the total number of prescription claims for the drug (including original prescriptions and refills, counted as separate claims), and the total number of dosage units of the drug dispensed;

''(cc) the number of prescription claims described in item (bb) by each type of dispensing channel through which the drug was dispensed, including retail, mail order, specialty pharmacy, long term care pharmacy, home infusion pharmacy, or other types of pharmacies or providers;

''(dd) the average wholesale acquisition cost, listed as cost per day's supply, cost per dosage unit, and cost per typical course of treatment (as applicable);

''(ee) the average wholesale price for the drug, listed as price per day's supply, price per dosage unit, and price per typical course of treatment (as applicable);

''(ff) the total out-of-pocket spending by plan enrollees on such drug after application of any benefits under the plan, including plan enrollee spending

through copayments, coinsurance, and deductibles;

''(gg) total rebates paid by the manufacturer on the drug as reported under the Detailed DIR Report (or any successor report) submitted by such sponsor to the Centers for Medicare & Medicaid Services;

''(hh) all other direct or indirect remuneration on the drug as reported under the Detailed DIR Report (or any successor report) submitted by such sponsor to the Centers for Medicare & Medicaid Services;

''(ii) the average pharmacy reimbursement amount paid by the plan for the drug in the aggregate and disaggregated by dispensing channel identified in item (cc);

''(jj) the average National Average Drug Acquisition Cost (NADAC); and

''(kk) total manufacturer-derived revenue, inclusive of bona fide service fees, attributable to the drug and retained by the pharmacy benefit manager and any affiliate of such pharmacy benefit manager.

''(II) In the case of a pharmacy benefit manager that has an affiliate that is a retail, mail order, or specialty pharmacy, with respect to drugs covered by such plan that were dispensed, the following information:

''(aa) The percentage of total prescriptions that were dispensed by pharmacies that are an affiliate of the pharmacy benefit manager for each drug.

''(bb) The interquartile range of the total combined costs paid by the plan and plan enrollees, per dosage unit, per course of treatment, per 30-day supply, and per 90-day supply for each drug dispensed by pharmacies

that are not an affiliate of the pharmacy benefit manager and that are included in the pharmacy network of such plan.

''(cc) The interquartile range of the total combined costs paid by the plan and plan enrollees, per dosage unit, per course of treatment, per 30-day supply, and per 90-day supply for each drug dispensed by pharmacies that are an affiliate of the pharmacy benefit manager and that are included in the pharmacy network of such plan.

''(dd) The lowest total combined cost paid by the plan and plan enrollees, per dosage unit, per course of treatment, per 30-day supply, and per 90-day supply, for each drug that is available from any pharmacy included in the pharmacy network of such plan.

''(ee) The difference between the average acquisition cost of the affiliate, such as a pharmacy or other entity that acquires prescription drugs, that initially acquires the drug and the amount reported under subclause (I)(jj) for each drug.

''(ff) A list inclusive of the brand name, generic or non-proprietary name, and National Drug Code of covered part D drugs subject to an agreement with a covered entity under section 340B of the Public Health Service Act for which the pharmacy benefit manager or an affiliate of the pharmacy benefit manager had a contract or other arrangement with such a covered entity in the service area of such plan.

''(III) Where a drug approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act (re-

ferred to in this subclause as the 'listed drug') is covered by the plan, the following information:

"(aa) A list of currently marketed generic drugs approved under section 505(j) of the Federal Food, Drug, and Cosmetic Act pursuant to an application that references such listed drug that are not covered by the plan, are covered on the same formulary tier or a formulary tier typically associated with higher cost-sharing than the listed drug, or are subject to utilization management that the listed drug is not subject to.

"(bb) The estimated average beneficiary cost-sharing under the plan for a 30-day supply of the listed drug.

"(cc) Where a generic drug listed under item (aa) is on a formulary tier typically associated with higher cost-sharing than the

listed drug, the estimated average cost-sharing that a beneficiary would have paid for a 30-day supply of each of the generic drugs described in item (aa), had the plan provided coverage for such drugs on the same formulary tier as the listed drug.

''(dd) A written justification for providing more favorable coverage of the listed drug than the generic drugs described in item (aa).

''(ee) The number of currently marketed generic drugs approved under section 505(j) of the Federal Food, Drug, and Cosmetic Act pursuant to an application that references such listed drug.

''(IV) Where a reference product (as defined in section 351(i) of the Public Health Service Act) is covered by the plan, the following information:

''(aa) A list of currently marketed biosimilar biological products licensed under section 351(k) of the Public Health Service Act pursuant to an application that refers to such reference product that are not covered by the plan, are covered on the same formulary tier or a formulary tier typically associated with higher cost-sharing than the reference product, or are subject to utilization management that the reference product is not subject to.

''(bb) The estimated average beneficiary cost-sharing under the plan for a 30-day supply of the reference product.

''(cc) Where a biosimilar biological product listed under item (aa) is on a formulary tier typically associated with higher cost-sharing than the reference product, the estimated average cost-

sharing that a beneficiary would have paid for a 30-day supply of each of the biosimilar biological products described in item (aa), had the plan provided coverage for such products on the same formulary tier as the reference product.

''(dd) A written justification for providing more favorable coverage of the reference product than the biosimilar biological product described in item (aa).

''(ee) The number of currently marketed biosimilar biological products licensed under section 351(k) of the Public Health Service Act, pursuant to an application that refers to such reference product.

''(V) Total gross spending on covered part D drugs by the plan, not net of rebates, fees, discounts, or other direct or indirect remuneration.

''(VI) The total amount retained by the pharmacy benefit manager or an affiliate of such pharmacy benefit manager in revenue related to utilization of covered part D drugs under that plan, inclusive of bona fide service fees.

''(VII) The total spending on covered part D drugs net of rebates, fees, discounts, or other direct and indirect remuneration by the plan.

''(VIII) An explanation of any benefit design parameters under such plan that encourage plan enrollees to fill prescriptions at pharmacies that are an affiliate of such pharmacy benefit manager, such as mail and specialty home delivery programs, and retail and mail auto-refill programs.

''(IX) The following information:

''(aa) A list of all brokers, consultants, advisors, and auditors that receive compensation from the pharmacy benefit manager or an affiliate of such phar-

macy benefit manager for referrals, consulting, auditing, or other services offered to PDP sponsors related to pharmacy benefit management services.

''(bb) The amount of compensation provided by such pharmacy benefit manager or affiliate to each such broker, consultant, advisor, and auditor.

''(cc) The methodology for calculating the amount of compensation provided by such pharmacy benefit manager or affiliate, for each such broker, consultant, advisor, and auditor.

''(X) A list of all affiliates of the pharmacy benefit manager.

''(XI) A summary document submitted in a standardized template developed by the Secretary that includes such information described in subclauses (I) through (X).

''(ii) WRITTEN EXPLANATION OF CONTRACTS OR AGREEMENTS WITH DRUG MANUFACTURERS.—

''(I) IN GENERAL.—The pharmacy benefit manager shall, not later than 30 days after the finalization of any contract or agreement between such pharmacy benefit manager or an affiliate of such pharmacy benefit manager and a drug manufacturer (or subsidiary, agent, or entity affiliated with such drug manufacturer) that makes rebates, discounts, payments, or other financial incentives related to one or more covered part D drugs or other prescription drugs, as applicable, of the manufacturer directly or indirectly contingent upon coverage, formulary placement, or utilization management conditions on any other covered part D drugs or other prescription drugs, as applicable, submit to the PDP sponsor a written explanation of such contract or agreement.

''(II) REQUIREMENTS.—A written explanation under subclause (I) shall—

''(aa) include the manufacturer subject to the contract or agreement, all covered part D drugs and other prescription drugs, as applicable, subject to the contract or agreement and the manufacturers of such drugs, and a high-level description of the terms of such contract or agreement and how such terms apply to such drugs; and

''(bb) be certified by the Chief Executive Officer, Chief Financial Officer, or General Counsel of such pharmacy benefit manager, or affiliate of such pharmacy benefit manager, as applicable, or an individual delegated with the authority to sign on behalf of one of these officers, who reports directly to the officer.

''(III) DEFINITION OF OTHER PRESCRIPTION DRUGS.—For purposes of this clause, the term 'other prescription drugs' means prescription drugs covered as supplemental benefits under this part or prescription drugs paid outside of this part.

''(D) AUDIT RIGHTS.—

''(i) IN GENERAL.—Not less than once a year, at the request of the PDP sponsor, the pharmacy benefit manager shall allow for an audit of the pharmacy benefit manager to ensure compliance with all terms and conditions under the written agreement described in this paragraph and the accuracy of information reported under subparagraph (C).

''(ii) AUDITOR.—The PDP sponsor shall have the right to select an auditor. The pharmacy benefit manager shall not impose any limitations on the selection of such auditor.

''(iii) PROVISION OF INFORMATION.—The pharmacy benefit manager shall make available to such auditor all records, data,

contracts, and other information necessary to confirm the accuracy of information provided under subparagraph (C), subject to reasonable restrictions on how such information must be reported to prevent redisclosure of such information.

''(iv) TIMING.—The pharmacy benefit manager must provide information under clause (iii) and other information, data, and records relevant to the audit to such auditor within 6 months of the initiation of the audit and respond to requests for additional information from such auditor within 30 days after the request for additional information.

''(v) INFORMATION FROM AFFILIATES.—The pharmacy benefit manager shall be responsible for providing to such auditor information required to be reported under subparagraph (C) or under clause (iii) of this subparagraph that is owned or held by an affiliate of such pharmacy benefit manager.

''(2) ENFORCEMENT.—

''(A) IN GENERAL.—Each PDP sponsor shall—

''(i) disgorge to the Secretary any amounts disgorged to the PDP sponsor by a pharmacy benefit manager under paragraph (1)(A)(v);

''(ii) require, in a written agreement with any pharmacy benefit manager acting on behalf of such sponsor or affiliate of such pharmacy benefit manager, that such pharmacy benefit manager or affiliate reimburse the PDP sponsor for any civil money penalty imposed on the PDP sponsor as a result of the failure of the pharmacy benefit manager or affiliate to meet the requirements of paragraph (1) that are applicable to the pharmacy benefit manager or affiliate under the agreement; and

''(iii) require, in a written agreement with any such pharmacy benefit manager acting on behalf of such sponsor or affiliate of such pharmacy benefit manager, that such pharmacy benefit manager or affiliate be subject to punitive remedies for breach of contract for failure to comply

with the requirements applicable under paragraph (1).

''(B) REPORTING OF ALLEGED VIOLATIONS.—The Secretary shall make available and maintain a mechanism for manufacturers, PDP sponsors, pharmacies, and other entities that have contractual relationships with pharmacy benefit managers or affiliates of such pharmacy benefit managers to report, on a confidential basis, alleged violations of paragraph (1)(A) or subparagraph (C).

''(C) ANTI-RETALIATION AND ANTI-COERCION.—Consistent with applicable Federal or State law, a PDP sponsor shall not—

''(i) retaliate against an individual or entity for reporting an alleged violation under subparagraph (B); or

''(ii) coerce, intimidate, threaten, or interfere with the ability of an individual or entity to report any such alleged violations.

''(3) CERTIFICATION OF COMPLIANCE.—

''(A) IN GENERAL.—Each PDP sponsor shall furnish to the Secretary (at a time and in a manner specified by the Secretary) an annual

certification of compliance with this subsection, as well as such information as the Secretary determines necessary to carry out this subsection.

''(B) IMPLEMENTATION.—The Secretary may implement this paragraph by program instruction or otherwise.

''(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed as—

''(A) prohibiting flat dispensing fees or reimbursement or payment for ingredient costs (including customary, industry-standard discounts directly related to drug acquisition that are retained by pharmacies or wholesalers) to entities that acquire or dispense prescription drugs; or

''(B) modifying regulatory requirements or sub-regulatory program instruction or guidance related to pharmacy payment, reimbursement, or dispensing fees.

''(5) STANDARD FORMATS.—

''(A) IN GENERAL.—Not later than June 1, 2027, the Secretary shall specify standard, machine-readable formats for pharmacy benefit managers to submit annual reports required under paragraph (1)(C)(i).

''(B) IMPLEMENTATION.—The Secretary may implement this paragraph by program instruction or otherwise.

''(6) CONFIDENTIALITY.—

''(A) IN GENERAL.—Information disclosed by a pharmacy benefit manager, an affiliate of a pharmacy benefit manager, a PDP sponsor, or a pharmacy under this subsection that is not otherwise publicly available or available for purchase shall not be disclosed by the Secretary or a PDP sponsor receiving the information, except that the Secretary may disclose the information for the following purposes:

''(i) As the Secretary determines necessary to carry out this part.

''(ii) To permit the Comptroller General to review the information provided.

''(iii) To permit the Executive Director of the Medicare Payment Advisory Commission to review the information provided.

''(iv) To the Attorney General for the purposes of conducting oversight and enforcement under this title.

''(v) To the Inspector General of the Department of Health and Human Services in accordance with its authorities under the Inspector General Act of 1978 (section 406 of title 5, United States Code), and other applicable statutes.

''(B) RESTRICTION ON USE OF INFORMATION.—The Secretary, the Comptroller General, and the Executive Director of the Medicare Payment Advisory Commission shall not report on or disclose information disclosed pursuant to subparagraph (A) to the public in a manner that would identify—

''(i) a specific pharmacy benefit manager, affiliate, pharmacy, manufacturer, wholesaler, PDP sponsor, or plan; or

''(ii) contract prices, rebates, discounts, or other remuneration for specific drugs in a manner that may allow the identification of specific contracting parties or of such specific drugs.

''(7) DEFINITIONS.—For purposes of this subsection:

''(A) AFFILIATE.—The term 'affiliate' means, with respect to any pharmacy benefit

manager or PDP sponsor, any entity that, directly or indirectly—

"(i) owns or is owned by, controls or is controlled by, or is otherwise related in any ownership structure to such pharmacy benefit manager or PDP sponsor; or

"(ii) acts as a contractor, principal, or agent to such pharmacy benefit manager or PDP sponsor, insofar as such contractor, principal, or agent performs any of the functions described under subparagraph (C).

"(B) BONA FIDE SERVICE FEE.—The term 'bona fide service fee' means a fee that is reflective of the fair market value (as specified by the Secretary, through notice and comment rulemaking) for a bona fide, itemized service actually performed on behalf of an entity, that the entity would otherwise perform (or contract for) in the absence of the service arrangement and that is not passed on in whole or in part to a client or customer, whether or not the entity takes title to the drug. Such fee must be a flat dollar amount and shall not be directly or indirectly based on, or contingent upon—

''(i) drug price, such as wholesale acquisition cost or drug benchmark price (such as average wholesale price);

''(ii) the amount of discounts, rebates, fees, or other direct or indirect remuneration with respect to covered part D drugs dispensed to enrollees in a prescription drug plan, except as permitted pursuant to paragraph (1)(A)(ii);

''(iii) coverage or formulary placement decisions or the volume or value of any referrals or business generated between the parties to the arrangement; or

''(iv) any other amounts or methodologies prohibited by the Secretary.

''(C) PHARMACY BENEFIT MANAGER.—The term 'pharmacy benefit manager' means any person or entity that, either directly or through an intermediary, acts as a price negotiator or group purchaser on behalf of a PDP sponsor or prescription drug plan, or manages the prescription drug benefits provided by such sponsor or plan, including the processing and payment of claims for prescription drugs, the performance of drug utilization review, the proc-

essing of drug prior authorization requests, the adjudication of appeals or grievances related to the prescription drug benefit, contracting with network pharmacies, controlling the cost of covered part D drugs, or the provision of related services. Such term includes any person or entity that carries out one or more of the activities described in the preceding sentence, irrespective of whether such person or entity calls itself a 'pharmacy benefit manager'.''.

(2) MA–PD PLANS.—Section 1857(f)(3) of the Social Security Act (42 U.S.C. 1395w–27(f)(3)) is amended by adding at the end the following new subparagraph:

''(F) REQUIREMENTS RELATING TO PHARMACY BENEFIT MANAGERS.—For plan years beginning on or after January 1, 2028, section 1860D–12(h).''.

(3) NONAPPLICATION OF PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code, shall not apply to the implementation of this subsection.

(4) FUNDING.—

(A) SECRETARY.—In addition to amounts otherwise available, there is appropriated to the

Centers for Medicare & Medicaid Services Program Management Account, out of any money in the Treasury not otherwise appropriated, $113,000,000 for fiscal year 2025, to remain available until expended, to carry out this subsection.

(B) OIG.—In addition to amounts otherwise available, there is appropriated to the Inspector General of the Department of Health and Human Services, out of any money in the Treasury not otherwise appropriated, $20,000,000 for fiscal year 2025, to remain available until expended, to carry out this subsection.

(b) MEDPAC REPORTS ON AGREEMENTS WITH PHARMACY BENEFIT MANAGERS WITH RESPECT TO PRESCRIPTION DRUG PLANS AND MA-PD PLANS.—

(1) IN GENERAL.—The Medicare Payment Advisory Commission shall submit to Congress the following reports:

(A) INITIAL REPORT.—Not later than the first March 15 occurring after the date that is 2 years after the date on which the Secretary makes the data available to the Commission, a report regarding agreements with pharmacy

benefit managers with respect to prescription drug plans and MA–PD plans. Such report shall include, to the extent practicable—

(i) a description of trends and patterns, including relevant averages, totals, and other figures for the types of information submitted;

(ii) an analysis of any differences in agreements and their effects on plan enrollee out-of-pocket spending and average pharmacy reimbursement, and other impacts; and

(iii) any recommendations the Commission determines appropriate.

(B) FINAL REPORT.—Not later than 2 years after the date on which the Commission submits the initial report under subparagraph (A), a report describing any changes with respect to the information described in subparagraph (A) over time, together with any recommendations the Commission determines appropriate.

(2) FUNDING.—In addition to amounts otherwise available, there is appropriated to the Medicare Payment Advisory Commission, out of any money in

the Treasury not otherwise appropriated, $1,000,000 for fiscal year 2026, to remain available until expended, to carry out this subsection.

TITLE V—COMMITTEE ON FINANCIAL SERVICES

SEC. 50001. GREEN AND RESILIENT RETROFIT PROGRAM FOR MULTIFAMILY FAMILY HOUSING.

The unobligated balance of amounts made available under section 30002(a) of Public Law 117–169 (commonly referred to as the ''Inflation Reduction Act''; 136 Stat. 2027) are rescinded.

SEC. 50002. PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD.

(a) During the period beginning on the date of enactment of this Act and ending on the transfer date—

(1) all intellectual property retained by the Public Company Accounting Oversight Board (''Board'') in support of its programs for registration, standard-setting, and inspection shall be shared with the Securities and Exchange Commission (''Commission''); and

(2) pending enforcement and disciplinary actions of the Board shall be referred to the Commission or another Federal functional regulator (as defined in section 509 of the Gramm-Leach-Bliley Act

(15 U.S.C. 6809)) in accordance with section 105 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7215).

(b) Effective on the transfer date—

(1) all unobligated fees collected under section 109(d) of the Sarbanes-Oxley Act of 2002 shall be transferred to the general fund of the Treasury, and the Commission may not collect fees under such section 109(d);

(2) the duties and powers of the Board in effect as of the day before the transfer date, other than those described in section 107 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7217), shall be transferred to the Commission;

(3) the Commission may not use funds to carry out section 107 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7217) for activities related to overseeing the Board;

(4) the Board shall transfer all intellectual property described in subsection (a)(1) to the Commission;

(5) existing processes and regulations of the Board, including existing Board auditing standards, shall continue in effect unless modified through rule making by the Commission; and

(6) in connection with the duties and powers transferred under paragraph (2), any reference to the Board in any law implemented by a Federal functional regulator (as defined in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809)), in any rule or guidance issued by a Federal functional regulator (as defined in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809)), or in any records or other documents in the possession of a Federal functional regulator (as defined in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809)), shall be deemed a reference to the Commission.

(c) Any employee of the Board as of the date of enactment of this Act may—

(1) be offered equivalent positions on the Commission staff, as determined by the Commission, and submit to the Commission's standard employment policies; and

(2) receive pay that is not higher than the highest paid employee of similarly situated employees of the Commission.

(d) In this section, the term ''transfer date'' means the date established by the Commission for purposes of this section, except that such date may not be later than

the date that is 1 year after the date of enactment of this Act.

SEC. 50003. BUREAU OF CONSUMER FINANCIAL PROTECTION.

Section 1017(a)(2) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5497(a)(2)) is amended—

(1) in subparagraph (A)(iii)—

(A) by striking ''12 percent'' and inserting ''5 percent''; and

(B) by striking ''2013'' and inserting ''2025''; and

(2) by striking subparagraph (C) and inserting the following:

''(C) LIMITATION ON UNOBLIGATED BALANCES.—With respect to a fiscal year, the amount of unobligated balances of the Bureau may not exceed 5 percent of the dollar amount referred to in subparagraph (A)(iii), as adjusted under subparagraph (B). The Director shall transfer any excess amount of such unobligated balances to the general fund of the Treasury.''.

SEC. 50004. CONSUMER FINANCIAL CIVIL PENALTY FUND.

Section 1017(d) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5497(d)) is amended—

(1) in paragraph (2)—

(A) in the first sentence, by inserting ''direct'' before ''victims''; and

(B) by striking the second sentence; and

(2) by adding at the end the following:

''(3) TREATMENT OF EXCESS AMOUNTS.—With respect to a civil penalty described under paragraph (1), if the Bureau makes payments to all of the direct victims of activities for which that civil penalty was imposed, the Bureau shall transfer all amounts that remain in the Civil Penalty Fund with respect to that civil penalty to the general fund of the Treasury.''.

SEC. 50005. FINANCIAL RESEARCH FUND.

Section 155 of the Financial Stability Act of 2010 (12 U.S.C. 5345) is amended by adding at the end the following:

''(e) LIMITATION ON ASSESSMENTS AND THE FINANCIAL RESEARCH FUND.—

''(1) LIMITATION ON ASSESSMENTS.—Assessments may not be collected under subsection (d) if the assessments would result in—

''(A) the Financial Research Fund exceeding the average annual budget amount; or

''(B) the total assessments collected during a single fiscal year exceeding the average annual budget amount.

''(2) TRANSFER OF EXCESS FUNDS.—Any amounts in the Financial Research Fund exceeding the average annual budget amount shall be deposited into the general fund of the Treasury.

''(3) AVERAGE ANNUAL BUDGET AMOUNT DEFINED.—In this subsection the term 'average annual budget amount' means the annual average, over the 3 most recently completed fiscal years, of the expenses of the Council in carrying out the duties and responsibilities of the Council that were paid by the Office using amounts obtained through assessments under subsection (d).''.

TITLE VI—COMMITTEE ON HOMELAND SECURITY

SEC. 60001. BORDER BARRIER SYSTEM CONSTRUCTION, INVASIVE SPECIES, AND BORDER SECURITY FACILITIES IMPROVEMENTS.

In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, the following:

(1) $46,500,000,000 for necessary expenses relating to the following:

(A) Construction, installation, or improvement of primary, waterborne, and secondary barriers.

(B) Access roads.

(C) Barrier system attributes, including cameras, lights, sensors, roads, and other detection technology.

(2) $50,000,000 for necessary expenses relating to eradication and removal of the carrizo cane plant, salt cedar, or any other invasive plant species that impedes border security operations along the Rio Grande River.

(3) $5,000,000,000 for necessary expenses relating to lease, acquisition, construction, or improvement of U.S. Customs and Border Protection facilities and checkpoints in the vicinity of the southwest, northern, and maritime borders.

SEC. 60002. U.S. CUSTOMS AND BORDER PROTECTION PERSONNEL AND FLEET VEHICLES.

(a) CBP PERSONNEL.—In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise

appropriated, $4,100,000,000, to remain available until September 30, 2029, to hire and train additional Border Patrol agents, Office of Field Operations Officers, Air and Marine agents, rehired annuitants, and U.S. Customs and Border Protection support personnel.

(b) RESTRICTIONS.—None of the funds made available by subsection (a) may be used to recruit, hire, or train personnel for the duties of processing coordinators.

(c) CBP RETENTION AND HIRING BONUSES.—In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $2,052,630,000, to remain available until September 30, 2029, to provide annual retention bonuses or signing bonuses to eligible Border Patrol agents, Office of Field Operations Officers, and Air and Marine agents.

(d) CBP VEHICLES.—In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $813,000,000, to remain available until September 30, 2029, for the lease or acquisition of additional marked patrol units.

(e) FLETC.—In addition to amounts otherwise available, there is appropriated to the Director of the Federal Law Enforcement Training Center for fiscal year 2025, out of any money in the Treasury not otherwise appropriated—

(1) $285,000,000, to remain available until September 30, 2029, to support the training of newly hired Federal law enforcement personnel employed by the Department of Homeland Security; and

(2) $465,000,000, to remain available until September 30, 2029, for procurement and construction, improvements, and related expenses of the Federal Law Enforcement Training Centers facilities.

(f) BORDER SECURITY WORKFORCE RECRUITMENT AND APPLICANT SOURCING.—In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $600,000,000, to remain available until September 30, 2029, for marketing, recruiting, applicant sourcing and vetting, and operational mobility programs for border security personnel.

SEC. 60003. U.S. CUSTOMS AND BORDER PROTECTION TECHNOLOGY, VETTING ACTIVITIES, AND OTHER EFFORTS TO ENHANCE BORDER SECURITY.

(a) CBP TECHNOLOGY.—In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, the following:

(1) $1,076,317,000 for necessary expenses relating to procurement and integration of new non-intrusive inspection equipment and associated civil works, artificial intelligence, integration, and machine learning, as well as other mission support, to combat the entry of illicit narcotics along the southwest, northern, and maritime borders.

(2) $2,766,000,000 for necessary expenses relating to upgrades and procurement of border surveillance technologies along the southwest, northern, and maritime borders.

(3) $673,000,000 for necessary expenses, including the deployment of technology, relating to the biometric entry and exit system under section 7208 of the Intelligence Reform and Terrorism Prevention Act of 2004 (8 U.S.C. 1365b).

(b) RESTRICTIONS.—None of the funds made available pursuant to subsection (a)(2) may be used for the procurement or deployment of surveillance towers that have not been—

(1) tested, and

(2) accepted,

by the Federal Government to deliver autonomous capabilities.

(c) AIR AND MARINE OPERATIONS.—In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $1,234,000,000, to remain available until September 30, 2029, for Air and Marine Operations' upgrading and procurement of new platforms for rapid air and marine response capabilities.

(d) CBP VETTING ACTIVITIES.—In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $16,000,000, to remain available until September 30, 2029, for necessary expenses to support screening, vetting activities, and expansion of U.S. Customs and Border Protection's criminal history databases.

(e) OTHER EFFORTS TO COMBAT DRUG TRAFFICKING TO ENHANCE BORDER SECURITY.—In addition to amounts otherwise available, there is appropriated to the Secretary of Homeland Security for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until September 30, 2029, for enhancing border security and combatting trafficking, including fentanyl and its precursor chemicals, at the southwest, northern, and maritime borders.

(f) COMMEMORATIONS.—In addition to amounts otherwise available, there is appropriated to the Secretary of Homeland Security for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $1,000,000, to remain available until September 30, 2029, for commemorating efforts and events related to border security.

(g) DEFINITION.—In this section, the term ''autonomous'' means integrated software and hardware systems that utilize sensors, onboard computing, and artificial intelligence to identify items of interest that would otherwise be manually identified by U.S. Customs and Border Protection personnel.

SEC. 60004. STATE BORDER SECURITY REIMBURSEMENT.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary of Home-

land Security, for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $12,000,000,000, to remain available until September 30, 2029, to carry out this section.

(b) USE OF FUNDS.—The Secretary of Homeland Security shall use amounts made available under subsection (a) to make grants to States for costs associated with actions taken on or after January 21, 2021, to assist the Federal border security missions to enforce the immigration laws, including through detention and removal, and to combat the unlawful entry of persons and contraband.

(c) APPLICATION.—The Secretary of Homeland Security shall develop a process for States to submit a grant application, together with satisfactory evidence of costs incurred, to seek reimbursement for any expenses described in subsection (b).

(d) PROHIBITION.—The Secretary of Homeland Security may not make a grant for reimbursement under this section to a State if such State has received such reimbursement under any other grant program of the Department of Homeland Security.

SEC. 60005. STATE AND LOCAL LAW ENFORCEMENT PRESIDENTIAL RESIDENCE PROTECTION.

(a) PRESIDENTIAL RESIDENCE PROTECTION.—In addition to amounts otherwise available, there is appro-

priated to the Administrator of the Federal Emergency Management Agency, for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $300,000,000, to remain available until September 30, 2029, for the reimbursement of extraordinary law enforcement personnel costs for protection activities directly and demonstrably associated with any residence of the President that is designated pursuant to section 3 of the Presidential Protection Assistance Act of 1976 (Public Law 94–524) to be secured by the United States Secret Service.

(b) AVAILABILITY.—Funds under subsection (a) shall be available only for costs that a State or local agency—

(1) incurred or incurs on or after July 1, 2024;

(2) can demonstrate to the Administrator of the Federal Emergency Management Agency as being—

(A) in excess of the costs of normal and typical law enforcement operations;

(B) directly attributable to the provision of protection described in such subsection; and

(C) associated with a non-governmental property designated pursuant to section 3 of the Presidential Protection Assistance Act of 1976 (Public Law 94–524) to be secured by the United States Secret Service; and

(3) certifies to the Administrator as being for protection activities requested by the Director of the United States Secret Service.

SEC. 60006. STATE HOMELAND SECURITY GRANT PROGRAM.

In addition to amounts otherwise available, there is appropriated to the Administrator of the Federal Emergency Management Agency, for fiscal year 2025, out of any money in the Treasury, not otherwise appropriated, to be administered under the State Homeland Security Grant Program authorized under section 2004 of the Homeland Security Act of 2002 (6 U.S.C. 605), to enhance State, local, and Tribal security through grants, contracts, cooperative agreements, and other activities, of which—

(1) $500,000,000, to remain available until September 30, 2029, for State and local capabilities to detect, identify, track, or monitor threats from unmanned aircraft systems (as such term is defined in section 44801 of title 49, United States Code);

(2) $625,000,000, to remain available until September 30, 2029, for security, planning, and other costs related to the 2026 FIFA World Cup;

(3) $1,000,000,000, to remain available until September 30, 2029, for security, planning, and

other costs related to the 2028 Olympic Games and 2028 Paralympic Games; and

(4) $450,000,000, to remain available until September 30, 2029, for the Operation Stonegarden Grant Program.

TITLE VII—COMMITTEE ON THE JUDICIARY

Subtitle A—Immigration Matters

PART 1—IMMIGRATION FEES

SEC. 70001. APPLICABILITY OF THE IMMIGRATION LAWS.

(a) APPLICABILITY.—Notwithstanding any provision of the immigration laws (as defined under section 101 of the Immigration and Nationality Act), the fees under this subtitle shall apply.

(b) TERMS.—The terms used under this subtitle shall have the meanings given such terms in section 101 of the Immigration and Nationality Act.

(c) REFERENCES TO IMMIGRATION AND NATIONALITY ACT.—Except as otherwise expressly provided, whenever this subtitle references a section or other provision, the reference shall be considered to be to a section or other provision of the Immigration and Nationality Act.

SEC. 70002. ASYLUM FEE.

(a) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security or

the Attorney General, as applicable, shall impose a fee in the amount specified in this section for a fiscal year on each alien who files an application for asylum under section 208 of the Immigration and Nationality Act at the time such application is filed.

(b) INITIAL AMOUNT.—The amount specified in this section for fiscal year 2025 shall be such amount as the Secretary or Attorney General, as applicable, may by rule provide, but in any event not less than $1,000.

(c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this section for a fiscal year shall be equal to the sum of—

(1) the amount imposed under this section for the prior fiscal year; and

(2) rounded to the next lowest multiple of $10, the amount referred to in paragraph (1), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(d) CREDITING CERTAIN FUNDS.—During any fiscal year, the total amount of fees received under this section shall be subject to the following:

(1) 50 percent of fees received from applications filed with the Attorney General shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation.

(2) 50 percent of fees received from applications filed with the Secretary of Homeland Security shall be credited to U.S. Citizenship and Immigration Services and deposited into the Immigration Examinations Fee Account established under section 286(m) of the Immigration and Nationality Act (8 U.S.C. 1356(m)) to retain and spend without further appropriation.

(3) Any amounts not credited to the Executive Office for Immigration Review or U.S. Citizenship and Immigration Services shall be deposited into the general fund of the Treasury.

(e) NO WAIVER.—A fee imposed under this section shall not be waived or reduced.

SEC. 70003. EMPLOYMENT AUTHORIZATION DOCUMENT FEES.

(a) ASYLUM APPLICANTS.—

(1) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall impose on any alien who files an initial application for employment authorization under section 208(d)(2) of the Immigration and Nationality Act a fee in the amount specified in this subsection at the time such initial employment authorization application is filed. Each initial employment authorization shall be valid for a period of not more than six months.

(2) INITIAL AMOUNT.— For purposes of this subsection, the amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $550.

(3) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this section for the prior fiscal year; and

(B) rounded to the next lowest multiple of $10, the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban

Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(4) CREDITING OF FUNDS.—25 percent of fees received under this section shall be credited to U.S. Citizenship and Immigration Services and deposited into the Immigration Examinations Fee Account established under section 286(m) of the Immigration and Nationality Act (8 U.S.C. 1356(m)) to retain and spend without further appropriation, of which 50 percent shall be used by U.S. Citizenship and Immigration Services to detect and prevent immigration benefit fraud. Any amounts not credited to U.S. Citizenship and Immigration Services under this section shall be deposited into the general fund of the Treasury.

(5) NO WAIVER.—A fee imposed under this subsection shall not be waived or reduced.

(b) PAROLE.—

(1) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall impose on any alien paroled into the United States a fee for any initial application for

employment authorization in an amount specified in this subsection at the time such initial application is filed. Each initial employment authorization shall be valid for a period of not more than six months.

(2) INITIAL AMOUNT.—For purposes of this subsection, the amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $550.

(3) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this subsection for the prior fiscal year; and

(B) rounded to the next lowest multiple of $10, the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(4) CREDITING OF FUNDS.—The fees received under this section shall be deposited into the general fund of the Treasury.

(5) NO WAIVER.—A fee imposed under this subsection shall not be waived or reduced.

(c) TEMPORARY PROTECTED STATUS.—

(1) IN GENERAL.—In addition to any other fee authorized by law, for any alien who files an initial application for employment authorization under section 244(a)(1)(B) of the Immigration and Nationality Act, the Secretary of Homeland Security shall impose a fee in an amount specified in this subsection at the time such initial application is filed. Each initial employment authorization shall be valid for a period of not more than six months.

(2) INITIAL AMOUNT.—For purposes of this subsection, the amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $550.

(3) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this subsection for the prior fiscal year; and

(B) rounded to the next lowest multiple of $10, the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(4) CREDITING OF CERTAIN FUNDS.—The fees received under this section shall be deposited into the general fund of the Treasury.

(5) NO WAIVER.—A fee imposed under this subsection shall not be waived or reduced.

SEC. 70004. PAROLE FEE.

(a) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall impose a fee in an amount specified in this section on each alien who is paroled into the United States, except if, as established by the alien, the alien is paroled because—

(1) the alien has a medical emergency, and—

(A) the alien cannot obtain necessary treatment in the foreign state in which the alien is residing; or

(B) the medical emergency is life-threatening and there is insufficient time for the alien to be admitted to the United States through the normal visa process;

(2) the alien is the parent or legal guardian of an alien described in paragraph (1) and the alien described in paragraph (1) is a minor;

(3) the alien is needed in the United States to donate an organ or other tissue for transplant and there is insufficient time for the alien to be admitted to the United States through the normal visa process;

(4) the alien has a close family member in the United States whose death is imminent and the alien could not arrive in the United States in time to see such family member alive if the alien were to be admitted to the United States through the normal visa process;

(5) the alien is seeking to attend the funeral of a close family member and the alien could not arrive in the United States in time to attend such funeral

if the alien were to be admitted to the United States through the normal visa process;

(6) the alien is an adopted child with an urgent medical condition who is in the legal custody of the petitioner for a final adoption-related visa and whose medical treatment is required before the expected award of a final adoption-related visa;

(7) the alien is a lawful applicant for adjustment of status under section 245 of the Immigration and Nationality Act and is returning to the United States after temporary travel abroad;

(8) the alien is returned to a contiguous country under section 235(b)(2)(C) of the Immigration and Nationality Act and paroled into the United States to allow the alien to attend the alien's immigration hearing;

(9) the alien—

(A) is a national of the Republic of Cuba and is living in the Republic of Cuba;

(B) is the beneficiary of an approved petition under section 203(a) of the Immigration and Nationality Act;

(C) is an alien for whom an immigrant visa is not immediately available;

(D) meets all eligibility requirements for an immigrant visa;

(E) is not otherwise inadmissible; and

(F) is receiving a grant of parole in furtherance of the commitment of the United States to the minimum level of annual legal migration of Cuban nationals to the United States specified in the U.S.-Cuba Joint Communiqué on Migration, done at New York September 9, 1994, and reaffirmed in the Cuba-United States: Joint Statement on Normalization of Migration, Building on the Agreement of September 9, 1994, done at New York May 2, 1995; or

(10) the Secretary of Homeland Security determines that a significant public benefit has resulted or will result from the parole of an alien only if—

(A) the alien has assisted or will assist the United States Government in a law enforcement matter;

(B) the alien's presence is required by the Government in furtherance of such law enforcement matter; and

(C) the alien is inadmissible, does not satisfy the eligibility requirements for admission as

a nonimmigrant, or there is insufficient time for the alien to be admitted to the United States through the normal visa process.

(b) INITIAL AMOUNT.—For purposes of this section, the amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $1,000.

(c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this section for a fiscal year shall be equal to the sum of—

(1) the amount imposed under this section for the prior fiscal year; and

(2) rounded to the next lowest multiple of $10, the amount referred to in paragraph (1), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(d) CREDITING OF FUNDS.—Fees received under this section shall be deposited in the general fund of the Treasury.

(e) NO WAIVER.—A fee imposed under this section shall not be waived or reduced.

SEC. 70005. SPECIAL IMMIGRANT JUVENILE FEE.

(a) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall impose a fee in an amount specified in this section on any alien applying for special immigrant juvenile status under section 101(a)(27)(J) of the Immigration and Nationality Act if reunification with 1 parent or legal guardian is viable, notwithstanding abuse, neglect, abandonment, or a similar basis found under State law making reunification with the other parent or legal guardian not viable.

(b) INITIAL AMOUNT.—For purposes of this subsection, the amount specified in this section for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $500.

(c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this section for a fiscal year shall be equal to the sum of—

(1) the amount imposed under this section for the prior fiscal year; and

(2) rounded to the next lowest multiple of $10, the amount referred to in paragraph (1), multiplied by the percentage (if any) by which the Consumer

Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(d) CREDITING OF FUNDS.—Fees received under this section shall be deposited in the general fund of the Treasury.

(e) NO WAIVER.—A fee imposed under this section shall not be waived or reduced.

SEC. 70006. TEMPORARY PROTECTED STATUS FEE.

(a) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall impose a fee in an amount specified in this section for the consideration of an application for temporary protected status under section 244 of the Immigration and Nationality Act on any alien who—

(1) has not been admitted into the United States; or

(2) has been admitted to the United States as a nonimmigrant but at the time of application for temporary protected status has failed—

(A) to maintain or extend the nonimmigrant status in which the alien was admitted or to which the status was changed under

section 248 of the Immigration and Nationality Act, including complying with the period of stay authorized by the Secretary of Homeland Security in connection with such status; or

(B) to comply with the conditions of such nonimmigrant status.

(b) INITIAL AMOUNT.—For purposes of this subsection, the amount specified in this section for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $500.

(c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this section for a fiscal year shall be equal to the sum of—

(1) the amount imposed under this section for the prior fiscal year; and

(2) rounded to the next lowest multiple of $10, the amount referred to in paragraph (1), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(d) CREDITING OF FUNDS.—Fees received under this section shall be deposited in the general fund of the Treasury.

(e) NO WAIVER.—A fee imposed under this section shall not be waived or reduced.

SEC. 70007. UNACCOMPANIED ALIEN CHILD SPONSOR FEE.

(a) IN GENERAL.—In addition to any other fee authorized by law, before placing the child with an individual under section 235(c) of the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008, the Secretary of Health and Human Services shall collect from that individual a fee in an amount specified in this section as partial reimbursement to the Federal Government for the period during which the child was in the custody of the Government, for processing, housing, feeding, educating, transporting, and otherwise providing for the care of the child.

(b) INITIAL AMOUNT.—For purposes of this subsection, the amount specified in this section for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $3,500.

(c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this section for a fiscal year shall be equal to the sum of—

(1) the amount imposed under this section for the prior fiscal year; and

(2) rounded to the next lowest multiple of $10, the amount referred to in paragraph (1), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(d) CREDITING OF FUNDS.—During any fiscal year, the total amount of fees received under this section shall be subject to the following:

(1) 25 percent of fees received under this section shall be credited to the Department of Health and Human Services to retain and spend without further appropriation and shall be used for the purpose of conducting background checks of potential sponsors of unaccompanied alien children and of adults residing in potential sponsors' households, which shall include, at a minimum—

(A) the name of the individual and all adult residents of the individual's household;

(B) the social security number of the individual and all adult residents of the individual's household;

(C) the date of birth of the individual and all adult residents of the individual's household;

(D) the validated location of the individual's residence where the child will be placed;

(E) the immigration status of the individual and all adult residents of the individual's household;

(F) contact information for the individual and all adult residents of the individual's household; and

(G) the results of all background and criminal records checks for the individual and all adult residents of the individual's household, which shall include at a minimum an investigation of the public records sex offender registry, a public records background check, and a national criminal history check based on fingerprints.

(2) Any amounts not credited to the Department of Health and Human Services shall be deposited into the general fund of the Treasury.

(e) NO WAIVER.—A fee imposed under this section shall not be waived or reduced.

SEC. 70008. VISA INTEGRITY FEE.

(a) VISA INTEGRITY FEE.—

(1) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall impose a fee in an amount specified in this subsection on each alien issued a nonimmigrant visa upon the issuance of such alien's nonimmigrant visa.

(2) INITIAL AMOUNT.—For purposes of this subsection, the amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $250.

(3) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this section for the prior fiscal year; and

(B) rounded to the next lowest multiple of $1, the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the

date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(4) CREDITING OF FUNDS.—The fees received under this subsection that are not reimbursed in accordance with subsection (b) shall be deposited in the general fund of the Treasury.

(5) NO WAIVER.—A fee imposed under this subsection shall not be waived or reduced.

(b) FEE REIMBURSEMENT.—The Secretary of Homeland Security may reimburse to an alien a fee imposed under this section on that alien for the issuance of a nonimmigrant visa after the expiration of such nonimmigrant visa's period of validity if the alien demonstrates that—

(1) the alien has not sought admission during such period of validity;

(2) the alien, after admission to the United States pursuant to such nonimmigrant visa, complied with all conditions of such nonimmigrant visa, including the condition that an alien shall not accept unauthorized employment, and that the alien departed the United States not later than 5 days after the date on which the alien was authorized to remain in the United States; or

(3) the alien filed to extend, change, or adjust such status within the nonimmigrant visa's period of validity.

SEC. 70009. FORM I–94 FEE.

(a) FEE AUTHORIZED.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall impose a fee in an amount specified in subsection (b) on any alien upon the alien's application for a Form I–94 Arrival/Departure Record.

(b) FEE SPECIFIED.—

(1) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $24.

(2) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this section for the prior fiscal year; and

(B) the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes

effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(c) CREDITING OF FUNDS.—During any fiscal year, the total amount of fees received under this section shall be subject to the following:

(1) 20 percent of the fee collected under this section for each application shall be deposited pursuant to section 286(q)(2) of the Immigration and Nationality Act (8 U.S.C. 1356(q)(2)) and made available to U.S. Customs and Border Protection to retain and spend without further appropriation for the purpose of processing Form I–94.

(2) Any amounts not credited to U.S. Customs and Border Protection shall be deposited in the general fund of the Treasury.

(d) NO WAIVER.—A fee imposed under this section shall not be waived or reduced.

SEC. 70010. YEARLY ASYLUM FEE.

(a) FEE AUTHORIZED.—In addition to any other fee authorized by law, for each calendar year that an alien's application for asylum remains pending, the Secretary of Homeland Security or the Attorney General, as applicable, shall impose a fee in an amount specified in subsection (b) on that alien.

(b) FEE SPECIFIED.—

(1) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary and the Attorney General may by rule provide, but in any event not less than $100.

(2) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this section for the prior fiscal year; and

(B) the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(c) CREDITING OF FUNDS.—The fees received under this section shall be deposited in the general fund of the Treasury.

(d) NO WAIVER.—A fee imposed under this section shall not be waived or reduced.

SEC. 70011. FEE FOR CONTINUANCES GRANTED IN IMMIGRATION COURT PROCEEDINGS.

(a) IN GENERAL.—In addition to any other fee authorized by law, the Attorney General shall impose a fee in an amount specified in subsection (b) on any alien who requests and is granted a continuance by an immigration judge for each such continuance.

(b) FEE SPECIFIED.—

(1) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may by rule provide, but in any event not less than $100.

(2) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this section for the prior fiscal year; and

(B) the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(c) CREDITING OF CERTAIN FUNDS.—Amounts received as fees under this section shall be deposited in the general fund of the Treasury.

(d) NO WAIVER.—A fee imposed under this section shall not be waived or reduced, except no fee shall be imposed on any alien whose request for a continuance is granted based on exceptional circumstances (as such term is defined in section 240 of the Immigration and Nationality Act).

SEC. 70012. FEE RELATING TO RENEWAL AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR PAROLEES.

(a) FEE IMPOSED.—In addition to any other fee authorized by law, for a parolee who seeks a renewal or extension of employment authorization based on a grant of parole, the Secretary of Homeland Security shall impose a fee in an amount specified in subsection (b).

(b) FEE SPECIFIED.—

(1) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $550.

(2) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the

amount specified in this subsection for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this subsection for the prior fiscal year; and

(B) rounded to the next lowest multiple of $10, the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(c) IN GENERAL.—The employment authorization for any alien paroled into the United States, or any renewal or extension thereof, shall be valid for a period of not more than six months.

(d) CREDITING OF FUNDS.—The fees received under this section shall be deposited into the general fund of the Treasury.

(e) NO WAIVER.—A fee imposed under this subsection shall not be waived or reduced.

SEC. 70013. FEE RELATING TO TERMINATION, RENEWAL, AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR ASYLUM APPLICANTS.

(a) FEE IMPOSED.—In addition to any other fee authorized by law, for any alien who applies for asylum and who seeks a renewal or extension of employment authorization based on such application, the Secretary of Homeland Security shall impose a fee of not less than $550 for each such renewal or extension, in accordance with subsection (b).

(b) EMPLOYMENT AUTHORIZATION.—The Secretary of Homeland Security may provide employment authorization to an applicant for asylum for a period of not more than six months. Each renewal or extension thereof shall also be valid for a period of not more than six months.

(c) TERMINATION.—Each initial employment authorization, or renewal or extension of such authorization, shall terminate as follows:

(1) Immediately following the denial of an asylum application by an asylum officer, unless the case is referred to an immigration judge.

(2) On the date that is 30 days after the date on which an immigration judge denies an asylum application, unless the alien makes a timely appeal to the Board of Immigration Appeals.

(3) Immediately following the denial by the Board of Immigration Appeals of an appeal of a denial of an asylum application.

(d) PROHIBITION.—The Secretary of Homeland Security shall not grant, renew, or extend employment authorization to an alien if the alien was previously granted employment authorization as an applicant for asylum and the employment authorization was terminated pursuant to a circumstance described in subsection (c), unless a Federal Court of Appeals remands the alien's case to the Board of Immigration Appeals.

(e) CREDITING OF FUNDS.—The total amount of fees received under this section shall be deposited in the general fund of the Treasury.

(f) NO WAIVER.—A fee imposed under this subsection shall not be waived or reduced.

SEC. 70014. FEE RELATING TO RENEWAL AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR ALIENS GRANTED TEMPORARY PROTECTED STATUS.

(a) FEE IMPOSED.—In addition to any other fee authorized by law, for any alien who seeks a renewal or extension of employment authorization based on a grant of temporary protected status, the Secretary of Homeland

Security shall impose a fee in an amount specified in subsection (b) at the time of each such renewal or extension.

(b) FEE SPECIFIED.—

(1) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $550.

(2) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this subsection for the prior fiscal year; and

(B) rounded to the next lowest multiple of $10, the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(c) EMPLOYMENT AUTHORIZATION.—Any employment authorization for an alien granted temporary pro-

tected status, or any renewal or extension thereof, shall be valid for a period of not more than six months.

(d) CREDITING OF FUNDS.—The fees received under this section shall be deposited into the general fund of the Treasury.

(e) NO WAIVER.—A fee imposed under this subsection shall not be waived or reduced.

SEC. 70015. DIVERSITY IMMIGRANT VISA FEES.

(a) FEE FOR FILING A DIVERSITY IMMIGRANT VISA APPLICATION.—

(1) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall impose a fee on any alien who files an application for a diversity immigrant visa as described in section 203(c) of the Immigration and Nationality Act (8 U.S.C. 1153(c)), in the amount specified in this subsection at the time such application is filed.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $400.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this sub-

section for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(b) FEE FOR ALIENS WHO REGISTER FOR THE DIVERSITY IMMIGRANT VISA PROGRAM.—

(1) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall impose a fee on any alien who registers for the diversity immigrant visa program, as described in section 203(c) of the Immigration and Nationality Act (8 U.S.C. 1153(c)), in the amount specified in this subsection at the time of registration.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $250.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) the amount referred to in clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(c) FUNDS.—During any fiscal year, the total amount of fees received under this section shall be subject to the following:

(1) 10 percent of fees received shall be used to detect and prevent fraud in the diversity immigrant

visa program and to offset costs associated with such program.

(2) 10 percent of fees received shall be credited to U.S. Immigration and Customs Enforcement to retain and spend without further appropriation for the purpose of detention and immigration enforcement and removal operations.

(3) Any amounts not used or credited under this subsection shall be deposited into the general fund of the Treasury.

(d) NO WAIVER.—A fee imposed under this section shall not be waived or reduced.

SEC. 70016. EOIR FEES.

(a) FEE FOR FILING AN APPLICATION TO ADJUST STATUS TO THAT OF A LAWFUL PERMANENT RESIDENT.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall impose on any alien who files with an immigration court an application to adjust the alien's status to that of a lawful permanent resident, or whose application to adjust status to that of a lawful permanent resident is adjudicated in immigration court, a fee in the amount specified in this subsection at the time such

application is filed, or, as applicable, prior to the adjudication of such application in immigration court.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may by rule provide, but in any event not less than $1,500.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(3) CREDITING CERTAIN FUNDS.—During any fiscal year, not more than 50 percent of the total amount of fees received under this section shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) of the Immigration and Nationality Act and credited to the Executive Office for Immigration Review to retain and spend without further appropriation. Any amounts not credited under the previous sentence shall be deposited into the general fund of the Treasury.

(b) FEE FOR FILING AN APPLICATION FOR WAIVER OF GROUNDS OF INADMISSIBILITY.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall impose on any alien who files with an immigration court an application for waiver of grounds of inadmissibility, or whose application for waiver of grounds of inadmissibility is adjudicated in immigration court, a fee in the amount specified in this subsection at the time such application is filed, or, as applicable, prior to the adjudication of such application in immigration court.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may by rule provide, but in any event not less than $1,050.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(3) CREDITING CERTAIN FUNDS.—During any fiscal year, not more than 25 percent of the total amount of fees received under this section shall be

derived by transfer from the Immigration Examinations Fee Account under section 286(n) of the Immigration and Nationality Act and credited to the Executive Office for Immigration Review to retain and spend without further appropriation. Any amounts not credited under the previous sentence shall be deposited into the general fund of the Treasury.

(c) FEE FOR FILING AN APPLICATION FOR TEMPORARY PROTECTED STATUS.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall impose on any alien who files with an immigration court an application for temporary protected status, or whose application for temporary protected status is adjudicated in immigration court, a fee in the amount specified in this subsection at the time such application is filed or, as applicable, prior to the adjudication of such application in immigration court.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may by rule provide, but in any event not less than $500.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(3) CREDITING CERTAIN FUNDS.—During any fiscal year, not more than 25 percent of the total amount of fees received under this section shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) of the Immigration and Nationality Act and credited to the Executive Office for Immigration Review to retain and spend without further appropriation. Any

amounts not credited under the previous sentence shall be deposited into the general fund of the Treasury.

(d) FEE FOR FILING AN APPEAL FROM A DECISION OF AN IMMIGRATION JUDGE.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall impose on any alien who files any appeal from a decision of an immigration judge a fee in the amount specified in this subsection at the time such appeal is filed.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may by rule provide, but in any event not less than $900.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in

clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(3) EXCEPTION.—The fee described in this section shall not apply to the appeal of a bond decision.

(4) CREDITING CERTAIN FUNDS.—During any fiscal year, not more than 25 percent of the total amount of fees received under this section shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) of the Immigration and Nationality Act and credited to the Executive Office for Immigration Review to retain and spend without further appropriation. Any amounts not credited under the previous sentence shall be deposited into the general fund of the Treasury.

(e) FEE FOR FILING AN APPEAL FROM A DECISION OF AN OFFICER OF THE DEPARTMENT OF HOMELAND SECURITY.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall impose on any alien who files an appeal from a decision of an officer of the Department of Homeland Security a fee in the amount specified in this subsection at the time such appeal is filed.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may by rule provide, but in any event not less than $900.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such ad-

justment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(3) CREDITING CERTAIN FUNDS.—During any fiscal year, not more than 25 percent of the total amount of fees received under this section shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) of Immigration and Nationality and credited to the Executive Office for Immigration Review to retain and spend without further appropriation. Any amounts not credited under the previous sentence shall be deposited into the general fund of the Treasury.

(f) FEE FOR FILING AN APPEAL FROM A DECISION OF AN ADJUDICATING OFFICIAL IN A PRACTITIONER DISCIPLINARY CASE.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall impose on any practitioner who files an appeal from a decision of an adjudicating official in a practitioner disciplinary case a fee in the amount specified in this subsection at the time such appeal is filed.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may by rule provide, but in any event not less than $1,325.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(3) CREDITING CERTAIN FUNDS.—During any fiscal year, not more than 25 percent of the total amount of fees received under this section shall be

derived by transfer from the Immigration Examinations Fee Account under section 286(n) of the Immigration and Nationality Act and credited to the Executive Office for Immigration Review to retain and spend without further appropriation. Any amounts not credited under the previous sentence shall be deposited into the general fund of the Treasury.

(g) FEE FOR FILING A MOTION TO REOPEN OR A MOTION TO RECONSIDER.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall impose on any alien who files a motion to reopen or motion to reconsider a decision of an immigration judge or the Board of Immigration Appeals a fee in the amount specified in this subsection at the time such motion is filed.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may by rule provide, but in any event not less than $900.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year

thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(3) EXCEPTIONS.—The fee described in this section shall not apply to any motion that is:

(A) a motion to reopen a removal order entered in absentia if the motion is filed under section 240(b)(5)(C)(ii) of the Immigration and Nationality Act; or

(B) a motion to reopen a deportation order entered in absentia if the motion is filed under section 242B(c)(3)(B) of the Immigration and

Nationality Act, as the section existed prior to April 1, 1997.

(4) CREDITING CERTAIN FUNDS.—During any fiscal year, not more than 25 percent of the total amount of fees received under this section shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) of the Immigration and Nationality Act and credited to the Executive Office for Immigration Review to retain and spend without further appropriation. Any amounts not credited under the previous sentence shall be deposited into the general fund of the Treasury.

(h) FEE FOR FILING AN APPLICATION FOR SUSPENSION OF DEPORTATION.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall impose on any alien who files with an immigration court an application for suspension of deportation a fee in the amount specified in this subsection at the time such application is filed.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may

by rule provide, but in any event not less than $600.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(3) CREDITING CERTAIN FUNDS.—During any fiscal year, not more than 25 percent of the total amount of fees received under this section shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) of the Immigration and Nationality Act and credited to the

Executive Office for Immigration Review to retain and spend without further appropriation. Any amounts not credited under the previous sentence shall be deposited into the general fund of the Treasury.

(i) FEE FOR FILING AN APPLICATION FOR CANCELLATION OF REMOVAL FOR CERTAIN PERMANENT RESIDENTS.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall impose on any alien who files with an immigration court an application for cancellation of removal for certain permanent residents a fee in the amount specified in this subsection at the time such application is filed.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may by rule provide, but in any event not less than $600.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(3) CREDITING CERTAIN FUNDS.—During any fiscal year, not more than 25 percent of the total amount of fees received under this section shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) of the Immigration and Nationality Act and credited to the Executive Office for Immigration Review to retain and spend without further appropriation. Any amounts not credited under the previous sentence shall be deposited into the general fund of the Treasury.

(j) FEE FOR FILING AN APPLICATION FOR CANCELLATION OF REMOVAL AND ADJUSTMENT OF STATUS FOR CERTAIN NONPERMANENT RESIDENTS.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall impose on any alien who files with an immigration court an application for cancellation of removal and adjustment of status for certain nonpermanent residents a fee in the amount specified in this subsection at the time such application is filed.

(2) FEE SPECIFIED.—

(A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Attorney General may by rule provide, but in any event not less than $1,500.

(B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(i) the amount imposed under this subsection for the prior fiscal year; and

(ii) rounded to the next lowest multiple of $10, the amount referred to in

clause (i), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(3) CREDITING CERTAIN FUNDS.—During any fiscal year, not more than 25 percent of the total amount of fees received under this section shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) of the Immigration and Nationality Act and credited to the Executive Office for Immigration Review to retain and spend without further appropriation. Any amounts not credited under the previous sentence shall be deposited into the general fund of the Treasury.

(k) NO WAIVER.—Any fee imposed under this section shall not be waived or reduced.

(l) CONDITION ON FUNDS.—No fees received under this section shall be used to fund the Legal Orientation Program or any successor program.

SEC. 70017. ESTA FEE.

Section 217(h)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1187(h)(3)(B)) is amended—

(1) in clause (i)—

(A) in subclause (I), by striking ''and'' at the end;

(B) in subclause (II)—

(i) by inserting after ''an amount'' the following ''of not less than $10''; and

(ii) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(III) not less than $13.'';

(2) in clause (ii)—

(A) by striking ''Amounts collected under clause (i)(I)'' and inserting the following:

''(I) IN GENERAL.—Of the amounts collected under clause (i)(I) during a fiscal year, not more than $20,000,000'';

(B) by inserting before the period at the end of the first sentence the following: '', and the remainder of the amounts collected under clause (i)(I) shall be deposited in the general fund of the Treasury''; and

(C) by inserting after ''to pay the costs incurred to administer the System.'' the following: ''Amounts collected under clause (i)(III) shall be deposited in the general fund of the Treasury.'';

(3) in clause (iii), by striking ''2028'' and inserting ''2034''; and

(4) by adding at the end the following:

''(iv) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in clause (i)(II) for a fiscal year shall be equal to the sum of—

''(I) the amount imposed under this subsection for the prior fiscal year; and

''(II) the amount referred to in subclause (I), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Con-

sumers for the same month of the preceding calendar year.''.

SEC. 70018. IMMIGRATION USER FEES.

Section 286 of the Immigration and Nationality Act (8 U.S.C. 1356) is amended—

(1) in subsection (d)—

(A) by striking ''In addition to any other fee'' and inserting the following:

''(1) IN GENERAL.—In addition to any other fee'';

(B) by inserting ''and except as provided in subsection (e),'' before ''the Attorney General shall charge and collect'';

(C) by striking ''$7'' and inserting ''a fee in an amount specified in paragraph (2)''; and

(D) by adding at the end the following:

''(2) INITIAL AMOUNT.—For purposes of this section, the amount specified in this section for fiscal year 2025 shall be not less than $10.

''(3) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

''(A) the amount imposed under this subsection for the prior fiscal year; and

''(B) rounded to the next lowest multiple of $0.25, the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

''(4) CREDITING OF AMOUNTS.—Of amounts collected under this subsection $1 per individual for immigration inspection or preinspection as described in this subsection shall be deposited in the general fund of the Treasury.

''(5) NO WAIVER.—A fee imposed under this subsection shall not be waived or reduced.''; and

(2) in subsection (e)—

(A) by striking paragraph (1);

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2); and

(C) in paragraph (2) (as redesignated by subparagraph (B) above), by striking ''The Attorney General shall charge'' and all that follows through ''this requirement shall not apply

to'' and inserting the following: ''No fee shall be charged under subsection (d) for''.

SEC. 70019. EVUS FEE.

(a) IN GENERAL.— In addition to any other fee authorized by law, the Secretary of Homeland Security shall impose on any alien subject to the Electronic Visa Update System a fee in the amount specified in this section at the time of such alien's enrollment in the Electronic Visa Update System.

(b) AMOUNT.—For purposes of this section, the amount specified in this section for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $30.

(c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this section for a fiscal year shall be equal to the sum of—

(1) the amount imposed under this section for the prior fiscal year; and

(2) rounded to the next lowest multiple of $0.25, the amount referred to in paragraph (1), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price

Index for All Urban Consumers for the same month of the preceding calendar year.

(d) CREDITING OF FUNDS.—

(1) IN GENERAL.—The fees received under this section shall be deposited into the CBP Electronic Visa Update System Account, less $5 per enrollment which shall be deposited into the general fund of the Treasury.

(2) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a separate account which shall be known as the ''CBP Electronic Visa Update System Account''.

(3) APPROPRIATION.— Amounts deposited in the CBP Electronic Visa Update System Account are hereby appropriated to make payments and offset program costs as specified in this section without further appropriation necessary and shall remain available until expended for any U.S. Customs and Border Protection costs associated with administering the Electronic Visa Update System.

(e) NO WAIVER.—A fee imposed under this section shall not be waived or reduced.

SEC. 70020. FEE FOR SPONSOR OF UNACCOMPANIED ALIEN CHILD WHO FAILS TO APPEAR IN IMMIGRATION COURT.

(a) FEE IMPOSED.—In addition to any other fee authorized by law, for the sponsor of an unaccompanied alien child, the Secretary of Health and Human Services shall impose a fee in an amount specified in subsection (b) prior to the unaccompanied alien child's release to such sponsor.

(b) FEE SPECIFIED.—

(1) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $5,000.

(2) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this subsection for the prior fiscal year; and

(B) rounded to the next lowest multiple of $10, the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban

Consumers for the same month of the preceding calendar year.

(c) FEE REIMBURSEMENT.—At the conclusion of an unaccompanied alien child's immigration court proceedings as an unaccompanied alien child, or upon the ending of such sponsor's sponsorship of such unaccompanied alien child, the Secretary of Health and Human Services may reimburse to a sponsor a fee imposed under this section if such sponsor demonstrates that the unaccompanied alien child in the care of such sponsor was not ordered removed in absentia under section 240(b)(5) of the Immigration and Nationality Act. In the case of a sponsor of an unaccompanied alien child who was ordered removed in absentia and such order was rescinded under section 240(b)(5)(C) of the Immigration and Nationality Act, the sponsor may seek reimbursement of the fee under this section.

(d) CREDITING OF FUNDS.—The fees received under this section shall be deposited into the general fund of the Treasury.

(e) NO WAIVER.—A fee imposed under this subsection shall not be waived or reduced.

SEC. 70021. FEE FOR ALIENS ORDERED REMOVED IN ABSENTIA.

(a) IN GENERAL .—As partial reimbursement for the cost of arresting an alien described in this section, the Secretary of Homeland Security shall impose a fee in an amount specified in this section on any alien who—

(1) is ordered removed in absentia under section 240(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1229a(b)(5)); and

(2) is subsequently arrested by U.S. Immigration and Customs Enforcement.

(b) INITIAL AMOUNT.—For purposes of this subsection, the amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $5,000.

(c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount for a fiscal year shall be equal to the sum of—

(1) the amount imposed under this section for the prior fiscal year; and

(2) rounded to the next lowest multiple of $10, the amount referred to in paragraph (1), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for

All Urban Consumers for the same month of the preceding calendar year.

(d) CREDITING OF FUNDS.—The fees received under this section shall be deposited into the general fund of the Treasury.

(e) NO WAIVER.—A fee imposed under this subsection shall not be waived or reduced.

(f) EXCEPTION.—The fee described in this section shall not apply to any alien who was ordered removed in absentia if such order was rescinded under section 240(b)(5)(C) of the Immigration and Nationality Act.

SEC. 70022. CUSTOMS AND BORDER PROTECTION INADMISSIBLE ALIEN APPREHENSION FEE.

(a) FEE IMPOSED.—In addition to any other fee authorized by law, for any inadmissible alien who is apprehended between ports of entry by U.S. Customs and Border Protection, the Secretary of Homeland Security shall impose a fee in an amount specified in subsection (b) at the time of such apprehension.

(b) FEE SPECIFIED.—

(1) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall be such amount as the Secretary may by rule provide, but in any event not less than $5,000.

(2) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year thereafter, the amount specified in this subsection for a fiscal year shall be equal to the sum of—

(A) the amount imposed under this subsection for the prior fiscal year; and

(B) rounded to the next lowest multiple of $10, the amount referred to in subparagraph (A), multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.

(c) CREDITING OF FUNDS.—The fees received under this section shall be deposited into the general fund of the Treasury.

(d) NO WAIVER.—A fee imposed under this section shall not be waived or reduced.

SEC. 70023. AMENDMENT TO AUTHORITY TO APPLY FOR ASYLUM.

Section 208(d)(3) of the Immigration and Nationality Act (8 U.S.C. 1158(d)(3)) is amended—

(1) in the first sentence, by striking ''may'' and inserting ''shall'';

(2) by striking ''Such fees shall not exceed'' and all that follows; and

(3) by inserting after the first sentence ''Nothing in this paragraph shall be construed to limit the authority of the Attorney General to set additional adjudication and naturalization fees in accordance with section 286(m).''.

PART 2—USE OF FUNDS

SEC. 70100. EXECUTIVE OFFICE FOR IMMIGRATION REVIEW.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Executive Office for Immigration Review for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $1,250,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used for purposes of—

(1) hiring the support staff necessary to support immigration judges;

(2) hiring immigration judges; and

(3) expanding courtroom capacity and infrastructure.

SEC. 70101. ADULT ALIEN DETENTION CAPACITY AND FAMILY RESIDENTIAL CENTERS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $45,000,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used for family residential center capacity and single adult alien detention capacity.

(c) DURATION.—The Department of Homeland Security may detain family units of aliens at family residential centers, as described in subsections (b) and (d), pending a decision on whether the aliens are to be removed from the United States and, if such aliens are ordered removed from the United States, until such aliens are removed.

(d) FAMILY RESIDENTIAL CENTER DEFINED.—In this section, the term ''family residential center'' means a facility used by the Department of Homeland Security to detain family units of aliens (including alien children who are not unaccompanied alien children) who are encountered or apprehended by the Department of Homeland Security, regardless of whether the facility is licensed by the State or a political subdivision of the State in which the facility is located.

(e) DETENTION STANDARDS.—To efficiently utilize the funding appropriated by this section, the detention standards for the single adult detention capacity described in subsection (b) shall be set in the sole discretion of the Secretary of Homeland Security.

SEC. 70102. RETENTION AND SIGNING BONUSES FOR U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT PERSONNEL.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $858,000,000 to remain available until September 30, 2029, for the purposes described in subsections (b) and (c).

(b) RETENTION BONUSES.—U.S. Immigration and Customs Enforcement may provide retention bonuses to any U.S. Immigration and Customs Enforcement agent, officer, or attorney who commits to two years of additional service with U.S. Immigration and Customs Enforcement to carry out immigration enforcement.

(c) SIGNING BONUSES.—U.S. Immigration and Customs Enforcement shall provide a signing bonus to each U.S. Immigration and Customs Enforcement agent, officer, or attorney who is hired on or after the date of enact-

ment of this Act and who commits to five years of service with U.S. Immigration and Customs Enforcement to carry out immigration enforcement.

(d) RULES FOR BONUSES.—U.S. Customs and Immigration Enforcement shall provide qualifying individuals with written service agreements that include—

(1) the commencement and termination dates of the required service period (or provisions for the determination thereof);

(2) the amount of the bonus; and

(3) other terms and conditions under which the bonus is payable, subject to the requirements of this subsection, including—

(A) the conditions under which the agreement may be terminated before the agreed-upon service period has been completed; and

(B) the effect of a termination described in subparagraph (A).

SEC. 70103. HIRING OF ADDITIONAL U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT PERSONNEL.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated,

$8,000,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used to hire additional personnel of U.S. Immigration and Customs Enforcement, including officers, agents, and support staff, to carry out immigration enforcement, and to prioritize and streamline the hiring of retired U.S. Immigration and Customs Enforcement personnel. There shall be a minimum of—

(1) 2,500 individuals hired in fiscal year 2025;

(2) 1,875 individuals hired in 2026;

(3) 1,875 individuals hired in 2027;

(4) 1,875 individuals hired in 2028; and

(5) 1,875 individuals hired in 2029.

SEC. 70104. U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT HIRING CAPABILITY.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $600,000,000, to remain available until September 30, 2029, for the purpose described in subsection (b).

(b) USE OF FUNDS.—The funds made available under subsection (a) shall only be used for the purpose of facilitating the recruitment, hiring, and onboarding of

additional U.S. Immigration and Customs Enforcement personnel to carry out immigration enforcement, including by investments in information technology, recruitment, marketing, and staff necessary for such activities.

SEC. 70105. TRANSPORTATION AND REMOVAL OPERATIONS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $14,400,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used for transportation and removal operations and for ensuring the departure of aliens.

SEC. 70106. INFORMATION TECHNOLOGY INVESTMENTS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $700,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used for U.S. Immigration and Customs Enforcement information technology investments

to support enforcement and removal operations, including to streamline fine and penalty collections.

SEC. 70107. FACILITIES UPGRADES.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $550,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used for U.S. Immigration and Customs Enforcement facility upgrades to support enforcement and removal operations.

SEC. 70108. FLEET MODERNIZATION.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $250,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used for U.S. Immigration and Customs Enforcement fleet modernization to support enforcement and removal operations.

SEC. 70109. PROMOTING FAMILY UNITY.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $20,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—The funds made available under subsection (a) shall only be used to—

(1) maintain the care and custody, during the period in which the charges described in subparagraph (A) are pending, of an alien who—

(A) is charged only with a misdemeanor offense under section 275(a) of the Immigration and Nationality Act (8 U.S.C. 1325(a)); and

(B) entered the United States with the alien's child who has not attained 18 years of age; and

(2) detain the alien with the alien's child.

SEC. 70110. FUNDING SECTION 287(G) OF THE IMMIGRATION AND NATIONALITY ACT.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated,

$650,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—The amounts made available under subsection (a) shall only be used for purposes of facilitating and implementing agreements under section 287(g) of the Immigration and Nationality Act (8 U.S.C. 1357(g)).

SEC. 70111. COMPENSATION FOR INCARCERATION OF CRIMINAL ALIENS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Justice for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $950,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—The amounts made available under subsection (a) shall only be used to compensate a State or political subdivision of a State, as may be appropriate, with respect to the incarceration of any alien who—

(1) has been convicted of a felony or two or more misdemeanors; and

(2)(A) entered the United States without inspection or at any time or place other than as designated by the Secretary of Homeland Security;

(B) was the subject of removal proceedings at the time he or she was taken into custody by the State or a political subdivision of the State; or

(C) was admitted as a nonimmigrant and, at the time he or she was taken into custody by the State or a political subdivision of the State, has failed to maintain the nonimmigrant status in which the alien was admitted, or to which it was changed, or to comply with the conditions of any such status.

(c) LIMITATION.—The amounts made available under subsection (a) shall not be used to compensate any State or political subdivision of the State if the State or political subdivision of the State prohibits or in any way restricts a Federal, State, or local government entity, official, or other personnel from any of the following:

(1) Complying with the immigration laws (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17)).

(2) Assisting or cooperating with Federal law enforcement entities, officials, or other personnel regarding the enforcement of the immigration laws.

(3) Undertaking any one of the following law enforcement activities as they relate to information regarding the citizenship or immigration status, law-

ful or unlawful, the inadmissibility or deportability, and the custody status, of any individual:

(A) Making inquiries to any individual to obtain such information regarding such individual or any other individuals.

(B) Notifying the Federal Government regarding the presence of individuals who are encountered by law enforcement officials or other personnel of a State or political subdivision of a State.

(C) Complying with requests for such information from Federal law enforcement entities, officials, or other personnel.

SEC. 70112. OFFICE OF THE PRINCIPAL LEGAL ADVISOR.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $1,320,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used for purposes of hiring additional support staff and attorneys within the Office of the Principal Legal Advisor to represent the Department of Homeland Security in removal proceedings.

SEC. 70113. RETURN OF ALIENS ARRIVING FROM CONTIGUOUS TERRITORY.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Homeland Security for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $500,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—The funds made available under subsection (a) shall only be used for purposes of return of aliens under section 235(b)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1225(b)(2)(C)).

SEC. 70114. STATE AND LOCAL PARTICIPATION IN HOMELAND SECURITY EFFORTS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $787,000,000, to remain available until September 30, 2029, for the purpose described in subsection (b).

(b) USE OF FUNDS.—The funds made available under subsection (a) shall only be used for the purpose of ending the presence of criminal gangs and criminal organizations throughout the United States, combating domestic human smuggling and trafficking networks, supporting immigration enforcement activities, and providing

reimbursement for State and local participation in such efforts.

SEC. 70115. UNACCOMPANIED ALIEN CHILDREN CAPACITY.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Office of Refugee Resettlement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $3,000,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—The funds made available under subsection (a) shall only be used for the Office of Refugee Resettlement to house, transport, and supervise unaccompanied alien children in the custody of the Office of Refugee Resettlement pursuant to section 235 of the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008.

SEC. 70116. DEPARTMENT OF HOMELAND SECURITY CHECKS FOR UNACCOMPANIED ALIEN CHILDREN.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $20,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—In the case of an unaccompanied alien child who has attained 12 years of age and is encountered by U.S. Customs and Border Protection, the funds made available under subsection (a) shall only be used to conduct an examination of such unaccompanied alien child for gang-related tattoos and other gang-related markings.

(c) UNACCOMPANIED ALIEN CHILD DEFINED.—In this section, the term ''unaccompanied alien child'' shall have the meaning given such term in section 462(g) of the Homeland Security Act of 2002.

SEC. 70117. DEPARTMENT OF HEALTH AND HUMAN SERVICES CHECKS FOR UNACCOMPANIED ALIEN CHILDREN.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Office of Refugee Resettlement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $20,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—In the case of each unaccompanied alien child who has attained 12 years of age, the funds made available under subsection (a) shall only be used for the purpose of making a determination pursuant to section 235(c)(2)(A) of the William Wilberforce Traf-

ficking Victims Protection Reauthorization Act of 2008 about whether an unaccompanied alien child poses a danger to self or others by conducting an examination of the unaccompanied alien child for gang-related tattoos and other gang-related markings.

(c) UNACCOMPANIED ALIEN CHILD DEFINED.—In this section, the term ''unaccompanied alien child'' shall have the meaning given such term in section 462(g) of the Homeland Security Act of 2002.

SEC. 70118. INFORMATION ABOUT SPONSORS AND ADULT RESIDENTS OF SPONSOR HOUSEHOLDS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Office of Refugee Resettlement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) INFORMATION ABOUT INDIVIDUALS WITH WHOM UNACCOMPANIED ALIEN CHILDREN ARE PLACED AND RESIDE.—Before placing an unaccompanied alien child with an individual pursuant to section 235(c) of the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008, the Secretary of Health and Human Services shall provide to the Secretary of Homeland Security, regarding the individual with whom the child will be

placed and all adult residents of the individual's household, information on—

(1) the name of the individual and all adult residents of the individual's household;

(2) the social security number of the individual and all adult residents of the individual's household;

(3) the date of birth of the individual and all adult residents of the individual's household;

(4) the validated location of the individual's residence where the child will be placed;

(5) the immigration status of the individual and all adult residents of the individual's household;

(6) contact information for the individual and all adult residents of the individual's household; and

(7) the results of all background and criminal records checks for the individual and all adult residents of the individual's household, which shall include at a minimum an investigation of the public records sex offender registry, a public records background check, and a national criminal history check based on fingerprints.

(c) UNACCOMPANIED ALIEN CHILD DEFINED.—In this section, the term ''unaccompanied alien child'' shall have the meaning given such term in section 462(g) of the Homeland Security Act of 2002.

SEC. 70119. REPATRIATION OF UNACCOMPANIED ALIEN CHILDREN.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Homeland Security for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—The funds made available under subsection (a) shall only be used to permit a specified unaccompanied alien child to withdraw the child's application for admission pursuant to section 235(a)(4) of the Immigration and Nationality Act.

(c) DEFINITIONS.—In this section—

(1) SPECIFIED UNACCOMPANIED ALIEN CHILD.—The term ''specified unaccompanied alien child'' means an unaccompanied alien child (as defined in section 462(g) of the Homeland Security Act of 2002), regardless of whether such unaccompanied alien child is a national or habitual resident of a country that is contiguous or non-contiguous with the United States, who the Secretary of Homeland Security determines on a case-by-case basis—

(A) has been found by an immigration officer at a land border or port of entry of the

United States and is inadmissible under the Immigration and Nationality Act;

(B) has not been a victim of severe forms of trafficking in persons, and there is no credible evidence that such child is at risk of being trafficked upon return to the child's country of nationality or of last habitual residence; and

(C) does not have a fear of returning to the child's country of nationality or of last habitual residence owing to a credible fear of persecution.

(2) SEVERE FORMS OF TRAFFICKING IN PERSONS.—The term ''severe forms of trafficking in persons'' shall have the meaning given such term in section 103 of the Trafficking Victims Protection Act of 2000.

SEC. 70120. UNITED STATES SECRET SERVICE.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Director of the United States Secret Service for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $1,170,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used for additional United

States Secret Service resources, including personnel, training facilities, and technology.

SEC. 70121. COMBATING DRUG TRAFFICKING AND ILLEGAL DRUG USE.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Justice for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $500,000,000 to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used for efforts to combat drug trafficking, including of fentanyl and its precursor chemicals, and illegal drug use.

SEC. 70122. INVESTIGATING AND PROSECUTING IMMIGRATION RELATED MATTERS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Justice for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $600,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) shall only be used to investigate and prosecute immigration matters, gang-related crimes involving

aliens, child trafficking and smuggling involving aliens, voting by aliens, violations of the Alien Registration Act, and violations of or fraud relating to title IV of the Personal Responsibility and Work Opportunity Act of 1996, including through hiring Department of Justice personnel to investigate and prosecute such matters.

SEC. 70123. EXPEDITED REMOVAL FOR CRIMINAL ALIENS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Homeland Security for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $75,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—The amounts made available in subsection (a) shall only be used for applying the provisions of section 235(b)(1) of the Immigration and Nationality Act to any alien who is inadmissible under paragraph (2) or (3) of section 212(a) of the Immigration and Nationality Act, regardless of the period that such alien has been physically present in the United States.

SEC. 70124. REMOVAL OF CERTAIN CRIMINAL ALIENS WITHOUT FURTHER HEARING.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Homeland Security for fiscal year 2025, out of any

money in the Treasury not otherwise appropriated, $25,000,000, to remain available until September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—The amounts made available in subsection (a) shall only be used for applying the provisions of section 235(c) of the Immigration and Nationality Act to any arriving alien that an immigration officer or an immigration judge suspects may be inadmissible under paragraph (2) or (3) of section 212(a) of the Immigration and Nationality Act.

Subtitle B—Regulatory Matters

SEC. 70200. REVIEW OF AGENCY RULEMAKING.

(a) DEREGULATION INITIATIVE.—

(1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Director of the Office of Management and Budget for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $100,000,000 to remain available through September 30, 2028, to carry out this section.

(2) USE OF FUNDS.—The Director of the Office of Management and Budget shall use amounts made available under paragraph (1) to pay expenses associated with improving regulatory processes and ana-

lyzing and reviewing rules issued by a covered agency.

(b) DEFINITIONS.—In this section:

(1) COVERED AGENCY.—The term ''covered agency''—

(A) means—

(i) the Department of Education;

(ii) the Department of Energy;

(iii) the Department of Health and Human Services;

(iv) the Department of Homeland Security;

(v) the Department of Justice;

(vi) the Consumer Financial Protection Bureau; and

(vii) the Environmental Protection Agency; and

(B) does not include the Social Security Administration.

(2) RULE.—The term ''rule'' has the meaning given the term in section 551 of title 5, United States Code, only to the extent such rule has been issued by a covered agency.

Subtitle C—Other Matters

SEC. 70300. LIMITATION ON DONATIONS MADE PURSUANT TO SETTLEMENT AGREEMENTS TO WHICH THE UNITED STATES IS A PARTY.

(a) LIMITATION ON REQUIRED DONATIONS.—An official within the Department of Justice may not enter into or enforce any settlement agreement on behalf of the United States directing or providing for a payment to any person or entity other than the United States, other than a payment that provides restitution for or otherwise directly remedies actual harm (including to the environment) directly and proximately caused by the party making the payment, or constitutes payment for services rendered in connection with the case.

(b) PENALTY.—Any official within the Department of Justice who violates subsection (a) shall be subject to the same penalties that would apply in the case of a violation of section 3302 of title 31, United States Code.

(c) EFFECTIVE DATE.—Subsections (a) and (b) apply only in the case of a settlement agreement entered on or after the date of enactment of this Act.

(d) DEFINITION.—The term ''settlement agreement'' means a settlement agreement resolving a civil action or potential civil action.

(e) ANNUAL AUDIT REQUIREMENT.—

(1) IN GENERAL.—Not later than at the end of the first fiscal year that begins after the date of enactment of this Act, and annually thereafter, the Inspector General of the Department of Justice shall submit, and make available on a publicly accessible website, a report on any settlement agreement entered into in violation of this section to—

(A) the Committee on the Judiciary of the Senate; and

(B) the Committee on the Judiciary of the House of Representatives.

(2) PROHIBITION ON ADDITIONAL FUNDING.—No additional funds are authorized to be appropriated to carry out this subsection.

SEC. 70301. SOLICITATION OF ORDERS DEFINED.

Section 101(d) of Public Law 86—272 (73 Stat. 555) is amended—

(1) in paragraph (1) by striking ''and'' at the end,

(2) in paragraph (2) by striking the period at the end and inserting ''; and'', and

(3) by adding at the end the following:

''(3) the term 'solicitation of orders' means any business activity that facilitates the solicitation of orders even if that activity may also serve some

independently valuable business function apart from solicitation.''.

SEC. 70302. RESTRICTION ON ENFORCEMENT.

No court of the United States may enforce a contempt citation for failure to comply with an injunction or temporary restraining order if no security was given when the injunction or order was issued pursuant to Federal Rule of Civil Procedure 65(c), whether issued prior to, on, or subsequent to the date of enactment of this section.

TITLE VIII—COMMITTEE ON NATURAL RESOURCES

Subtitle A—Energy and Mineral Resources

PART 1—OIL AND GAS

SEC. 80101. ONSHORE OIL AND GAS LEASE SALES.

(a) REQUIREMENT TO IMMEDIATELY RESUME ONSHORE OIL AND GAS LEASE SALES.—

(1) IN GENERAL.—The Secretary of the Interior shall immediately resume quarterly onshore oil and gas lease sales in compliance with the Mineral Leasing Act.

(2) REQUIREMENT.—The Secretary of the Interior shall ensure—

(A) that any oil and gas lease sale pursuant to paragraph (1) is conducted immediately

on completion of all requirements under the Mineral Leasing Act; and

(B) that the processes described in subparagraph (A) are conducted in a timely manner to ensure compliance with subsection (b)(1).

(3) LEASE OF OIL AND GAS LANDS.—Section 17(b)(1)(A) of the Mineral Leasing Act (30 U.S.C. 226(b)(1)(A)) is amended by inserting ''Eligible lands comprise all lands subject to leasing under this Act and not excluded from leasing by a statutory or regulatory prohibition. Land shall be considered available under the preceding sentence if the land has been designated as open for leasing under a land use plan developed or revised under section 202 of the Federal Land Policy and Management Act of 1976 and has been nominated for leasing through the submission of an expression of interest, is subject to drainage (as described in subsection (j)) in the absence of leasing, or is otherwise designated as available pursuant to regulations issued by the Secretary.'' after ''sales are necessary.''.

(b) QUARTERLY LEASE SALES.—

(1) IN GENERAL.—In accordance with the Mineral Leasing Act, each fiscal year, the Secretary of

the Interior shall conduct a minimum of four oil and gas lease sales in each of the following States:

(A) Wyoming.

(B) New Mexico.

(C) Colorado.

(D) Utah.

(E) Montana.

(F) North Dakota.

(G) Oklahoma.

(H) Nevada.

(I) Alaska.

(J) Any other State in which there is land available for oil and gas leasing under the Mineral Leasing Act or any other mineral leasing law.

(2) REQUIREMENT.—In conducting a lease sale under paragraph (1) in a State described in that paragraph, the Secretary of the Interior shall offer not less than 50 percent of all parcels nominated that are available and eligible pursuant to the requirements of the Mineral Leasing Act.

(3) REPLACEMENT SALES.—The Secretary of the Interior shall conduct a replacement sale during the same fiscal year if—

(A) a lease sale under paragraph (1) is canceled, delayed, or deferred, including for a lack of eligible parcels; or

(B) during a lease sale under paragraph (1) the percentage of acreage that does not receive a bid is equal to or greater than 25 percent of the acreage offered.

(c) LEASING OF OIL AND GAS.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is amended—

(1) by striking the section designation and all that follows through the end of subsection (a) and inserting the following:

"SEC. 17. LEASING OF OIL AND GAS.

''(a) LEASING.—

''(1) IN GENERAL.—Not later than 18 months after the date of receipt by the Secretary of an expression of interest in leasing land that is subject to disposition under this Act and is known or believed to contain oil or gas deposits, the Secretary shall, subject to paragraph (2), offer such land for oil and gas leasing if the Secretary determines that the land is open to oil or gas leasing under a land use plan developed or revised under section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) and such land use plan—

''(A) applies to the planning area in which the land is located; and

''(B) is in effect on the date on which the expression of interest was submitted to the Secretary.

''(2) LAND USE PLANS TERMS AND CONDITIONS.—A lease issued by the Secretary under this section—

''(A) shall include any terms and conditions of the land use plan that apply to the area of the lease; and

''(B) shall not require any stipulations or mitigation requirements not included in such land use plan.'';

(2) in subsection (p)—

(A) in paragraph (1), by inserting ''conduct a complete review of the application with all applicable agency staff required for the Secretary to determine the application is complete and'' after ''drill, the Secretary shall''; and

(B) by adding at the end the following:

''(4) TERM.—A permit to drill approved under this subsection shall be valid for a single, nonrenewable 4-year period beginning on the date that the permit to drill is approved.

''(5) EFFECT OF PENDING CIVIL ACTION ON PROCESSING APPLICATIONS FOR PERMITS TO DRILL.—Pursuant to the requirements of paragraph (2), notwithstanding the existence of any pending civil actions affecting the application or a related lease issued under this Act, the Secretary shall process an application for a permit to drill or other authorizations or approvals under a lease issued under this Act.''; and

(3) by striking subsection (q) and inserting the following:

''(q) OTHER REQUIREMENTS.—In utilizing the authorities provided by section 390 of the Energy Policy Act of 2005 with respect to an activity conducted pursuant to this Act, the Secretary of the Interior shall not consider whether there are any extraordinary circumstances.''.

SEC. 80102. NONCOMPETITIVE LEASING.

(a) NONCOMPETITIVE LEASING.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is further amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)—

(i) in the first sentence, by striking ''paragraph (2)'' and inserting ''paragraph (2) or (3)''; and

(ii) by adding at the end ''Lands for which no bids are received or for which the highest bid is less than the national minimum acceptable bid shall be offered promptly within 30 days for leasing under subsection (c) of this section and shall remain available for leasing for a period of 2 years after the competitive lease sale.''; and

(B) by adding at the end the following:

''(3)(A) If the United States held a vested future interest in a mineral estate that, immediately prior to becoming a vested present interest, was subject to a lease under which oil or gas was being produced, or had a well capable of producing, in paying quantities at an annual average production volume per well per day of either not more than 15 barrels per day of oil or condensate, or not more than 60,000 cubic feet of gas, the holder of the lease may elect to continue the lease as a noncompetitive lease under subsection (c)(1).

''(B) An election under this paragraph is effective—

''(i) in the case of an interest which vested after January 1, 1990, and on or before October 24, 1992, if the election is made before the date that is 1 year after October 24, 1992;

''(ii) in the case of an interest which vests within 1 year after October 24, 1992, if the election is made before the date that is 2 years after October 24, 1992; and

''(iii) in any case other than those described in clause (i) or (ii), if the election is made prior to the interest becoming a vested present interest.'';

(2) by striking subsection (c) and inserting the following:

''(c) LANDS SUBJECT TO LEASING UNDER SUBSECTION (B); FIRST QUALIFIED APPLICANT.—

''(1) If the lands to be leased are not leased under subsection (b)(1) of this section or are not subject to competitive leasing under subsection (b)(2) of this section, the person first making application for the lease who is qualified to hold a lease under this chapter shall be entitled to a lease of such lands without competitive bidding, upon payment of a nonrefundable application fee of at least $75. A lease under this subsection shall be conditioned upon the payment of a royalty at a rate of 12.5 percent in amount or value of the production removed or sold from the lease. Leases shall be issued within 60 days of the date on which the Sec-

retary identifies the first responsible qualified applicant.

''(2)(A) Lands (i) which were posted for sale under subsection (b)(1) of this section but for which no bids were received or for which the highest bid was less than the national minimum acceptable bid and (ii) for which, at the end of the period referred to in subsection (b)(1) of this section no lease has been issued and no lease application is pending under paragraph (1) of this subsection, shall again be available for leasing only in accordance with subsection (b)(1) of this section.

''(B) The land in any lease which is issued under paragraph (1) of this subsection or under subsection (b)(1) of this section which lease terminates, expires, is cancelled or is relinquished shall again be available for leasing only in accordance with subsection (b)(1) of this section.''; and

(3) by striking subsection (e) and inserting the following:

''(e) PRIMARY TERM.—Competitive and noncompetitive leases issued under this section shall be for a primary term of 10 years: *Provided*, *however*, That competitive leases issued in special tar sand areas shall also be for a primary term of 10 years. Each such lease shall continue

so long after its primary term as oil or gas is produced in paying quantities. Any lease issued under this section for land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at that time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.''.

(b) FAILURE TO COMPLY WITH PROVISIONS OF LEASE.—Section 31 of the Mineral Leasing Act (30 U.S.C. 188) is amended—

(1) in subsection (d)(1), by striking ''section 17(b)'' and inserting ''subsection (b) or (c) of section 17 of this Act'';

(2) in subsection (e)—

(A) in paragraph (2)—

(i) by inserting ''either'' after ''rentals and''; and

(ii) by inserting ''or the inclusion in a reinstated lease issued pursuant to the provisions of section 17(c) of this Act of a requirement that future rentals shall be at a rate not less than $5 per acre per year, all'' before ''as determined by the Secretary''; and

(B) by amending paragraph (3) to read as follows:

''(3)(A) payment of back royalties and the inclusion in a reinstated lease issued pursuant to the provisions of section 17(b) of this Act of a requirement for future royalties at a rate of not less than 16⅔ percent computed on a sliding scale based upon the average production per well per day, at a rate which shall be not less than 4 percentage points greater than the competitive royalty schedule then in force and used for royalty determination for competitive leases issued pursuant to such section as determined by the Secretary: *Provided*, That royalty on such reinstated lease shall be paid on all production removed or sold from such lease subsequent to the termination of the original lease;

''(B) payment of back royalties and inclusion in a reinstated lease issued pursuant to the provisions of section 17(c) of this Act of a requirement for future royalties at a rate not less than 16⅔ percent: *Provided*, That royalty on such reinstated lease shall be paid on all production removed or sold from such lease subsequent to the cancellation or termination of the original lease; and'';

(3) in subsection (f)—

(A) in paragraph (1), by striking ''in the same manner as the original lease issued pursuant to section 17'' and inserting ''as a competitive or a noncompetitive oil and gas lease in the same manner as the original lease issued pursuant to subsection (b) or (c) of section 17 of this Act'';

(B) by adding at the end the following:

''(4) Except as otherwise provided in this section, the issuance of a lease in lieu of an abandoned patented oil placer mining claim shall be treated as a noncompetitive oil and gas lease issued pursuant to section 17(c) of this Act.'';

(4) in subsection (g), by striking ''subsection (d)'' and inserting ''subsections (d) and (j)'';

(5) by amending subsection (h) to read as follows:

''(h) ROYALTY REDUCTIONS.—

''(1) In acting on a petition to issue a noncompetitive oil and gas lease, under subsection (j) of this section or in response to a request filed after issuance of such a lease, or both, the Secretary is authorized to reduce the royalty on such lease if in his judgment it is equitable to do so or the cir-

cumstances warrant such relief due to uneconomic or other circumstances which could cause undue hardship or premature termination of production.

''(2) In acting on a petition for reinstatement pursuant to subsection (d) of this section or in response to a request filed after reinstatement, or both, the Secretary is authorized to reduce the royalty in that reinstated lease on the entire leasehold or any tract or portion thereof segregated for royalty purposes if, in his judgment, there are uneconomic or other circumstances which could cause undue hardship or premature termination of production; or because of any written action of the United States, its agents or employees, which preceded, and was a major consideration in, the lessee's expenditure of funds to develop the property under the lease after the rent had become due and had not been paid; or if in the judgment of the Secretary it is equitable to do so for any reason.''; and

(6) by adding at the end the following:

''(j) ISSUANCE OF NONCOMPETITIVE OIL AND GAS LEASE; CONDITIONS.—Where an unpatented oil placer mining claim validly located prior to February 24, 1920, which has been or is currently producing or is capable of producing oil or gas, has been or is hereafter deemed con-

clusively abandoned for failure to file timely the required instruments or copies of instruments required by section 1744 of title 43, and it is shown to the satisfaction of the Secretary that such failure was inadvertent, justifiable, or not due to lack of reasonable diligence on the part of the owner, the Secretary may issue, for the lands covered by the abandoned unpatented oil placer mining claim, a noncompetitive oil and gas lease, consistent with the provisions of section 17(e) of this Act, to be effective from the statutory date the claim was deemed conclusively abandoned. Issuance of such a lease shall be conditioned upon—

''(1) a petition for issuance of a noncompetitive oil and gas lease, together with the required rental and royalty, including back rental and royalty accruing from the statutory date of abandonment of the oil placer mining claim, being filed with the Secretary—

''(A) with respect to any claim deemed conclusively abandoned on or before January 12, 1983, on or before the one hundred and twentieth day after January 12, 1983; or

''(B) with respect to any claim deemed conclusively abandoned after January 12, 1983, on or before the one hundred and twentieth day

after final notification by the Secretary or a court of competent jurisdiction of the determination of the abandonment of the oil placer mining claim;

''(2) a valid lease not having been issued affecting any of the lands covered by the abandoned oil placer mining claim prior to the filing of such petition: *Provided*, *however,* That after the filing of a petition for issuance of a lease under this subsection, the Secretary shall not issue any new lease affecting any of the lands covered by such abandoned oil placer mining claim for a reasonable period, as determined in accordance with regulations issued by him;

''(3) a requirement in the lease for payment of rental, including back rentals accruing from the statutory date of abandonment of the oil placer mining claim, of not less than $5 per acre per year;

''(4) a requirement in the lease for payment of royalty on production removed or sold from the oil placer mining claim, including all royalty on production made subsequent to the statutory date the claim was deemed conclusively abandoned, of not less than 12½ percent; and

''(5) compliance with the notice and reimbursement of costs provisions of paragraph (4) of sub-

section (e) but addressed to the petition covering the conversion of an abandoned unpatented oil placer mining claim to a noncompetitive oil and gas lease.''.

SEC. 80103. PERMIT FEES.

Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is further amended by adding at the end the following:

''(r) FEE FOR COMMINGLING OF PRODUCTION.—

''(1) IN GENERAL.—The Secretary of the Interior shall approve applications allowing for the commingling of production from two or more sources (including the area of an oil and gas lease, the area included in a drilling spacing unit, a unit participating area, a communitized area, or non-Federal property) before production reaches the point of royalty measurement regardless of ownership, the royalty rates, and the number or percentage of acres for each source if the applicant pays an application fee of $10,000 and agrees to install measurement devices for each source, utilize an allocation method that achieves volume measurement uncertainty levels within plus or minus 2 percent during the production phase reported on a monthly basis, or utilize an approved periodic well testing methodology. Production from multiple oil and gas leases, drilling spacing

units, communitized areas, or participating areas from a single wellbore shall be considered a single source. Nothing in this subsection shall prevent the Secretary of the Interior from continuing the current practice of exercising discretion to authorize higher percentage volume measurement uncertainty levels if appropriate technical and economic justifications have been provided.

''(2) REVENUE ALLOCATION.—Fees received under this subsection shall be deposited into the Treasury as miscellaneous receipts.

''(s) FEES FOR PERMITS-BY-RULE.—

''(1) IN GENERAL.—The Secretary shall establish, by regulation not later than 2 years after the date of enactment of this subsection, a permit-by-rule process under which a leaseholder may receive approval to drill for oil and gas if the leaseholder certifies compliance with such regulations and pays a fee of $5,000. Such permit-by-rule process shall allow drilling operations to commence no later than 45 days after the leaseholder has filed a registration that certifies compliance with such regulations and paid the fee required by this paragraph.

''(2) REVENUE ALLOCATION.—Fees received under this subsection shall be deposited into the Treasury as miscellaneous receipts.''.

SEC. 80104. PERMITTING FEE FOR NON-FEDERAL LAND.

(a) IN GENERAL.—Notwithstanding section 17 of the Mineral Leasing Act (30 U.S.C. 226), but subject to any applicable State requirements, the Secretary of the Interior shall not require a permit to drill for an oil and gas lease under the Mineral Leasing Act for an action occurring within an oil and gas drilling or spacing unit if the leaseholder pays a fee of $5,000 and—

(1) the Federal Government—

(A) owns less than 50 percent of the minerals within the oil and gas drilling or spacing unit; and

(B) does not own or lease the surface estate within the area directly impacted by the action; or

(2) the well is located on non-Federal land overlying a non-Federal mineral estate, but some portion of the wellbore traverses but does not produce from the Federal mineral estate subject to the lease.

(b) NOTIFICATION.—For each State permit to drill or drilling plan that would impact or extract oil and gas owned by the Federal Government—

(1) each lessee of Federal minerals in the unit, or designee of a lessee, shall—

(A) notify the Secretary of the Interior of the submission of a State application for a permit to drill or drilling plan on submission of the application;

(B) provide a copy of the application described in subparagraph (A) to the Secretary of the Interior not later than 5 days after the date on which the permit or plan is submitted; and

(C) pay to the Secretary of the Interior the $5,000 fee referenced in subsection (a) of this section;

(2) each lessee, designee of a lessee, or applicable State shall notify the Secretary of the Interior of the approved State permit to drill or drilling plan not later than 45 days after the date on which the permit or plan is approved; and

(3) each lessee or designee of a lessee shall provide, prior to commencing drilling operations, agreements authorizing the Secretary of the Interior to enter non-Federal land, as necessary, for inspection and enforcement of the terms of the Federal lease.

(c) EFFECT.—Nothing in this section affects the amount of royalties due to the Federal Government from

the production of the Federal minerals within the oil and gas drilling or spacing unit.

(d) REVENUE ALLOCATION.—Fees received under this section shall be deposited into the Treasury as miscellaneous receipts.

(e) AUTHORITY ON NON-FEDERAL LAND.—Section 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g)) is amended—

(1) by striking the subsection designation and all that follows through ''Secretary of the Interior, or'' in the first sentence and inserting the following:

''(g) REGULATION OF SURFACE DISTURBING ACTIVITIES.—

''(1) IN GENERAL.—The Secretary of the Interior, or''; and

(2) by adding at the end the following:

''(2) AUTHORITY ON NON-FEDERAL LAND.—

''(A) IN GENERAL.—In the case of an oil and gas lease under this Act on land described in subparagraph (B) located within an oil and gas drilling or spacing unit, nothing in this Act authorizes the Secretary of the Interior to—

''(i) require a bond to protect non-Federal land;

''(ii) enter non-Federal land without the consent of the applicable landowner;

''(iii) impose mitigation requirements; or

''(iv) require approval for surface reclamation.

''(B) LAND.—Land referred to in subparagraph (A) is land where—

''(i) the Federal Government—

''(I) owns less than 50 percent of the minerals within the oil and gas drilling or spacing unit; and

''(II) does not own or lease the surface estate within the area directly impacted by the action;

''(ii) the well is located on non-Federal land overlying a non-Federal mineral estate, but some portion of the wellbore enters and produces from the Federal mineral estate subject to the lease; or

''(iii) the well is located on non-Federal land overlying a non-Federal mineral estate, but some portion of the wellbore traverses but does not produce from the Federal mineral estate subject to the lease.

''(C) NO FEDERAL ACTION.—An oil and gas exploration or production activity carried out under a lease described in subparagraph (A)—

''(i) shall require no Federal action; and

''(ii) may commence 30 days after the leaseholder submits the State permit to the Secretary.''.

SEC. 80105. REINSTATE REASONABLE ROYALTY RATES.

(a) OFFSHORE OIL AND GAS ROYALTY RATE.—Section 8(a)(1) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(1)) is amended—

(1) in subparagraph (A), by striking ''not less than 16⅔ percent, but not more than 18¾ percent, during the 10-year period beginning on the date of enactment of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14', and not less than 16⅔ percent thereafter,'' and inserting ''not less than 12.5 percent, but not more than 18¾ percent,'';

(2) in subparagraph (C), by striking ''not less than 16⅔ percent, but not more than 18¾ percent, during the 10-year period beginning on the date of enactment of the Act titled 'An Act to provide for

reconciliation pursuant to title II of S. Con. Res. 14', and not less than 16⅔ percent thereafter,'' and inserting ''not less than 12.5 percent, but not more than 18¾ percent,'';

(3) in subparagraph (F), by striking ''not less than 16⅔ percent, but not more than 18¾ percent, during the 10-year period beginning on the date of enactment of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14', and not less than 16⅔ percent thereafter,'' and inserting ''not less than 12.5 percent, but not more than 18¾ percent,''; and

(4) in subparagraph (H), by striking ''not less than 16⅔ percent, but not more than 18¾ percent, during the 10-year period beginning on the date of enactment of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14', and not less than 16⅔ percent thereafter,'' and inserting ''not less than 12.5 percent, but not more than 18¾ percent,''.

(b) ONSHORE OIL AND GAS ROYALTY RATES.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A), by striking ''the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14', 16⅔'' and inserting ''subsection (s), 12.5''; and

(B) in paragraph (2)(A)(ii), by striking ''16⅔ percent'' and inserting ''16⅔ percent or, in the case of a lease issued on or after the date of enactment of subsection (s), 12.5 percent'';

(2) in subsection (l), by striking ''16⅔ percent'' each place it appears and inserting ''16⅔ percent or, in the case of a lease issued on or after the date of enactment of subsection (s), 12.5 percent''; and

(3) in subsection (n)(1)(C), by striking ''16⅔ percent'' and inserting ''16⅔ percent or, in the case of a lease issued on or after the date of enactment of subsection (s), 12.5 percent''.

PART 2—GEOTHERMAL

SEC. 80111. GEOTHERMAL LEASING.

Section 4(b) of the Geothermal Steam Act of 1970 (30 U.S.C. 1003(b)) is amended—

(1) in paragraph (2), by striking ''2 years'' and inserting ''year''; and

(2) by adding at the end the following:

''(5) REPLACEMENT SALES.—If a lease sale under paragraph (2) for a year is canceled or de-

layed, the Secretary of the Interior shall conduct a replacement sale during the same year.

''(6) REQUIREMENT.—In conducting a lease sale under paragraph (2) in a State described in that paragraph, the Secretary of the Interior shall offer all nominated parcels eligible for geothermal development and utilization under a land use plan developed or revised under section 202 of the Federal Land Policy and Management Act of 1976 that is in effect for the State.''.

SEC. 80112. GEOTHERMAL ROYALTIES.

Section 5(a)(1) of the Geothermal Steam Act of 1970 (30 U.S.C. 1004(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by inserting ''with respect to each electric generating facility producing electricity,'' before ''not less than''; and

(B) by inserting by ''by such facility'' after ''produced''; and

(2) in subparagraph (B)—

(A) by inserting ''with respect to each electric generating facility producing electricity,'' before ''not less than''; and

(B) by inserting by ''by such facility'' after ''produced''.

PART 3—ALASKA

SEC. 80121. COASTAL PLAIN OIL AND GAS LEASING.

(a) DEFINITIONS.—In this section:

(1) COASTAL PLAIN.—The term ''Coastal Plain'' has the meaning given the term in section 20001(a) of Public Law 115–97 (16 U.S.C. 3143 note).

(2) OIL AND GAS PROGRAM.—The term ''oil and gas program'' means the oil and gas program established under section 20001(b)(2) of Public Law 115–97 (16 U.S.C. 3143 note).

(3) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(b) ADMINISTRATION.—Not later than 30 days after the date of enactment of this Act, the Secretary shall—

(1) withdraw—

(A) the supplemental environmental impact statement described in the notice of availability of the Bureau of Land Management entitled ''Notice of Availability of the Final Coastal Plain Oil and Gas Leasing Program Supplemental Environmental Impact Statement, Alaska'' (89 Fed. Reg. 88805 (November 8, 2024)); and

(B) the record of decision described in the notice of availability of the Bureau of Land

Management entitled ''Notice of Availability of the Record of Decision for the Final Supplemental Environmental Impact Statement for the Coastal Plain Oil and Gas Leasing Program, Alaska'' (89 Fed. Reg. 101042 (December 13, 2024)); and

(2) reinstate—

(A) the environmental impact statement described in the notice of availability of the Bureau of Land Management entitled ''Notice of Availability of the Final Environmental Impact Statement for the Coastal Plain Oil and Gas Leasing Program, Alaska'' (84 Fed. Reg. 50472 (September 25, 2019)); and

(B) the record of decision described in the notice of availability of the Bureau of Land Management entitled ''Notice of Availability of the Record of Decision for the Final Environmental Impact Statement for the Coastal Plain Oil and Gas Leasing Program, Alaska'' (85 Fed. Reg. 51754 (August 21, 2020)).

(c) REISSUANCE OF CANCELLED LEASES.—

(1) ACCEPTANCE OF BIDS.—Not later than 30 days after the date of enactment of this Act, the Secretary shall, without modification or delay—

(A) accept the highest valid bid for each Coastal Plain lease tract for which a valid bid was received on January 6, 2021, pursuant to the requirement to hold the first lease sale under section 20001(c)(1)(A) of Public Law 115–97 (16 U.S.C. 3143 note); and

(B) provide the appropriate lease form to each successful bidder under subparagraph (A) to execute and return to the Secretary.

(2) LEASE ISSUANCE.—On receipt of an executed lease form under paragraph (1)(B) and payment in accordance with that lease of the rental for the first year, the balance of the bonus bid (unless deferred), and any required bond or security from the successful bidder, the Secretary shall promptly issue to the successful bidder a fully executed lease, in accordance with—

(A) the applicable regulations, as in effect on January 6, 2021; and

(B) the terms and conditions of the record of decision described in subsection (b)(2)(B).

(3) TERMS AND CONDITIONS.—Leases reissued pursuant to this subsection shall include the terms and conditions from the record of decision described in the notice of availability of the Bureau of Land

Management entitled ''Notice of Availability of the Record of Decision for the Final Environmental Impact Statement for the Coastal Plain Oil and Gas Leasing Program, Alaska'' (85 Fed. Reg. 51754 (August 21, 2020)).

(4) EXCEPTION.—This subsection shall not apply to any bid for which a lease was issued and subsequently relinquished by the successful bidder prior to the date of enactment of this Act.

(d) LEASE SALES REQUIRED.—

(1) IN GENERAL.—Subject to paragraph (2), in addition to the lease sales required under section 20001(c)(1)(A) of Public Law 115–97 (16 U.S.C. 3143 note), the Secretary shall conduct not fewer than 4 lease sales area-wide under the oil and gas program by not later than 10 years after the date of the enactment of this Act.

(2) SALE ACREAGES; SCHEDULE.—The Secretary shall offer—

(A) an initial lease sale under paragraph (1) not later than 1 year after the date of the enactment of this Act;

(B) a second lease sale under paragraph (1) not later than 3 years after the date of the enactment of this Act;

(C) a third lease sale under paragraph (1) not later than 5 years after the date of the enactment of this Act;

(D) a fourth lease sale under paragraph (1) not later than 7 years after the date of the enactment of this Act; and

(E)(i) not fewer than 400,000 acres areawide in each lease sale, including those areas that have the highest potential for the discovery of hydrocarbons; or

(ii) the total number of unleased acres subject to the provisions of this section if that total number of available acres is less than 400,000 acres.

(3) LEASING CERTAINTY.—The record of decision described in subsection (b)(2)(B) shall be considered to satisfy the requirements of—

(A) the Alaska National Interest Lands Conservation Act;

(B) the National Environmental Policy Act of 1969;

(C) Public Law 115–97;

(D) the Endangered Species Act of 1973;

(E) subchapter II of chapter 5 of title 5, United States Code, and chapter 7 of title 5, United States Code; and

(F) the Marine Mammal Protection Act of 1972.

(e) LEASE ISSUANCE.—Leases shall be reissued or issued under subsections (c) and (d)—

(1) not later than 60 days after payment by the successful bidder of the remainder of the bonus bid, if any, and the annual rental for the first lease year;

(2) in accordance with the applicable regulations, as in effect on January 6, 2021; and

(3) in accordance with the terms and conditions from the record of decision described in the notice of availability of the Bureau of Land Management entitled ''Notice of Availability of the Record of Decision for the Final Environmental Impact Statement for the Coastal Plain Oil and Gas Leasing Program, Alaska'' (85 Fed. Reg. 51754 (August 21, 2020)).

(f) GEOPHYSICAL SURVEYS.—Not later than 30 days after the date on which the Secretary receives a complete application pursuant to section 3152.1 of title 43, Code of Federal Regulations (or any successor regulations), to conduct oil and gas geophysical exploration operations in

the Coastal Plain, the Secretary shall approve such application.

(g) RECEIPTS.—Notwithstanding section 35 of the Mineral Leasing Act (30 U.S.C. 191) and section 20001(b)(5) of Public Law 115–97 (16 U.S.C. 668dd note), of the amount of adjusted bonus, rental, and royalty receipts derived from the oil and gas program and operations on the Coastal Plain pursuant to this section—

(1)(A) for fiscal years 2025 through 2034, 50 percent shall be paid to the State of Alaska; and

(B) for fiscal year 2035 and thereafter, 90 percent shall be paid to the State of Alaska; and

(2) the balance shall be deposited into the Treasury as miscellaneous receipts.

(h) JUDICIAL PRECLUSION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no court shall have jurisdiction to review any action taken by the Secretary, the Administrator of the Environmental Protection Agency, or a State or municipal government administrative agency to—

(A) reissue a lease pursuant to subsection (c) or issue a lease under a lease sale conducted under subsection (d); or

(B) grant or issue a right-of-way, easement, authorization, permit, verification, bio-

logical opinion, incidental take statement, or other approval for a lease reissued pursuant to subsection (c) or issued under a lease sale conducted under subsection (d), whether reissued or issued prior to, on, or after the date of the enactment of this Act, and including any lawsuit or any other action pending in a court as of the date of enactment of this Act.

(2) PETITION BY LEASEHOLDER.—

(A) IN GENERAL.—A leaseholder or the State of Alaska may obtain a review of an alleged failure by the Secretary to act in accordance with this section or with any law pertaining to granting or issuing a lease, right-of-way, easement, authorization, permit, verification, biological opinion, incidental take statement, or other approval related to a lease under this section by filing a written petition with a court of competent jurisdiction seeking an order.

(B) DEADLINES.—If a court of competent jurisdiction finds pursuant to subparagraph (A) that an agency has failed to act in accordance with this section or with any law pertaining to granting or issuing a lease, right-of-way, ease-

ment, authorization, permit, verification, biological opinion, incidental take statement, or other approval related to a lease under this section, the court shall set a schedule and deadline for the agency to act as soon as practicable, which shall not exceed 90 days from the date on which the order of the court is issued, unless the court determines a longer time period is necessary to comply with applicable law.

PART 4—COAL

SEC. 80141. COAL LEASING.

(a) MANDATORY LEASING AND OTHER REQUIRED APPROVALS.—Not later than 90 days after the date of enactment of this Act in the case of a pending application, or not later than 90 days after the date of submission in the case of an application submitted after the date of the enactment of this Act, the Secretary of the Interior shall—

(1) with respect to each qualified application—

(A) if not previously published for public comment, publish any required environmental review;

(B) finalize the fair market value of the applicable coal tract;

(C) hold a lease sale with respect to the applicable coal tract;

(D) take all other intermediate actions necessary to grant the qualified application; and

(E) after completing the actions required by subparagraphs (A) through (D), grant the qualified application and issue the applicable lease to the person that submitted the qualified application if that person submitted the highest bid in the lease sale held under subparagraph (C); and

(2) with respect to previously issued coal leases, grant any additional approvals of the Department of the Interior required for mining activities to commence.

(b) LEASES FOR KNOWN RECOVERABLE COAL RESOURCES.—Notwithstanding section 2(a)(3)(A) of the Mineral Leasing Act (30 U.S.C. 201(a)(3)(A)) and section 202(a) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712(a)), not later than 90 days after the date of enactment of this Act, the Secretary of the Interior shall make available for lease known recoverable coal resources of not less than 4,000,000 additional acres on Federal land west of the 100th meridian located in the 48 contiguous States and Alaska, but which shall not include any Federal land within—

(1) a National Monument;

(2) a National Recreation Area;

(3) a component of the National Wilderness Preservation System;

(4) a component of the National Wild and Scenic Rivers System;

(5) a component of the National Trails System;

(6) a National Conservation Area;

(7) a unit of the National Wildlife Refuge System;

(8) a unit of the National Fish Hatchery System;

(9) a unit of the National Park System;

(10) a National Preserve;

(11) a National Seashore or National Lakeshore;

(12) a National Historic Site;

(13) a National Memorial;

(14) a National Battlefield, National Battlefield Park, National Battlefield Site, or National Military Park; or

(15) a National Historical Park.

(c) DEFINITIONS.—In this section:

(1) COAL LEASE.—The term ''coal lease'' means a lease entered into by the United States as lessor, through the Bureau of Land Management,

and an applicant on Bureau of Land Management Form 3400–012, or a successor form that contains terms of a coal lease.

(2) QUALIFIED APPLICATION.—The term ''qualified application'' means an application for a coal lease pending as of the date of enactment of this Act or submitted within 90 days thereafter under the lease by application program administered by the Bureau of Land Management pursuant to the Mineral Leasing Act.

SEC. 80142. FUTURE COAL LEASING.

Secretarial Order 3338, issued by the Secretary of the Interior on January 15, 2016, or any other actions limiting the Federal coal leasing program, shall have no force or effect.

SEC. 80143. COAL ROYALTY.

(a) RATE.—Section 7(a) of the Mineral Leasing Act (30 U.S.C. 207(a)) is amended by striking ''12½ per centum'' and inserting ''12½ percent, except such amount shall be not more than 7 percent during the period that begins on the date of enactment of subsection (s) of section 17 and ends September 30, 2034,''.

(b) RETROACTIVITY.—The amendment made by subsection (a) shall apply to a coal lease—

(1) issued under section 2 of the Mineral Leasing Act (30 U.S.C. 201) before, on, or after the date of the enactment of this subtitle; and

(2) that has not been terminated.

(c) ADVANCE ROYALTIES.—

(1) IN GENERAL.—With respect to a lease issued under section 2 of the Mineral Leasing Act (30 U.S.C. 201) for which the lessee has paid advance royalties under section 7(b) of that Act (30 U.S.C. 207(b)), the Secretary of the Interior shall provide to the lessee a credit for the difference between the amount paid by the lessee in advance royalties for the lease before the date of the enactment of this subtitle and the amount the lessee would have been required to pay if the amendment made by subsection (a) had been made before the lessee paid advance royalties for the lease.

(2) REFUND OF EXCESS CREDITS.—If a credit owed to a lessee pursuant to this subsection for prior payment of advance royalties is in excess of royalties owed at the conclusion of the term of the lease, the Secretary shall reimburse the lessee an amount equal to the credit less any royalties owed during that term.

SEC. 80144. AUTHORIZATION TO MINE FEDERAL MINERALS.

(a) IN GENERAL.—All Federal coal reserves leased under Federal Coal Lease MTM 97988 located within the covered Federal land are authorized to be mined in accordance with the Bull Mountains Mining Plan Modification.

(b) DEFINITIONS.—In this section:

(1) BULL MOUNTAINS MINING PLAN MODIFICATION.—The term ''Bull Mountains Mining Plan Modification'' means the Mine No. 1, Amendment 3 mining plan modification for Federal coal lease MTM 97988 described in the memorandum of the Department of the Interior titled ''Recommendation regarding the previously approved mining plan modification for Federal Lease MTM–97988 at Signal Peak Energy, LLC's Bull Mountains Mine No.1, located in Musselshell and Yellowstone Counties, Montana'' (November 18, 2020).

(2) COVERED FEDERAL LAND.—The term ''covered Federal land'' means the following land comprising approximately 800 acres:

(A) The NE ¼ of sec. 8, T. 6 N., R. 27 E., Montana Principal Meridian.

(B) The SW ¼ of sec. 10, T. 6 N., R. 27 E., Montana Principal Meridian.

(C) The W ½, SE ¼ of sec. 22, T. 6 N., R. 27 E., Montana Principal Meridian.

PART 5—NEPA

SEC. 80151. PROJECT SPONSOR OPT-IN FEES FOR ENVIRONMENTAL REVIEWS.

The National Environmental Policy Act of 1969 is amended by inserting after section 111 (42 U.S.C. 4336e) the following:

"SEC. 112. PROJECT SPONSOR OPT-IN FEES FOR ENVIRONMENTAL REVIEWS.

''(a) PROCESS.—

''(1) PROJECT SPONSOR.—A project sponsor who intends to pay a fee under this section for the preparation, or supervision of the preparation, of an environmental assessment or environmental impact statement with respect to the project of the project sponsor shall submit to the Council—

''(A) a description of the project; and

''(B) a declaration of whether the project sponsor intends to prepare the environmental assessment or environmental impact statement under section 107(f) of this title.

''(2) NOTICE OF AMOUNT OF FEE.—Not later than 15 days after the receipt of the information described in paragraph (1), the Council shall provide to the project sponsor that submitted such information notice of the amount of the fee, as determined under subsection (b).

''(3) PAYMENT OF FEE.—A project sponsor may pay a fee under this section after receipt of the notice described in paragraph (2).

''(4) DEADLINE FOR ENVIRONMENTAL REVIEWS FOR WHICH A FEE IS PAID.—Notwithstanding section 107(g)(1)—

''(A) an environmental assessment for which a fee was paid under this section shall be completed by not later than 6 months after the sooner of, as applicable, the dates described in clauses (i), (ii), and (iii) of section 107(g)(1)(B); and

''(B) an environmental impact statement for which a fee was paid under this section shall be completed by not later than 1 year after the sooner of, as applicable, the dates described in clauses (i), (ii), and (iii) of section 107(g)(1)(A).

''(b) FEE AMOUNT.—The amount of a fee under this section shall be—

''(1) in the case of an environmental assessment or environmental impact statement to be prepared by the lead agency, 125 percent of the anticipated costs to prepare the environmental assessment or environmental impact statement; and

''(2) in the case of an environmental assessment or environmental impact statement to be prepared in whole or in part by a project sponsor under section 107(f), 125 percent of the anticipated costs to supervise preparation of, and (as applicable) prepare, the environmental assessment or environmental impact statement.

''(c) JUDICIAL REVIEW.—

''(1) EA; EIS.—There shall be no judicial review of an environmental assessment or environmental impact statement for which a fee is paid under this section.

''(2) FONSI; ROD.—An action for judicial review of a finding of no significant impact or record of decision that is associated with an environmental assessment or environmental impact statement described in paragraph (1) may not challenge the finding of no significant impact or record of decision based on an alleged issue with the environmental assessment or environmental impact statement.

''(d) REVENUE ALLOCATION.—Fees received under this section shall be deposited into the Treasury as miscellaneous receipts.''.

SEC. 80152. RESCISSION RELATING TO ENVIRONMENTAL AND CLIMATE DATA COLLECTION.

The unobligated balance of any amounts made available under section 60401 of Public Law 117–169 is rescinded.

PART 6—MISCELLANEOUS

SEC. 80161. PROTEST FEES.

Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is further amended by adding at the end the following:

''(t) PROTEST FILING FEE.—

''(1) IN GENERAL.—Before processing any protest under this Act, the Secretary shall collect a filing fee in the amount described in paragraph (2) from the protestor to recover the cost for processing documents filed for the protest.

''(2) AMOUNT.—The amount described in this paragraph is calculated as follows:

''(A) For each protest filed in a submission not exceeding 10 pages in length, the base filing fee shall be $150.

''(B) For each protest filed in a submission exceeding 10 pages in length, in addition to the base filing fee, an assessment of $5 per page in excess of 10 pages shall apply.

''(C) For each protest filed in a submission that includes more than one oil and gas lease parcel, right-of-way, or application for permit to drill, an additional assessment of $10 per additional lease parcel, right-of-way, or application for permit to drill shall apply.

''(3) ADJUSTMENT.—

''(A) IN GENERAL.—Beginning on January 1, 2026, and annually thereafter, the Secretary shall adjust the filing fees established in this subsection to whole dollar amounts to reflect changes in the Producer Price Index, as published by the Bureau of Labor Statistics, for the previous 12 months.

''(B) PUBLICATION OF ADJUSTED FILING FEES.—At least 30 days before an adjustment to a filing fee under this paragraph takes effect, the Secretary shall publish notification of the adjustment in the Federal Register.

''(4) REVENUE ALLOCATION.—All revenues collected under this paragraph shall be deposited in the Treasury as miscellaneous receipts.''.

PART 7—OFFSHORE OIL AND GAS LEASING

SEC. 80171. MANDATORY OFFSHORE OIL AND GAS LEASE SALES.

(a) IN GENERAL.—

(1) GULF OF AMERICA.—

(A) IN GENERAL.—Notwithstanding the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program, the Secretary shall hold not fewer than 30 lease sales in the Gulf of America during the 15-year period beginning on the date of the enactment of this section.

(B) LOCATION REQUIREMENT.—For each lease sale held under this paragraph, the Secretary may offer for lease only an area identified as the Proposed Final Program Area in Figure S–1 of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program referenced in the notice of availability published by the Bureau of Ocean Energy Management titled ''Notice of Availability of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program'' (81 Fed. Reg. 84612; published November 23, 2016).

(C) ACREAGE REQUIREMENT.—For each lease sale held under this paragraph, the Secretary shall offer for lease—

(i) not fewer than 80,000,000 acres; or

(ii) if there are fewer than 80,000,000 acres that are unleased, all such unleased acres.

(D) TIMING REQUIREMENT.—Of the not fewer than 30 lease sales required under this paragraph, the Secretary shall hold not fewer than 1 lease sale on or before each of the following dates:

(i) December 15, 2025.

(ii) March 15, 2026.

(iii) August 15, 2026.

(iv) March 15, 2027.

(v) August 15, 2027.

(vi) March 15, 2028.

(vii) August 15, 2028.

(viii) March 15, 2029.

(ix) August 15, 2029.

(x) March 15, 2030.

(xi) August 15, 2030.

(xii) March 15, 2031.

(xiii) August 15, 2031.

(xiv) March 15, 2032.

(xv) August 15, 2032.

(xvi) March 15, 2033.

(xvii) August 15, 2033.

(xviii) March 15, 2034.

(xix) August 15, 2034.

(xx) March 15, 2035.

(xxi) August 15, 2035.

(xxii) March 15, 2036.

(xxiii) August 15, 2036.

(xxiv) March 15, 2037.

(xxv) August 15, 2037.

(xxvi) March 15, 2038.

(xxvii) August 15, 2038.

(xxviii) March 15, 2039.

(xxix) August 15, 2039.

(xxx) March 15, 2040.

(E) LEASE TERMS AND CONDITIONS.—

(i) IN GENERAL.—For each lease sale held under this paragraph, the Secretary shall, except as provided in clause (iii), offer the same lease form, lease terms, economic conditions, and stipulations 4 through 10 as contained in the Bureau of

Ocean Energy Management final notice of sale titled ''Gulf of Mexico Outer Continental Shelf Region-Wide Oil and Gas Lease Sale 254'' (85 Fed. Reg. 8010; published February 12, 2020).

(ii) UPDATE.—The Secretary is authorized to update stipulations 1 through 3 of the final notice of sale titled ''Gulf of Mexico Outer Continental Shelf Region-Wide Oil and Gas Lease Sale 254'' (85 Fed. Reg. 8010; published February 12, 2020) to reflect current conditions for lease sales held under this paragraph.

(iii) DEEPWATER TERM.—The primary term for a lease in water depths of 800 meters or deeper issued as a result of a sale held under this paragraph shall be 10 years.

(2) COOK INLET PLANNING AREA.—

(A) IN GENERAL.—Notwithstanding the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program, the Secretary shall hold not fewer than 6 lease sales in the Cook Inlet Planning Area during the 10-year

period beginning on the date of the enactment of this section.

(B) LOCATION REQUIREMENT.—For each lease sale held under this paragraph, the Secretary may offer for lease only an area identified in Figure S–2 of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program referenced in the notice of availability published by the Bureau of Ocean Energy Management titled ''Notice of Availability of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program'' (81 Fed. Reg. 84612; published November 23, 2016).

(C) ACREAGE REQUIREMENT.—For each lease sale held under this paragraph, the Secretary shall offer for lease—

(i) not fewer than 1,000,000 acres; or

(ii) if there are fewer than 1,000,000 acres that are unleased, all such unleased acres.

(D) TIMING REQUIREMENT.—Of the not fewer than 6 lease sales required under this paragraph, the Secretary shall hold not fewer

than 1 lease sale on or before each of the following dates:

(i) March 15, 2026.

(ii) March 15, 2027.

(iii) August 15, 2028.

(iv) March 15, 2030.

(v) August 15, 2031.

(vi) March 15, 2032.

(E) LEASE TERMS AND CONDITIONS.—For each lease sale held under this paragraph, the Secretary shall offer the same lease form, lease terms, economic conditions, and stipulations as contained in the final notice of sale titled ''Outer Continental Shelf Cook Inlet, Alaska, Oil and Gas Lease Sale 244'' (82 Fed. Reg. 23163; published May 22, 2017).

(F) REVENUE SHARING.—Notwithstanding section 8(g) and 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g) and 1338), and beginning in fiscal year 2035, of the bonuses, rents, royalties, and other revenues derived from leases issued pursuant to this paragraph—

(i) 90 percent shall be paid to the State of Alaska; and

(ii) 10 percent shall be deposited in the Treasury as miscellaneous receipts.

(b) LEASE SALES HELD UNDER PROPOSED FINAL PROGRAM.—The lease sales held under this section shall be in addition to the lease sales held under the Proposed Final Program for the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program referenced in the notice of availability published by the Bureau of Ocean Energy Management titled ''Notice of Availability of the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program and Final Programmatic Environmental Impact Statement'' (88 Fed. Reg. 67798; published October 2, 2023).

(c) OTHER REQUIREMENTS.—During the period beginning on the date of the enactment of this section and ending on the date that is 2 years after the date on which the last lease sale required to be held under this section is held, with respect to each lease sale held, lease issued, and any activity that requires a Federal authorization and is associated with a lease issued pursuant to this title, the Outer Continental Shelf Lands Act, or section 50264 of Public Law 117–169 in the Gulf of America—

(1) adherence with the Biological Opinion shall satisfy the Secretary's obligations under the Endan-

gered Species Act of 1973 and the Marine Mammal Protection Act of 1972;

(2) the final programmatic environmental impact statement referenced in the notice of availability titled ''Final Programmatic Environmental Impact Statement for the 2017–2022 Outer Continental Shelf (OCS) Oil and Gas Leasing Program'' (81 Fed. Reg. 83870; published November 22, 2016), the Record of Decision related to such final programmatic environmental impact statement, and the final environmental impact statement referenced in the notice of availability titled ''Final Environmental Impact Statement for Outer Continental Shelf, Gulf of Mexico, 2017–2022 Oil and Gas Lease Sales 249, 250, 251, 252, 253, 254, 256, 257, 259, and 261'' (82 Fed. Reg. 13363; published March 10, 2017) shall satisfy the Secretary's obligations under the National Environmental Policy Act of 1969 and division A of subtitle III of title 54, United States Code; and

(3) the consistency determinations prepared by the Bureau of Ocean Energy Management under section 307 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456) for Lease Sale 261 for the States of Texas, Louisiana, Mississippi, Alabama,

and Florida shall satisfy the Secretary's obligations under that section (16 U.S.C. 1456).

(d) ISSUANCE OF LEASES.—If the Secretary receives an acceptable bid for an area offered in a lease sale held under this section, the Secretary shall—

(1) in accordance with section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337), accept the highest acceptable bid for such area; and

(2) not later than 90 days after the date on which the applicable lease sale ends, issue a lease of the area to the highest responsible qualified bidder.

(e) NOMINATION OF AREAS FOR INCLUSION IN LEASE SALE BY GOVERNOR.—

(1) IN GENERAL.—The Secretary shall establish a process through which the Governor of a State may nominate for leasing under a lease sale held under this section an area of the outer Continental Shelf that is—

(A) adjacent to the waters of the State; and

(B) unleased and available for leasing.

(2) INCLUSION OF NOMINATED AREA.—If under paragraph (1) the Governor of a State nominates an area described in that paragraph for leasing under a lease sale held under this section, the Secretary

shall include the area in the next scheduled lease sale under subsection (a)(1)(D).

(f) GEOLOGICAL AND GEOPHYSICAL SURVEYS.—Not later than 30 days after the date on which the Secretary receives a complete application pursuant to section 551.5 of title 30, Code of Federal Regulations (as in effect on September 22, 2015), to conduct a geological or geophysical survey pursuant to oil and gas activities on the outer Continental Shelf, the Secretary shall approve such application.

(g) LEASE SALE 259 AND LEASE SALE 261 LEASES.—

(1) LEASING REVENUE CERTAINTY.—A lease awarded under Lease Sale 259 or Lease Sale 261, which has been fully executed by the Secretary, shall not be set aside, vacated, enjoined, suspended, or cancelled except in accordance with section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334).

(2) NO ADDITIONAL TERMS OR CONDITIONS.—The Secretary shall not impose any additional terms or conditions on a lease awarded under Lease Sale 259 or Lease Sale 261, which has been fully executed by the Secretary, that were not included in the Bureau of Ocean Energy Management final notice of

sale titled ''Gulf of Mexico Outer Continental Shelf Oil and Gas Lease Sale 259'' (88 Fed. Reg. 12404; published Feb. 27, 2023) or the final notice of sale titled ''Gulf of Mexico Outer Continental Shelf Oil and Gas Lease Sale 261'' (88 Fed. Reg. 80750; published on Nov. 20, 2023).

(h) JUDICIAL REVIEW.—Section 23(c)(2) of the Outer Continental Shelf Lands Act (43 U.S.C. 1349(c)(2)) is amended to read as follows:

''(2) Any action of the Secretary to approve, require modification of, or disapprove any exploration plan, development and production plan, bidding procedure, lease sale, lease issuance, or permit or authorization related to oil and gas exploration, development, or production under this Act, or any inaction by the Secretary resulting in the failure to hold a lease sale under any Federal law requiring oil and gas lease sales on the outer Continental Shelf, shall be subject to judicial review only in a United States court of appeals for a circuit in which an affected State is located.''.

(i) DEFINITIONS.—In this section:

(1) ACCEPTABLE BID.—The term ''acceptable bid'' means a bid that meets the requirements of the document published by the Bureau of Ocean Energy Management titled ''Summary of Procedures for De-

termining Bid Adequacy at Offshore Oil and Gas Lease Sales Effective March 2016, with Central Gulf of Mexico Sale 241 and Eastern Gulf of Mexico Sale 226''.

(2) BIOLOGICAL OPINION.—The term ''Biological Opinion''—

(A) means the biological opinion issued by the National Marine Fisheries Service titled ''Biological Opinion on the Federally Regulated Oil and Gas Program Activities in the Gulf of Mexico'' and the incidental take statement associated with such biological opinion (published March 12, 2020, and updated April 26, 2021); and

(B) does not include sections 3.3.1 through 3.3.3 of such biological opinion.

(3) LEASE.—The term ''lease'' means an oil and gas lease.

(4) LEASE SALE 259.—The term ''Lease Sale 259'' means the lease sale held by the Bureau of Ocean Energy Management on March 29, 2023.

(5) LEASE SALE 261.—The term ''Lease Sale 261'' means the lease sale held by the Bureau of Ocean Energy Management on December 20, 2023.

(6) OUTER CONTINENTAL SHELF.—The term ''outer Continental Shelf'' has the meaning given such term in section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331).

(7) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

SEC. 80172. OFFSHORE COMMINGLING.

The Secretary of the Interior shall approve operator requests to commingle production from multiple reservoirs within a single wellbore completed on the Outer Continental Shelf of the Gulf of America unless conclusive evidence establishes that such commingling—

(1) could not be conducted in a safe manner; or

(2) would result in the ultimate recovery from such formations being reduced.

SEC. 80173. LIMITATIONS ON AMOUNT OF DISTRIBUTED QUALIFIED OUTER CONTINENTAL SHELF REVENUES.

Section 105(f)(1) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note) is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by striking ''2055.'' and inserting ''2024;''; and

(3) by adding at the end the following:

''(D) $650,000,000 for each of fiscal years 2025 through 2034; and

''(E) $500,000,000 for each of fiscal years 2035 through 2055.''.

PART 8—RENEWABLE ENERGY

SEC. 80181. RENEWABLE ENERGY FEES ON FEDERAL LANDS.

(a) ACREAGE RENT FOR WIND AND SOLAR RIGHTS-OF-WAY.—

(1) IN GENERAL.—Under the second sentence of section 504(g) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1764(g)), the Secretary shall, subject to paragraph (3) and not later than January 1 of each calendar year, collect from the holder of a right-of-way for a renewable energy project an acreage rent in an amount based on the equation described in paragraph (2).

(2) CALCULATION OF ACREAGE RENT RATE.—

(A) EQUATION.—The amount of an acreage rent collected under paragraph (1) shall be determined using the following equation: Acreage rent = $A \times B \times ((1 + C)^D)$.

(B) DEFINITIONS.—For purposes of subparagraph (A):

(i) The letter ''A'' means the Per-Acre Rate.

(ii) The letter ''B'' means the Encumbrance Factor.

(iii) The letter ''C'' means the Annual Adjustment Factor.

(iv) The letter ''D'' means the year in the term of the right-of-way.

(3) PAYMENT UNTIL PRODUCTION.—The holder of a right-of-way for a renewable energy project shall pay an acreage rent collected under paragraph (1) until the date on which energy generation begins.

(b) CAPACITY FEES.—

(1) IN GENERAL.—The Secretary shall, subject to paragraph (2), annually collect a capacity fee from the holder of a right-of-way for a renewable energy project based on the amount described in paragraph (2).

(2) CALCULATION OF CAPACITY FEE.—The amount of a capacity fee collected under paragraph (1) shall be equal to the greater of—

(A) an amount equal to the acreage rent described in subsection (a); and

(B) 4.58 percent of the gross proceeds from the sale of electricity produced by the renewable energy project.

(3) MULTIPLE-USE REDUCTION FACTOR.—

(A) APPLICATION.—The holder of a right-of-way for a wind energy generation project may request that the Secretary apply a 10-percent Multiple-Use Reduction Factor to the amount of a capacity fee determined under paragraph (2) by submitting to the Secretary an application for approval.

(B) APPROVAL.—The Secretary may approve an application submitted under subparagraph (A) if not less than 25 percent of the land within the area of the right-of-way is authorized for use, occupancy, or development with respect to an activity other than the generation of wind energy for the entirety of the year in which the capacity fee is collected.

(C) LATE DETERMINATION.—If the Secretary approves an application under subparagraph (B) for a wind energy generation project after the date on which the holder of the right-of-way for the project begins paying a capacity fee, the Secretary shall apply the Multiple-Use

Reduction Factor to the capacity fee in the following years. Under this subparagraph, the Secretary may not refund the holder of a right-of-way for the difference in the amount of a capacity fee paid in a previous year.

(c) LATE PAYMENT FEE; TERMINATION.—

(1) IN GENERAL.—The Secretary may charge the holder of a right-of-way for a renewable energy project a late payment fee if the Secretary does not receive payment for the acreage rent under subsection (a) or the capacity fee under subsection (b) by the date that is 15 days after the date on which the payment was due.

(2) TERMINATION OF RIGHT-OF-WAY.—The Secretary may terminate a right-of-way for a renewable energy project if the Secretary does not receive payment for the acreage rent under subsection (a) or the capacity fee under subsection (b) by the date that is 90 days after the date on which the payment was due.

(d) REVENUE ACCURACY, TRANSPARENCY, AND ACCOUNTABILITY.—The Secretary shall document, verify, and make publicly available the respective amount of wind and solar energy revenues collected under this section on

the Department of the Interior's Natural Resources Revenue Data website.

(e) ENSURING FEE CERTAINTY.—Section 3103 of the Energy Act of 2020 (43 U.S.C. 3003) is repealed.

(f) DEFINITIONS.—In this section:

(1) ANNUAL ADJUSTMENT FACTOR.—The term ''Annual Adjustment Factor'' means 3 percent.

(2) ENCUMBRANCE FACTOR.—The term ''Encumbrance Factor'' means—

(A) 100 percent for solar energy generation facilities; and

(B) an amount determined by the Secretary not less than 10 percent for wind energy generation facilities.

(3) PER-ACRE RATE.—The term ''Per-Acre Rate'' means the average of per-acre pastureland rental rates published in the Cash Rents Survey by the National Agricultural Statistics Service for the State in which the right-of-way is located over the 5 calendar-year period preceding the issuance or renewal of the right-of-way.

(4) PROJECT.—The term ''project'' means a system described in section 2801.9(a)(4) of title 43, Code of Federal Regulations (as such section is in effect on the date of the enactment of this Act).

(5) PUBLIC LANDS.—The term ''public lands'' means—

(A) public lands as such term is defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702); and

(B) the lands of the National Forest System as described in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)).

(6) RENEWABLE ENERGY PROJECT.—The term ''renewable energy project'' means a project located on public lands that uses wind or solar energy to generate energy.

(7) RIGHT-OF-WAY.—The term ''right-of-way'' has the meaning given such term in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

(8) SECRETARY.—The term ''Secretary'' means—

(A) the Secretary of the Interior with respect to land controlled or administered by the Secretary of the Interior; or

(B) the Secretary of Agriculture with respect to the lands of the National Forest Sys-

tem controlled or administered by the Secretary of Agriculture.

SEC. 80182. RENEWABLE ENERGY REVENUE SHARING.

(a) DISPOSITION OF REVENUE.—

(1) DISPOSITION OF REVENUES.—Beginning on January 1, 2026, the amounts collected from a renewable energy project as bonus bids, rentals, fees, or other payments under a right-of-way, permit, lease, or other authorization shall be—

(A) deposited in the general fund of the Treasury; and

(B) without further appropriation or fiscal year limitation, allocated as follows:

(i) 25 percent shall be paid from amounts in the general fund of the Treasury to the State within the boundaries of which the revenue is derived.

(ii) 25 percent shall be paid from amounts in the general fund of the Treasury to each county within the boundaries of which the revenue is derived, to be allocated among each such county based on the percentage of land from which the revenue is derived.

(2) PAYMENTS TO STATES AND COUNTIES.—

(A) IN GENERAL.—The amounts paid to States and counties under paragraph (1) shall be used consistent with section 35 of the Mineral Leasing Act (30 U.S.C. 191).

(B) PAYMENTS IN LIEU OF TAXES.—A payment to a county under paragraph (1) shall be in addition to a payment in lieu of taxes received by the county under chapter 69 of title 31, United States Code.

(C) TIMING.—The amounts required to be paid under paragraph (1)(B) for an applicable fiscal year shall be made available not later than the fiscal year that immediately follows the fiscal year for which the amounts were collected.

(b) DEFINITIONS.—In this section:

(1) COVERED LAND.—The term ''covered land'' means land that is—

(A) public lands administered by the Secretary; and

(B) not excluded from the development of solar or wind energy under—

(i) a land use plan; or

(ii) other Federal law.

(2) PUBLIC LANDS.—The term ''public lands'' means—

(A) public lands as such term is defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702); and

(B) lands of the National Forest System as described in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)).

(3) RENEWABLE ENERGY PROJECT.—The term ''renewable energy project'' means a system described in section 2801.9(a)(4) of title 43, Code of Federal Regulations (as such section is in effect on the date of the enactment of this Act), located on covered land that uses wind or solar energy to generate energy.

(4) SECRETARY.—The term ''Secretary'' means—

(A) the Secretary of the Interior with respect to land controlled or administered by the Secretary of the Interior; or

(B) the Secretary of Agriculture with respect to the lands of the National Forest Sys-

tem controlled or administered by the Secretary of Agriculture.

Subtitle B—Water, Wildlife, and Fisheries

SEC. 80201. RESCISSION OF FUNDS FOR INVESTING IN COASTAL COMMUNITIES AND CLIMATE RESILIENCE.

There is hereby rescinded the unobligated balance of funds made available by section 40001 of Public Law 117–169.

SEC. 80202. RESCISSION OF FUNDS FOR FACILITIES OF NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AND NATIONAL MARINE SANCTUARIES.

There is hereby rescinded the unobligated balance of funds made available by section 40002 of Public Law 117–169.

SEC. 80203. SURFACE WATER STORAGE ENHANCEMENT.

In addition to amounts otherwise available, there is appropriated to the Secretary of the Interior, acting through the Commissioner of Reclamation, for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $2,000,000,000, to remain available through September 30, 2034, for construction and associated activities that increase the capacity of existing Bureau of

Reclamation surface water storage facilities, in a manner as determined by the Secretary: *Provided,* That, for the purposes of section 203 of the Reclamation Reform Act of 1982 (43 U.S.C. 390cc) or section 3404(a) of the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102–575), a contract or agreement entered into pursuant to this section shall not be treated as a new or amended contract. None of the funds provided under this section shall be reimbursable or subject to matching or cost-share requirements.

SEC. 80204. WATER CONVEYANCE ENHANCEMENT.

In addition to amounts otherwise available, there is appropriated to the Secretary of the Interior, acting through the Commissioner of Reclamation, for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available through September 30, 2034, for construction and associated activities that restore or increase the capacity of existing Bureau of Reclamation conveyance facilities, in a manner as determined by the Secretary. None of the funds provided under this section shall be reimbursable or subject to matching or cost-share requirements.

Subtitle C—Federal Lands

SEC. 80301. RESCISSION OF FOREST SERVICE FUNDS.

Paragraph (4) of section 23001(a) of Public Law 117–169 is repealed and all unobligated balances of amounts made available under such paragraph are hereby rescinded.

SEC. 80302. RESCISSION OF NATIONAL PARK SERVICE AND BUREAU OF LAND MANAGEMENT FUNDS.

There is hereby rescinded the unobligated balances of amounts made available by section 50221 of Public Law 117–169.

SEC. 80303. RESCISSION OF BUREAU OF LAND MANAGEMENT AND NATIONAL PARK SERVICE FUNDS.

There is hereby rescinded the unobligated balances of amounts made available by section 50222 of Public Law 117–169.

SEC. 80304. RESCISSION OF NATIONAL PARK SERVICE FUNDS.

There is hereby rescinded the unobligated balances of amounts made available by section 50223 of Public Law 117–169.

SEC. 80305. CELEBRATING AMERICA'S 250TH ANNIVERSARY.

In addition to amounts otherwise available, there is appropriated to the Secretary of the Interior for fiscal year

2025, out of any money in the Treasury not otherwise appropriated, to remain available through fiscal year 2028—

(1) $150,000,000 for events, celebrations, and activities related to the observance and commemoration of the 250th anniversary of the founding of the United States; and

(2) $40,000,000 to carry out Executive Order 13934 of July 3, 2020 (85 Fed. Reg. 41165), Executive Order 13978 of January 18, 2021 (86 Fed. Reg. 6809), and Executive Order 14189 of January 29, 2025 (90 Fed. Reg. 8849) to establish and maintain a statuary park to be known as the National Garden of American Heroes.

SEC. 80306. LONG-TERM CONTRACTS FOR THE FOREST SERVICE.

(a) IN GENERAL.—For each of fiscal years 2025 through 2034, the Chief of the Forest Service (in this section referred to as the ''Chief'') shall enter into not less than one long-term contract or agreement with private persons or other public or private entities under section 14(a) of the National Forest Management Act (16 U.S.C. 472a(a)) with respect to covered National Forest System lands in each region of the Forest Service that contains covered National Forest System lands.

(b) TERMS.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the Chief shall enter into contracts or agreements under subsection (a) in accordance with section 3903 of title 41, United States Code, and section 14 of the National Forest Management Act (16 U.S.C. 472a).

(2) CONTRACT LENGTH.—The period of a contract or agreement under subsection (a) shall be for at least 20 years, with options for extensions and renewals as determined by the Chief.

(3) CANCELLATION CEILINGS.—A contract or agreement entered into under subsection (a) shall include provisions for a cancellation ceiling consistent with section 604(d) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591c(d)).

(c) RECEIPTS.—Any monies derived from an agreement or contract under this section by the Chief shall be deposited in the general fund of the Treasury.

(d) COVERED NATIONAL FOREST SYSTEM LANDS DEFINED.—In this section, the term ''covered National Forest System lands'' means the proclaimed National Forest System lands reserved or withdrawn from the public domain of the United States.

SEC. 80307. LONG-TERM CONTRACTS FOR THE BUREAU OF LAND MANAGEMENT.

(a) IN GENERAL.—For each of fiscal years 2025 through 2034, the Director of the Bureau of Land Management (in this section referred to as the ''Director'') shall enter into not less than one long-term contract or agreement with private persons or other public or private entities under section 1 of the Materials Act of 1947 (30 U.S.C. 601) with respect to vegetative materials on covered public lands.

(b) TERMS.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the Director shall enter into contracts or agreements under subsection (a) in accordance with section 3903 of title 41, United States Code, and section 2(a) of the Materials Act of 1947 (30 U.S.C. 602(a)).

(2) CONTRACT LENGTH.—The period of a contract or agreement under subsection (a) shall be for at least 20 years, with options for extensions and renewals as determined by the Director.

(3) CANCELLATION CEILINGS.—A contract or agreement entered into under subsection (a) shall include provisions for a cancellation ceiling consistent with section 604(d) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591c(d)).

(c) LOCATION.—In selecting locations to enter into long-term contracts or agreements under subsection (a), the Director shall prioritize areas with no existing wood processing infrastructure.

(d) RECEIPTS.—Any monies derived from an agreement or contract under this section by the Director shall be deposited in the general fund of the Treasury.

(e) COVERED PUBLIC LANDS DEFINED.—The term ''covered public lands'' has the meaning given the term ''public lands'' in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702), except that the term includes Coos Bay Wagon Road Grant lands and Oregon and California Railroad Grant lands.

SEC. 80308. TIMBER PRODUCTION FOR THE FOREST SERVICE.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this title, the Secretary of Agriculture, acting through the Chief of the Forest Service or their designee, shall direct timber harvest on covered National Forest System lands in amounts that—

(1) in total, equal or exceed the volume that is 25 percent higher than the average of the total volume sold on such lands between fiscal years 2020 through 2024; and

(2) are in accordance with the applicable forest plan, including the allowable sale quantity or probable sale quantity, as applicable, of timber applicable to such lands on the date of enactment of this title.

(b) DEFINITIONS.—In this section:

(1) COVERED NATIONAL FOREST SYSTEM LANDS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term ''covered National Forest System lands'' means the proclaimed National Forest System lands reserved or withdrawn from the public domain of the United States.

(B) EXCLUSIONS.—The term ''covered National Forest System lands'' does not include lands—

(i) that are included in the National Wilderness Preservation System;

(ii) that are located within a national or State-specific inventoried roadless area established by the Secretary of Agriculture through regulation, unless—

(I) the forest management activity to be carried out under such au-

thority is consistent with the forest plan applicable to the area; or

(II) the activity is allowed under the applicable roadless rule governing such lands, including—

(aa) the Idaho roadless rule under subpart C of part 294 of title 36, Code of Federal Regulations;

(bb) the Colorado roadless rule under subpart D of part 294 of title 36, Code of Federal Regulations; or

(cc) any other roadless rule developed after the date of the enactment of this section by the Secretary with respect to a specific State; or

(iii) on which timber harvesting for any purpose is prohibited by Federal statute.

(2) FOREST PLAN.—The term ''forest plan'' means a land and resource management plan prepared by the Forest Service for a unit of the National Forest System pursuant to section 6 of the

Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604).

SEC. 80309. TIMBER PRODUCTION FOR THE BUREAU OF LAND MANAGEMENT.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this title, the Secretary of the Interior, acting through the Director of the Bureau of Land Management or their designee, shall direct timber harvest on covered public lands in amounts that—

(1) in total, equal or exceed the volume that is 25 percent higher than the average of the total volume sold on such lands between fiscal years 2020 through 2024; and

(2) are in accordance with the applicable forest plan.

(b) DEFINITIONS.—In this section:

(1) COVERED PUBLIC LANDS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term ''covered public lands'' has the meaning given the term ''public lands'' in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702), except that the term includes Coos Bay Wagon Road Grant lands and Oregon and California Railroad Grant lands.

(B) EXCLUSIONS.—The term ''covered public lands'' does not include lands—

(i) that are included in the National Wilderness Preservation System; or

(ii) on which timber harvesting for any purpose is prohibited by Federal statute.

(2) FOREST PLAN.—The term ''forest plan'' means a land use plan prepared by the Bureau of Land Management for public lands pursuant to section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712).

TITLE IX—COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

SEC. 90001. ELIMINATION OF THE FERS ANNUITY SUPPLEMENT FOR CERTAIN EMPLOYEES.

(a) IN GENERAL.—Section 8421(a) of title 5, United States Code, is amended—

(1) in paragraph (1), by inserting ''separated from service under section 8425 or entitled to an annuity under subsection (d) or (e) of section 8412 of this title'' after ''individual''; and

(2) in paragraph (2), by inserting ''separated from service under section 8425 or entitled to an an-

nuity under subsection (d) or (e) of section 8412 of this title'' after ''an individual''.

(b) APPLICABILITY.—The amendments made by this section shall begin to apply on January 1, 2028, and shall not apply with respect to any individual entitled to an annuity supplement under section 8421 of title 5, United States Code, prior to such date.

SEC. 90002. ELECTION FOR AT-WILL EMPLOYMENT AND LOWER FERS CONTRIBUTIONS FOR NEW FEDERAL CIVIL SERVICE HIRES.

(a) ELECTION.—

(1) IN GENERAL.—Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end the following:

''§ 3330g. Election for at-will employment and lower FERS contributions

''(a) ELECTION.—

''(1) IN GENERAL.—Not later than the last day of the probationary period (if any) for an individual initially appointed to a covered position after the date of the enactment of this section, such individual may make an irrevocable election to be employed on an at-will basis, subject to the requirements of this section.

''(2) FAILURE TO MAKE ELECTION.—An individual who does not make the election under paragraph (1) shall be subject to the requirements of section 8422(a)(3)(D).

''(b) AT-WILL EMPLOYMENT.—Notwithstanding chapter 43, 71, or 75 of this title, any individual who makes an affirmative election under subsection (a)(1) shall—

''(1) be considered an at-will employee; and

''(2) may be subject to an adverse action up to and including removal, without notice or right to appeal, by the head of the agency at which the individual is employed for good cause, bad cause, or no cause at all.

''(c) APPLICATION OF OTHER LAWS.—Notwithstanding any other requirement of this section, this section shall not be construed to reduce, extinguish, or otherwise effect any right or remedy available to any individual who elects to be an at-will employee under subsection (a)(1) under any of the following provisions of law:

''(1) The protections relating to prohibited personnel practices (as that term is defined in section 2302).

''(2) The Congressional Accountability Act of 1995, in the case of employees of the legislative branch who are subject to this section.

''(d) COVERED POSITION.—In this section, the term 'covered position'—

''(1) means—

''(A) any position in the competitive service;

''(B) a career appointee position in the Senior Executive Service;

''(C) a position in the excepted service; and

''(2) does not include—

''(A) any position excepted from the competitive service because of its confidential, policy-determining, policy-making, or policy-advocating character;

''(B) any position excluded from the coverage of section 2302 (by operation of subsection (a)(2)(B) of such section) or chapter 75; or

''(C) any position subject to mandatory separation under section 8335 or 8425.''.

(2) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding

after the item relating to section 3330f the following:

"3330g. Election for at-will employment and lower FERS contributions.".

(b) INCREASE IN FERS CONTRIBUTIONS.—Section 8422(a) of title 5, United States Code, is amended by adding at the end the following:

"(D) The applicable percentage under this paragraph for civilian service by any individual who elects not to be employed on an at-will basis under section 3330g shall be equal to the percentage required under subparagraph (C), increased by 5 percentage points.".

(c) APPLICATION.—This section and the amendments made by this section shall apply to individuals initially appointed to positions in the civil service subject to such section and amendments appointed on or after the date of the enactment of this Act.

SEC. 90003. FILING FEE FOR MERIT SYSTEMS PROTECTION BOARD CLAIMS AND APPEALS.

(a) IN GENERAL.—Section 7701 of title 5, United States Code, is amended—

(1) in redesignating subsection (k) as subsection (l); and

(2) by inserting after subsection (j) the following:

''(k)(1) The Board shall establish and collect a filing fee to be paid by any employee, former employee, or applicant for employment filing a claim or appeal with the Board under this title, or under any other law, rule, or regulation, consistent with the requirements of this subsection.

''(2) The filing fee under paragraph (1) shall—

''(A) be in an amount equal to the filing fee for a civil action, suit, or proceeding under section 1914(a) of title 28;

''(B) be paid on the date the individual submits a claim or appeal to the Board; and

''(C) if the individual is the prevailing party under such claim or appeal, be returned to such individual.

''(3) The filing fee under this subsection shall not be required for any—

''(A) action brought by the Special Counsel under section 1214, 1215, or 1216; or

''(B) any claim or appeal of a prohibited personnel practice described in section 2302(b)(8) or 2302(b)(9)(A)(i), (B), (C), or (D) or in section 1221.

''(4) On the date that a claim or appeal with respect to which the individual is not the prevailing party has not

been appealed and is no longer appealable because the time for taking an appeal has expired, or which has been appealed under section 7703 and the appeals process for which is completed, the fee collected under paragraph (1) shall, except as provided in paragraph (2)(C), be deposited into the miscellaneous receipts of the Treasury.''.

(b) APPLICATION.—The fee required under the amendment made by subsection (a) shall apply to any claim or appeal filed with the Merit Systems Protection Board after the date that is 3 months after the date of the enactment of this section.

SEC. 90004. FEHB PROTECTION.

(a) FEHB IMPROVEMENTS.—

(1) DEFINITIONS.—In this subsection:

(A) DIRECTOR.—The term ''Director'' means the Director of the Office of Personnel Management.

(B) EMPLOYING OFFICE.—The term ''employing office'' has the meaning given the term in section 890.101(a) of title 5, Code of Federal Regulations, or any successor regulation.

(C) HEALTH BENEFITS PLAN; MEMBER OF FAMILY.—The terms ''health benefits plan'' and ''member of family'' have the meanings given

those terms in section 8901 of title 5, United States Code.

(D) INSPECTOR GENERAL.—The term ''Inspector General'' means the Inspector General of the Office of Personnel Management.

(E) OPEN SEASON.—The term ''open season'' means an open season described in section 890.301(f) of title 5, Code of Federal Regulations, or any successor regulation.

(F) PROGRAM.—The term ''Program'' means the health insurance programs carried out under chapter 89 of title 5, United States Code, including the program carried out under section 8903c of that title.

(G) QUALIFYING LIFE EVENT.—The term ''qualifying life event'' has the meaning given the term in section 892.101 of title 5, Code of Federal Regulations, or any successor regulation.

(2) VERIFICATION REQUIREMENTS.—

(A) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Director shall issue regulations and implement a process to verify—

(i) the veracity of any qualifying life event through which an enrollee in the Program seeks to add a member of family with respect to the enrollee to a health benefits plan under the Program; and

(ii) that, when an enrollee in the Program seeks to add a member of family with respect to the enrollee to the health benefits plan of the enrollee under the Program, including during any open season, the individual so added is a qualifying member of family with respect to the enrollee.

(B) RECORD RETENTION.—The process implemented under subparagraph (A) shall require the records used for a verification described in such subparagraph under such process with respect to an individual enrolled in a health benefits plan under the Program to be provided to the Office of Personnel Management and retained by the Office of Personnel Management until the expiration of a six-year period beginning after the date of such verification in which such individual is not en-

rolled in a health benefits plan under the Program.

(3) FRAUD RISK ASSESSMENT.—In any fraud risk assessment conducted with respect to the Program on or after the date of the enactment of this Act, the Director shall include an assessment of individuals who are enrolled in, or covered under, a health benefits plan under the Program even though those individuals are not eligible to be so enrolled or covered.

(4) FAMILY MEMBER ELIGIBILITY VERIFICATION AUDIT.—

(A) IN GENERAL.—During the 5-year period beginning 1 year after the date of the enactment of this Act, the Director shall conduct a comprehensive audit regarding members of family who are covered under an enrollment in a health benefits plan under the Program.

(B) CONTENTS.—In conducting an audit required by subparagraph (A), the Director shall review marriage certificates, birth certificates, and other appropriate documents that are necessary to determine eligibility to enroll in a health benefits plan under the Program.

(C) RECORD RETENTION.—All records pertaining to the eligibility of an individual to be enrolled in, or covered under, a health benefits plan under the Program obtained by the Director in the audit required by subparagraph (A) shall be retained by the Office of Personnel Management until the expiration of a six-year period beginning after the date of such audit in which such individual is not enrolled in, or covered under, a health benefits plan under the Program.

(D) REFERRAL TO INSPECTOR GENERAL.—The Director shall refer any instances of individuals enrolled in, or covered under, a health benefits plan under the Program who are not eligible to be so enrolled or covered that are identified in the audit required by subparagraph (A) to the Inspector General.

(5) DISENROLLMENT OR REMOVAL.—

(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Director shall develop a process by which any individual enrolled in, or covered under, a health benefits plan under the Program who is not eligible to be so enrolled or

covered shall be disenrolled or removed from enrollment in a health benefits plan under the Program.

(B) NOTIFY INSPECTOR GENERAL.—The Director shall notify the Inspector General of each individual disenrolled or removed from enrollment in a health benefits plan under the Program under the process developed under subparagraph (A).

(b) EARNED BENEFITS AND HEALTHCARE ADMINISTRATIVE SERVICES ASSOCIATED OVERSIGHT AND AUDIT FUNDING.—

(1) IN GENERAL.—Section 8909(a)(2) of title 5, United States Code, is amended by striking ''Congress.'' and inserting ''Congress, except that the amounts authorized under subsection (b)(2) for the Office shall not be subject to the limitations that may be specified annually by Congress.''.

(2) OVERSIGHT.—Section 8909(b) of title 5, United States Code, is amended—

(A) by redesignating paragraph (2) as paragraph (5); and

(B) by inserting after paragraph (1) the following:

''(2) In addition to the funds provided under paragraph (1), amounts of all contributions shall be available for the Office to develop, maintain, and conduct ongoing eligibility verification and oversight over the enrollment and eligibility systems with respect to benefits under this chapter, including the Postal Service Health Benefits Program under section 8903c. Amounts for the Office under this paragraph shall not be available in excess of the following amounts in the following fiscal years:

''(A) In fiscal year 2026, $36,792,000.

''(B) In fiscal year 2027, $44,733,161.

''(C) In fiscal year 2028, $50,930,778.

''(D) In fiscal year 2029, $54,198,238.

''(E) In fiscal year 2030, $54,855,425.

''(F) In fiscal year 2031, $56,062,244.

''(G) In fiscal year 2032, $57,295,613.

''(H) In fiscal year 2033, $58,556,117.

''(I) In fiscal year 2034, $59,844,351.

''(J) In fiscal year 2035 and each fiscal year thereafter, the amount equal to the dollar limit for the immediately preceding fiscal year, increased by 2.2. percent.

''(3) In fiscal year 2026, $80,000,000, to be derived from all contributions and to remain available

until expended, shall be available for the Office to conduct the audit required under section 90004(a)(4) of the Act titled 'An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14'.

''(4) Amounts of all contributions shall be available for the Office of Personnel Management Office of the Inspector General to conduct oversight associated with activities under this chapter (including the Postal Service Health Benefits Program under section 8903c), including activities associated with enrollment and eligibility in these programs and any associated audit activities as required under section 90004 of the Act titled 'An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14'. Amounts for the Office of the Inspector General under this paragraph shall not be available in excess of the following amounts in the following fiscal years:

''(A) In fiscal year 2026, $5,090,278.

''(B) In fiscal year 2027 and each fiscal year thereafter, the amount equal to the dollar limit for the immediately preceding fiscal year, increased by 2.2 percent.''.

TITLE X—COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

SEC. 100001. COAST GUARD ASSETS NECESSARY TO SECURE THE MARITIME BORDER AND INTERDICT MIGRANTS AND DRUGS.

(a) IN GENERAL.—For the purpose of the acquisition, sustainment, improvement, and operation of United States Coast Guard assets, in addition to amounts otherwise made available, there is appropriated to the Commandant of the Coast Guard for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $571,500,000 for fixed wing aircraft and spare parts, training simulators, support equipment, and program management for such aircraft;

(2) $1,283,000,000 for rotary wing aircraft and spare parts, training simulators, support equipment, and program management for such aircraft;

(3) $140,000,000 for long-range unmanned aircraft systems and base stations, support equipment, and program management for such systems;

(4) $4,300,000,000 for Offshore Patrol Cutters and spare parts and program management for such Cutters;

(5) $1,000,000,000 for Fast Response Cutters and spare parts and program management for such Cutters;

(6) $4,300,000,000 for Polar Security Cutters and spare parts and program management for such Cutters;

(7) $4,978,000,000 for Arctic Security Cutters and domestic icebreakers and spare parts and program management for such Cutters and icebreakers;

(8) $3,154,500,000 for design, planning, engineering, construction of, and program management for shoreside infrastructure, of which—

(A) $400,000,000 is provided for hangers and maintenance and crew facilities for the fixed wing aircraft for which funds are appropriated under paragraph (1) and rotary wing aircraft for which funds are appropriated under paragraph (2);

(B) $2,329,500,000 is provided for homeports for the Cutters for which funds are appropriated under paragraphs (4), (5), (6), and (7), National Security Cutters, and other Fast Response Cutters; and

(C) $425,000,000 is provided for design, planning, engineering, construction of, and pro-

gram management for enlisted boot camp barracks, multi-use training centers, and other related facilities;

(9) $1,300,000,000 for aviation, cutter, shoreside facility depot maintenance, and C5I service maintenance, of which $500,000,000 is provided to acquire, procure, or construct a floating dry dock under subsection (b) and conduct channel dredging necessary to allow Cutters for which funds are appropriated under paragraph (4) and National Security Cutters to be maintained and repaired in such dry dock; and

(10) $180,000,000 for equipment and services for maritime domain awareness, of which $75,000,000 is provided to contract the services of, acquire, or procure autonomous maritime systems.

(b) REQUIREMENTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Commandant may not acquire, procure, or construct a floating dry dock for the Coast Guard Yard with amounts appropriated under subsection (a).

(2) PERMISSIBLE ACQUISITION, PROCUREMENT, OR CONSTRUCTION METHODS.—Notwithstanding paragraph (1) of this subsection and section 1105(a)

of title 14, United States Code, the Commandant may, through September 30, 2030—

(A) provide for an entity other than the Coast Guard to contract for the acquisition, procurement, or construction of a floating dry dock by contract, purchase, or other agreement;

(B) construct a floating dry dock at the Coast Guard Yard; or

(C) acquire or procure a commercially available floating dry dock.

(3) FLOATING DRY DOCK DEFINED.—In this section, the term ''floating dry dock'' means equipment that is—

(A) documented under chapter 121 of title 46, United States Code; and

(B) capable of meeting the lifting and maintenance requirements of an Offshore Patrol Cutter or a National Security Cutter.

(c) LIMITATION.—Not more than 15 percent of the amounts provided in paragraph (9) of subsection (a) shall be available for design, planning, and engineering of the facilities described in such paragraph.

(d) APPLICATION.—In carrying out acquisitions or procurements for which funds are appropriated under sub-

section (a), sections 1131, 1132, and 1133 of title 14, United States Code, shall not apply.

(e) ENTITY OTHER THAN THE COAST GUARD.—Notwithstanding section 1105(a) of title 14, United States Code, in carrying out acquisition, procurement, or construction of Arctic Security Cutters or domestic icebreakers for which funds are appropriated under subsection (a)(7), the Commandant may provide for an entity other than the Coast Guard to contract for such acquisition, procurement, or construction.

(f) COMPLIANCE WITH APPLICABLE REPORTING REQUIREMENTS.—None of the amounts provided in—

(1) this section may be obligated or expended during any fiscal year in which the Commandant is not compliant with sections 5102 and 5103 (excluding section 5103(e)) of title 14, United States Code; and

(2) paragraphs (1) and (2) of subsection (a) may be obligated or expended until the Commandant provides the report required under section 11217 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (Public Law 117–263) to the Committee on Transportation and Infrastructure of the House of Representatives and the Com-

mittee on Commerce, Science, and Transportation of the Senate.

(g) NOTIFICATION REQUIREMENT.—The Commandant shall notify the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate not less than 1 week prior to taking any procurement actions impacting estimated costs or timelines for acquisitions or procurements funded with amounts appropriated under this section.

(h) EXPENDITURE PLAN.—Not later than 90 days after the date of enactment of this Act, the Commandant shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a detailed expenditure plan, including projected project timelines for each acquisition and procurement funded under this section and a list of project locations to be funded under paragraphs (8) and (9) of subsection (a).

(i) EXCEPTION.—If the President authorizes an exception under section 1151(b) of title 14, United States Code, for any Coast Guard vessel, or the hull or superstructure of such vessel for which funds are appropriated under paragraphs (4) through (7) of subsection (a), no

such funds shall be obligated until the President submits to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a written explanation of the circumstances requiring such an exception in the national security interest, including—

(1) a confirmation that there are insufficient qualified United States shipyards to meet the national security interest without such exception; and

(2) actions taken by the President to enable qualified United States shipyards to meet national security requirements prior to the issuance of such an exception.

SEC. 100002. VESSEL TONNAGE DUTIES.

Section 60301 of title 46, United States Code, is amended—

(1) in subsection (a) by striking ", for fiscal years 2006 through 2010, and 2 cents per ton, not to exceed a total of 10 cents per ton per year, for each fiscal year thereafter,"; and

(2) in subsection (b) by striking ", for fiscal years 2006 through 2010, and 6 cents per ton, not to exceed a total of 30 cents per ton per year, for each fiscal year thereafter,".

SEC. 100003. REGISTRATION FEE ON MOTOR VEHICLES.

(a) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by adding at the end the following:

"§ 180. Registration fee on motor vehicles.

''(a) IN GENERAL.—The Administrator of the Federal Highway Administration shall impose for each year the following registration fee amounts on the owner of a vehicle registered for operation by a State motor vehicle department:

''(1) $250 for a covered electric vehicle.

''(2) $100 for a covered hybrid vehicle.

''(b) WITHHOLDING OF FUNDS FOR NONCOMPLIANCE.—The Administrator shall withhold, from amounts required to be apportioned to any State under section 104(b), an amount equal to 125 percent to the amount required to be remitted under subsection (c)(2). The Administrator shall withhold the amount on the first day of each fiscal year beginning after September 30, 2026, in which the State does not meet the requirements of subsection (c).

''(c) COLLECTION AND REMITTANCE OF FEE.—

''(1) COLLECTION OF FEE.—A State motor vehicle department shall—

''(A) incorporate the collection of the fees established under subsection (a) into the vehicle

registration and renewal processes administered by such department, so long as such fees are imposed for each year in which the fees are required; or

''(B) obtain approval from the Administrator to establish an alternate means of compliance for the collection of such fees that is acceptable to the Administrator.

''(2) REMITTANCE OF FEE.—Not later than 30 days after the last day of each month, a State motor vehicle department shall remit to the Administrator the balance of the total fee amounts collected under this section in the preceding month less the portion reserved for administrative expenses under subsection (e).

''(d) FEE ASSESSMENT.—The amounts specified in subsection (a) shall be increased on an annual basis to account for the rate of inflation each fiscal year in accordance with the Consumer Price Index for All Urban Consumers of the Bureau of Labor Statistics.

''(e) ADMINISTRATIVE EXPENSES.—In any fiscal year in which a State is in compliance with this section, such State may retain an amount not to exceed 1 percent of the total fees collected under this section for administrative expenses.

''(f) APPLICABILITY OF FEES.—The fees imposed under paragraphs (1) and (2) of subsection (a) shall terminate on October 1, 2035.

''(g) DEFINITIONS.—In this section:

''(1) COVERED ELECTRIC VEHICLE.—The term 'covered electric vehicle' means a covered motor vehicle with an electric motor as the sole means of propulsion of such vehicle.

''(2) COVERED MOTOR VEHICLE.—The term 'covered motor vehicle' has the meaning given the term 'motor vehicle' under section 154(a) but excludes a motor vehicle that is a covered farm vehicle or commercial motor vehicle (as such terms are defined in section 390.5 of title 49, Code of Federal Regulations).

''(3) COVERED HYBRID VEHICLE.—The term 'covered hybrid vehicle' means a covered motor vehicle propelled by a combination of an electric motor and an internal combustion engine or other power source and components thereof.''.

(b) IMPLEMENTATION OF CERTAIN PROCESSES.—

(1) IMPLEMENTATION.—The Administrator of the Federal Highway Administration shall provide grants to State motor vehicle departments to imple-

ment a process to carry out section 180 of title 23, United States Code.

(2) FUNDING.—Out of any money in the Treasury not otherwise appropriated, $104,000,000 is to remain available until September 30, 2029, beginning in the first fiscal year following the date of enactment of this Act, for grants under paragraph (1).

(3) ELIGIBLE AMOUNTS.—Each State motor vehicle department may receive not more than $2,000,000 under this subsection.

(c) REGULATIONS.—The Administrator shall issue such regulations and guidance as are necessary to—

(1) carry out section 180 of title 23, United States Code (as added by this Act); and

(2) establish a process for the timely and accurate remittance of fees collected under such section through an electronic method.

(d) REPORT.—Not later than 2 years after the date of enactment of this Act, the Administrator shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the status of the implementation of section 180 of title 23, United States Code (as added by this Act).

(e) CLERICAL AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by adding at the end the following:

"180. Registration fee on motor vehicles.".

SEC. 100004. DEPOSIT OF REGISTRATION FEE ON MOTOR VEHICLES.

Any amounts accrued pursuant to section 180 of title 23, United States Code (as added by this Act), shall be deposited into the Highway Trust Fund.

SEC. 100005. MOTOR CARRIER DATA.

(a) PUBLIC CONFIRMATION OF AUTHORIZED MOTOR CARRIERS.—There is appropriated $5,000,000 to the Administrator of the Federal Motor Carrier Safety Administration to establish a public website to present data on motor carriers, as such term is defined in section 13102 of title 49, United States Code, in a manner that indicates whether each motor carrier meets or does not meet all Administration operating requirements, including by displaying 1 of the following statements for each motor carrier:

(1) "This motor carrier meets Federal Motor Carrier Safety Administration operating requirements and is authorized to operate on the nation's roadways.".

(2) "This motor carrier does not meet Federal Motor Carrier Safety Administration operating re-

quirements and is not authorized to operate on the nation's roadways.''.

(b) USAGE FEE.—The Administrator shall assess an annual fee of $100 on each person seeking access to the website established under subsection (a). In each fiscal year through fiscal year 2033, monies collected under this subsection shall be—

(1) credited to the account in the Treasury from which the Administrator incurs expenses for establishing, maintaining, and updating the website required to be established under subsection (a); and

(2) available for establishing, maintaining, and updating such website without further appropriation.

(c) DETERMINATION.—A broker, freight forwarder, or household goods freight forwarder, as such terms are defined in section 13102 of title 49, United States Code, that uses the website established under subsection (a) to ensure that a motor carrier engaged by such broker, freight forwarder, or household goods freight forwarder meets Federal Motor Carrier Safety Administration operating requirements shall be considered to have taken reasonable and prudent determinations in engaging such motor carrier.

SEC. 100006. IRA RESCISSIONS.

(a) REPEAL OF FUNDING FOR ALTERNATIVE FUEL AND LOW-EMISSION AVIATION TECHNOLOGY PROGRAM.—The unobligated balances of amounts made available to carry out section 40007 of Public Law 117–169 (49 U.S.C. 44504 note) (as in effect on the day before the date of enactment of this Act) are permanently rescinded.

(b) REPEAL OF FUNDING FOR NEIGHBORHOOD ACCESS AND EQUITY GRANT PROGRAM.—The unobligated balances of amounts made available to carry out section 177 of title 23, United States Code, (as in effect on the day before the date of enactment of this Act) are permanently rescinded.

(c) REPEAL OF FUNDING FOR FEDERAL BUILDING ASSISTANCE.—The unobligated balances of amounts made available to carry out section 60502 of Public Law 117–169 (136 Stat. 2083) (as in effect on the day before the date of enactment of this Act) are permanently rescinded.

(d) REPEAL OF FUNDING FOR USE OF LOW-CARBON MATERIALS FOR FEDERAL BUILDING ASSISTANCE.— The unobligated balances of amounts made available to carry out section 60503 of Public Law 117–169 (136 Stat. 2083) (as in effect on the day before the date of enactment of this Act) are permanently rescinded.

(e) REPEAL OF FUNDING FOR GENERAL SERVICES ADMINISTRATION EMERGING TECHNOLOGIES.—The un-

obligated balances of amounts made available to carry out section 60504 of Public Law 117–169 (136 Stat. 2083) (as in effect on the day before the date of enactment of this Act) are permanently rescinded.

(f) REPEAL OF ENVIRONMENTAL REVIEW IMPLEMENTATION FUNDS.—The unobligated balances of amounts made available to carry out section 178 of title 23, United States Code, (as in effect on the day before the date of enactment of this Act) are permanently rescinded.

(g) REPEAL OF FUNDING FOR LOW-CARBON TRANSPORTATION MATERIALS GRANTS.— The unobligated balances of amounts made available to carry out section 179 of title 23, United States Code, (as in effect on the day before the date of enactment of this Act) are permanently rescinded.

SEC. 100007. AIR TRAFFIC CONTROL STAFFING AND MODERNIZATION.

(a) IN GENERAL.—For the purpose of the acquisition, construction, sustainment, improvement, and operation of facilities and equipment necessary to improve or maintain aviation safety, and for personnel expenses related to such facilities and equipment, in addition to amounts otherwise made available, there is appropriated to the Administrator of the Federal Aviation Administra-

tion for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) $2,160,000,000 for air traffic control tower and terminal radar approach control facility replacement, of which not less than $240,000,000 shall be available for Contract Tower Program air traffic control tower replacement and airport sponsor-owned air traffic control tower replacement;

(2) $3,000,000,000 for radar systems replacement;

(3) $4,750,000,000 for telecommunications infrastructure and systems replacement;

(4) $500,000,000 for runway safety projects, airport surface surveillance projects, and to carry out section 347 of the FAA Reauthorization Act of 2024;

(5) $550,000,000 for unstaffed infrastructure sustainment and replacement;

(6) $300,000,000 to carry out section 619 of the FAA Reauthorization Act of 2024;

(7) $260,000,000 to carry out section 44745 of title 49, United States Code; and

(8) $1,000,000,000 for air traffic controller recruitment, retention, training, and advanced training technologies.

(b) QUARTERLY REPORTING.—Not later than 180 days after the date of enactment of this Act, and every 90 days thereafter, the Administrator shall submit to Congress a report that describes any expenditures under this section.

SEC. 100008. JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, $256,657,000, to remain available until September 30, 2029, for necessary expenses for capital repair, restoration, maintenance backlog, and security structures of the building and site of the John F. Kennedy Center for the Performing Arts.

(b) ADMINISTRATIVE COSTS.—Of the amounts made available under subsection (a), not more than 3 percent may be used for administrative costs necessary to carry out this section.

TITLE XI—COMMITTEE ON WAYS AND MEANS, "THE ONE, BIG, BEAUTIFUL BILL"

SEC. 110000. REFERENCES TO THE INTERNAL REVENUE CODE OF 1986, ETC.

(a) REFERENCES.—Except as otherwise expressly provided, whenever in this title, an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(b) CERTAIN RULES REGARDING EFFECT OF RATE CHANGES NOT APPLICABLE.—Section 15 of the Internal Revenue Code of 1986 shall not apply to any change in rate of tax by reason of any provision of, or amendment made by, this title.

Subtitle A—Make American Families and Workers Thrive Again

PART 1—PERMANENTLY PREVENTING TAX HIKES ON AMERICAN FAMILIES AND WORKERS

SEC. 110001. EXTENSION OF MODIFICATION OF RATES.

(a) IN GENERAL.—Section 1(j) is amended—

(1) in paragraph (1), by striking '', and before January 1, 2026'', and

(2) by striking ''2018 THROUGH 2025'' in the heading and inserting ''BEGINNING AFTER 2017''.

(b) INFLATION ADJUSTMENT.—Section 1(j)(3)(B)(i) is amended by inserting ''in the case of any taxable year beginning after December 31, 2025, solely for purposes of determining the dollar amounts at which the 35-percent rate bracket ends and the 37-percent rate bracket begins,'' before ''subsection (f)(3)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110002. EXTENSION OF INCREASED STANDARD DEDUCTION AND TEMPORARY ENHANCEMENT.

(a) IN GENERAL.—Section 63(c)(7) is amended—

(1) by striking '', and before January 1, 2026'' in the matter preceding subparagraph (A), and

(2) by striking ''2018 THROUGH 2025'' in the heading and inserting ''BEGINNING AFTER 2017''.

(b) TEMPORARY ADDITIONAL INCREASE IN STANDARD DEDUCTION.—Section 63(c)(7) is amended by adding at the end the following new subparagraph:

''(C) TEMPORARY ADDITIONAL INCREASE IN STANDARD DEDUCTION.—In the case of any taxable year beginning after December 31, 2024, and before January 1, 2029—

''(i) the dollar amount otherwise in effect under paragraph (2)(B) shall be increased by $1,500, and

''(ii) the dollar amount otherwise in effect under paragraph (2)(C) shall be increased by $1,000.''.

(c) RECALCULATION OF INFLATION ADJUSTMENT.—Section 63(c)(7)(B)(ii)(II) is amended by striking '', determined by substituting '2017' for '2016' in subparagraph (A)(ii) thereof''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2025.

(2) TEMPORARY ADDITIONAL INCREASE IN STANDARD DEDUCTION.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2024.

SEC. 110003. TERMINATION OF DEDUCTION FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Section 151(d)(5) is amended—

(1) by striking ''and before January 1, 2026'', and

(2) by striking ''2018 THROUGH 2025'' in the heading and inserting ''BEGINNING AFTER 2017''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110004. EXTENSION OF INCREASED CHILD TAX CREDIT AND TEMPORARY ENHANCEMENT.

(a) EXTENSION OF EXPANDED CHILD TAX CREDIT.—Section 24(h) is amended—

(1) in paragraph (1), by striking ''and before January 1, 2026,'', and

(2) by striking ''2018 THROUGH 2025'' in the heading and inserting ''BEGINNING AFTER 2017''.

(b) INCREASE IN CHILD TAX CREDIT.—Section 24(h)(2) is amended to read as follows:

''(2) CREDIT AMOUNT.—Subsection (a) shall be applied by substituting—

''(A) in the case of taxable years beginning after December 31, 2024, and before December 31, 2028, '$2,500' for '$1,000', or

''(B) in the case of any subsequent taxable year, '$2,000' for '$1,000'.''.

(c) SOCIAL SECURITY NUMBER REQUIRED.—Section 24(h)(7) is amended to read as follows:

''(7) SOCIAL SECURITY NUMBER REQUIRED.—

''(A) IN GENERAL.—No credit shall be allowed under this section to a taxpayer with re-

spect to any qualifying child unless the taxpayer includes on the return of tax for the taxable year—

''(i) such individual's social security number,

''(ii) the social security number of such qualifying child, and

''(iii) if the individual is married, the social security number of such individual's spouse.

''(B) SOCIAL SECURITY NUMBER.—For purposes of this paragraph, the term 'social security number' means a social security number issued to an individual by the Social Security Administration, but only if the social security number is issued—

''(i) to a citizen of the United States or pursuant to subclause (I) (or that portion of subclause (III) that relates to subclause (I)) of section 205(c)(2)(B)(i) of the Social Security Act, and

''(ii) before the due date for such return.

"(C) MARRIED INDIVIDUALS.—Rules similar to the rules of section 32(d) shall apply to this section.".

(d) INFLATION ADJUSTMENTS.—

(1) IN GENERAL.—Section 24(i) is amended to read as follows:

"(i) INFLATION ADJUSTMENTS.—

"(1) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—In the case of a taxable year beginning after 2024, the $1,400 amount in subsection (h)(5) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting '2017' for '2016' in subparagraph (A)(ii) thereof.

"(2) SPECIAL RULE FOR ADJUSTMENT OF CREDIT AMOUNT.—In the case of a taxable year beginning after 2028, the $2,000 amount in subsection (h)(2)(B), shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar

year in which the taxable year begins, determined by substituting '2024' for '2016' in subparagraph (A)(ii) thereof.

''(3) ROUNDING.—If any increase under this subsection is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.''.

(e) CONFORMING AMENDMENT.—Section 24(h)(5) is amended to read as follows:

''(5) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—The amount determined under subsection (d)(1)(A) with respect to any qualifying child shall not exceed $1,400, and such subsection shall be applied without regard to paragraph (4) of this subsection.''.

(f) TREATMENT OF CERTAIN BENEFITS OF MEMBERS OF RELIGIOUS AND APOSTOLIC ASSOCIATIONS AS EARNED INCOME.—Section 24(d)(1) is amended by adding at the end the following: ''For purposes of subparagraph (B), any amount treated as a dividend received under the last sentence of section 501(d) shall be treated as earned income which is taken into account in computing taxable income for the taxable year.''.

(g) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL

ERROR.—Section 6213(g)(2)(I) is amended by striking ''section 24(e)'' and inserting ''section 24''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 110005. EXTENSION OF DEDUCTION FOR QUALIFIED BUSINESS INCOME AND PERMANENT ENHANCEMENT.

(a) MADE PERMANENT.—Section 199A is amended by striking subsection (i).

(b) INCREASE IN DEDUCTION.—Subsections (a)(2), (b)(1)(B), and (b)(2)(A) of section 199A are each amended by striking ''20 percent'' and inserting ''23 percent''.

(c) MODIFICATION OF LIMITATIONS BASED ON TAXABLE INCOME.—

(1) IN GENERAL.—Section 199A(b)(3) is amended to read as follows:

''(3) MODIFICATION OF DETERMINATION OF COMBINED QUALIFIED BUSINESS INCOME AMOUNT BASED ON TAXABLE INCOME.—

''(A) EXCEPTION FROM LIMITATIONS.—In the case of any taxpayer whose taxable income for the taxable year does not exceed the threshold amount—

''(i) paragraph (2) shall be applied without regard to subparagraph (B), and

''(ii) a specified service trade or business shall not fail to be treated as a qualified trade or business solely by reason of subsection (d)(1)(A).

''(B) PHASE-IN OF LIMITATIONS.—In the case of any taxpayer whose taxable income for the taxable year exceeds the threshold amount, the sum described in paragraph (1)(A) (determined without regard to this subparagraph) shall instead be an amount (if greater) equal to the excess (if any) of—

''(i) the sum described in paragraph (1)(A) (determined by applying the rules of clauses (i) and (ii) of subparagraph (A)), over

''(ii) the limitation phase-in amount.

''(C) LIMITATION PHASE-IN AMOUNT.—For purposes of subparagraph (B), the limitation phase-in amount shall be an amount equal to 75 percent of the excess (if any) of—

''(i) the taxable income of the taxpayer for the taxable year, over

''(ii) the threshold amount.''.

(2) CONFORMING AMENDMENT.—Section 199A(d) is amended by striking paragraph (3).

(d) DEDUCTION FOR QUALIFIED BUSINESS INCOME TO APPLY TO CERTAIN INTEREST DIVIDENDS OF QUALIFIED BUSINESS DEVELOPMENT COMPANIES.—

(1) IN GENERAL.—Subsections (b)(1)(B) and (c)(1) of section 199A are each amended by inserting ", qualified BDC interest dividends," after "qualified REIT dividends".

(2) QUALIFIED BDC INTEREST DIVIDEND DEFINED.—Section 199A(e) is amended by adding at the end the following new paragraph:

"(5) QUALIFIED BDC INTEREST DIVIDEND.—

"(A) IN GENERAL.—The term 'qualified BDC interest dividend' means any dividend from an electing business development company received during the taxable year which is attributable to net interest income of such company which is properly allocable to a qualified trade or business of such company.

"(B) ELECTING BUSINESS DEVELOPMENT COMPANY.—For purposes of this paragraph, the term 'electing business development company' means a business development company (as defined in section 2(a) of the Investment Com-

pany Act of 1940) which has an election in effect under section 851 to be treated as a regulated investment company.''.

(e) MODIFIED INFLATION ADJUSTMENT.—Section 199A(e)(2)(B) is amended—

(1) by striking ''2018'' and inserting ''2025'', and

(2) in clause (ii), by striking '', determined by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110006. EXTENSION OF INCREASED ESTATE AND GIFT TAX EXEMPTION AMOUNTS AND PERMANENT ENHANCEMENT.

(a) IN GENERAL.—Section 2010(c)(3) is amended—

(1) in subparagraph (A) by striking ''$5,000,000'' and inserting ''$15,000,000'',

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking ''2011'' and inserting ''2026'', and

(B) in clause (ii), by striking ''calendar year 2010'' and inserting ''calendar year 2025'', and

(3) by striking subparagraph (C).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110007. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AND PHASE-OUT THRESHOLDS.

(a) IN GENERAL.—Section 55(d)(4) is amended—

(1) in subparagraph (A), by striking ", and before January 1, 2026", and

(2) by striking "AND BEFORE 2026" in the heading.

(b) MODIFICATION OF INFLATION ADJUSTMENT.—Section 55(d)(4)(B) is amended—

(1) by striking "2018" in clause (i) and inserting "2026", and

(2) by striking "2017" in clause (i)(II) and inserting "2025".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110008. EXTENSION OF LIMITATION ON DEDUCTION FOR QUALIFIED RESIDENCE INTEREST.

(a) IN GENERAL.—Section 163(h)(3)(F) is amended—

(1) in clause (i), by striking ", and before January 1, 2026",

(2) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(3) by striking "2018 THROUGH 2025" in the heading and inserting "BEGINNING AFTER 2017".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110009. EXTENSION OF LIMITATION ON CASUALTY LOSS DEDUCTION.

(a) IN GENERAL.—Section 165(h)(5) is amended—

(1) in subparagraph (A), by striking "and before January 1, 2026,", and

(2) by striking "2018 THROUGH 2025" in the heading and inserting "BEGINNING AFTER 2017".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110010. TERMINATION OF MISCELLANEOUS ITEMIZED DEDUCTION.

(a) IN GENERAL.—Section 67(g) is amended—

(1) by striking ", and before January 1, 2026", and

(2) by striking ''2018 THROUGH 2025'' in the heading and inserting ''BEGINNING AFTER 2017''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110011. LIMITATION ON TAX BENEFIT OF ITEMIZED DEDUCTIONS.

(a) IN GENERAL.—Section 68 is amended to read as follows:

''(a) IN GENERAL.—In the case of an individual, the amount of the taxpayer's itemized deductions shall be reduced by the sum of—

''(1) 5/37 of the lesser of—

''(A) the amount of the deduction allowable to the taxpayer under section 164 for such taxable year (determined without regard to this section), or

''(B) the excess (if any) of—

''(i) the taxpayer's taxable income for such taxable year (determined without regard to this section and increased by the amount of the taxpayer's itemized deductions), over

''(ii) the dollar amount at which the 37 percent rate bracket under section 1 begins with respect to the taxpayer, plus

''(2) 2/37 of the lesser of—

''(A) so much (if any) of the taxpayer's itemized deductions as exceed the amount described in paragraph (1)(A), or

''(B) the excess (if any) of—

''(i) the amount described in subparagraph (1)(B)(i), over

''(ii) the sum of the amounts described in paragraphs (1)(A) and (1)(B)(ii).

''(b) ITEMIZED DEDUCTIONS.—For purposes of subsection (a), any reference to the taxpayer's itemized deductions shall be treated as reference to such deductions determined without regard to this section.

''(c) COORDINATION WITH OTHER LIMITATIONS.—This section shall be applied after the application of any other limitation on the allowance of any itemized deduction.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110012. TERMINATION OF QUALIFIED BICYCLE COMMUTING REIMBURSEMENT EXCLUSION.

(a) IN GENERAL.—Section 132(f)(8) is amended by striking ", and before January 1, 2026".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110013. EXTENSION OF LIMITATION ON EXCLUSION AND DEDUCTION FOR MOVING EXPENSES.

(a) TERMINATION OF DEDUCTION.—Section 217(k) is amended—

(1) by striking ", and before January 1, 2026", and

(2) by striking "2018 THROUGH 2025" in the heading and inserting "BEGINNING AFTER 2017".

(b) TERMINATION OF REIMBURSEMENT.—Section 132(g)(2) is amended—

(1) by striking ", and before January 1, 2026", and

(2) by striking "2018 THROUGH 2025" in the heading and inserting "BEGINNING AFTER 2017".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110014. EXTENSION OF LIMITATION ON WAGERING LOSSES.

(a) IN GENERAL.—Section 165(d) is amended by striking ''and before January 1, 2026,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110015. EXTENSION OF INCREASED LIMITATION ON CONTRIBUTIONS TO ABLE ACCOUNTS AND PERMANENT ENHANCEMENT.

(a) IN GENERAL.—Section 529A(b)(2)(B) is amended—

(1) in clause (i), by inserting ''(determined by substituting '1996' for '1997' in paragraph (2)(B) thereof)'' after ''section 2503(b)'', and

(2) in clause (ii), by striking ''before January 1, 2026''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to contributions made after December 31, 2025.

(2) MODIFIED INFLATION ADJUSTMENT.—The amendment made by subsection (a)(1) shall apply to taxable years beginning after December 31, 2025.

SEC. 110016. EXTENSION OF SAVERS CREDIT ALLOWED FOR ABLE CONTRIBUTIONS.

(a) IN GENERAL.—Section 25B(d)(1) is amended to read as follows:

''(1) IN GENERAL.—The term 'qualified retirement savings contributions' means, with respect to any taxable year, the sum of—

''(A) the amount of contributions made by the eligible individual during such taxable year to the ABLE account (within the meaning of section 529A) of which such individual is the designated beneficiary, and

''(B) in the case of any taxable year beginning before January 1, 2027—

''(i) the amount of the qualified retirement contributions (as defined in section 219(e)) made by the eligible individual,

''(ii) the amount of—

''(I) any elective deferrals (as defined in section 402(g)(3)) of such individual, and

''(II) any elective deferral of compensation by such individual under an eligible deferred compensation plan (as defined in section 457(b)) of an

eligible employer described in section 457(e)(1)(A), and

''(iii) the amount of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)).''.

(b) COORDINATION WITH SECURE 2.0 ACT OF 2022 AMENDMENT.—Paragraph (1) of section 103(e) of the SECURE 2.0 Act of 2022 is repealed, and the Internal Revenue Code of 1986 shall be applied and administered as though such paragraph were never enacted.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2025.

SEC. 110017. EXTENSION OF ROLLOVERS FROM QUALIFIED TUITION PROGRAMS TO ABLE ACCOUNTS PERMITTED.

(a) IN GENERAL.—Section 529(c)(3)(C)(i)(III) is amended by striking ''before January 1, 2026,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110018. EXTENSION OF TREATMENT OF CERTAIN INDIVIDUALS PERFORMING SERVICES IN THE SINAI PENINSULA AND ENHANCEMENT TO INCLUDE ADDITIONAL AREAS.

(a) TREATMENT MADE PERMANENT.—Section 11026(a) of Public Law 115–97 is amended by striking ''with respect to the applicable period,''.

(b) KENYA, MALI, BURKINA FASO, AND CHAD INCLUDED AS HAZARDOUS DUTY AREAS.—Section 11026(b) of Public Law 115–97 is amended to read as follows:

''(b) QUALIFIED HAZARDOUS DUTY AREA.—For purposes of this section, the term 'qualified hazardous duty area' means—

''(1) the Sinai Peninsula of Egypt, if as of December, 22, 2017, any member of the Armed Forces of the United States is entitled to special pay under section 310 of title 37, United States Code (relating to special pay; duty subject to hostile fire or imminent danger), for services performed in such location, and

''(2) Kenya, Mali, Burkina Faso, and Chad if, as of the date of the enactment of this paragraph, any member of the Armed Forces of the United States is entitled to special pay under such section, for services performed in such location.

Such term includes any such location only during the period such entitlement is in effect with respect to such location.''.

(c) CONFORMING AMENDMENT.—Section 11026 of Public Law 115–97 is amended by striking subsections (c) and (d).

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2026.

SEC. 110019. EXTENSION OF EXCLUSION FROM GROSS INCOME OF STUDENT LOANS DISCHARGED ON ACCOUNT OF DEATH OR DISABILITY.

(a) IN GENERAL.—Section 108(f)(5) is amended to read as follows:

''(5) DISCHARGES ON ACCOUNT OF DEATH OR DISABILITY.—

''(A) IN GENERAL.—In the case of an individual, gross income does not include any amount which (but for this subsection) would be includible in gross income for such taxable year by reason of the discharge (in whole or in part) of any loan described in subparagraph (B), if such discharge was—

''(i) pursuant to subsection (a) or (d) of section 437 of the Higher Education Act of 1965 or the parallel benefit under

part D of title IV of such Act (relating to the repayment of loan liability),

''(ii) pursuant to section 464(c)(1)(F) of such Act, or

''(iii) otherwise discharged on account of death or total and permanent disability of the student.

''(B) LOANS DISCHARGED.—A loan is described in this subparagraph if such loan is—

''(i) a student loan (as defined in paragraph (2)), or

''(ii) a private education loan (as defined in section 140(a) of the Consumer Credit Protection Act (15 U.S.C. 1650(a)).

''(C) SOCIAL SECURITY NUMBER REQUIREMENT.—

''(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to any discharge during any taxable year unless the taxpayer includes on the return of tax for such taxable year—

''(I) the taxpayer's social security number, and

''(II) if the taxpayer is married, the social security number of such taxpayers's spouse.

''(ii) SOCIAL SECURITY NUMBER.—For purposes of this subparagraph, the term 'social security number' has the meaning given such term in section 24(h)(7).

''(iii) MARRIED INDIVIDUALS.—Rules similar to the rules of section 32(d) shall apply to this subparagraph.''.

(b) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2) is amended by striking ''and'' at the end of subparagraph (U), by striking the period at the end of subparagraph (V) and inserting '', and'', and by inserting after subparagraph (V) the following new subparagraph:

''(W) an omission of a correct social security number required under section 108(f)(5)(C) (relating to discharges on account of death or disability).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges after December 31, 2025.

PART 2—ADDITIONAL TAX RELIEF FOR AMERICAN FAMILIES AND WORKERS

SEC. 110101. NO TAX ON TIPS.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 is amended by redesignating section 224 as section 225 and by inserting after section 223 the following new section:

"SEC. 224. QUALIFIED TIPS.

"(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the qualified tips received during the taxable year that are included on statements furnished to the individual pursuant to section 6041(d)(3), 6041A(e)(3), 6050W(f)(2), 6051(a)(18), or reported by the taxpayer on Form 4137 (or successor).

"(b) TIPS RECEIVED IN COURSE OF TRADE OR BUSINESS.—In the case of qualified tips received by an individual during any taxable year in the course of any trade or business of such individual, such qualified tips shall be taken into account under subsection (a) only to the extent that the gross receipts of the taxpayer from such trade or business for such taxable year (including such qualified tips) exceeds the sum of—

"(1) cost of goods sold that are allocable to such receipts, plus

''(2) other expenses, losses, or deductions (other than the deduction allowed under this section), which are properly allocable to such receipts.

''(c) QUALIFIED TIPS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified tip' means any cash tip received by an individual in an occupation which traditionally and customarily received tips on or before December 31, 2024, as provided by the Secretary.

''(2) EXCLUSIONS.—Such term shall not include any amount received by an individual unless—

''(A) such amount is paid voluntarily without any consequence in the event of nonpayment, is not the subject of negotiation, and is determined by the payor,

''(B) the trade or business in the course of which the individual receives such amount is not a specified service trade or business (as defined in section 199A(d)(2)),

''(C) such individual does not receive earned income (within the meaning of section 32) in excess of the dollar amount in effect under section 414(q)(1)(B)(i) for the calendar year in which the taxable year begins, and

''(D) such other requirements as may be established by the Secretary in regulations or other guidance are satisfied.

''(d) SOCIAL SECURITY NUMBER REQUIRED.—

''(1) IN GENERAL.—No deduction shall be allowed under this section unless the taxpayer includes on the return of tax for the taxable year—

''(A) such individual's social security number, and

''(B) if the individual is married, the social security number of such individual's spouse.

''(2) MARRIED INDIVIDUALS.—Rules similar to the rules of section 32(d) shall apply to this section.

''(3) SOCIAL SECURITY NUMBER DEFINED.—For purposes of paragraph (1), the term 'social security number' shall have the meaning given such term in section 24(h)(7).

''(e) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary to prevent reclassification of income as qualified tips, including regulations or other guidance to prevent abuse of the deduction allowed by this section.

''(f) TERMINATION.—No deduction shall be allowed under this section for any taxable year beginning after December 31, 2028.''.

(b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—Section 63(b) is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting ''and'', and by adding at the end the following new paragraph:

''(5) the deduction provided in section 224.''.

(c) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended by striking ''and'' at the end of subparagraph (V), by striking the period at the end of subparagraph (W) and inserting '', and'', and by inserting after subparagraph (W) the following new subparagraph:

''(X) an omission of a correct social security number required under section 224(d) (relating to deduction for qualified tips).''.

(d) EXCLUSION FROM QUALIFIED BUSINESS INCOME.—Section 199A(c)(4) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) any amount with respect to which a deduction is allowable to the taxpayer under section 224(a) for the taxable year.''.

(e) EXTENSION OF TIP CREDIT TO BEAUTY SERVICE BUSINESS.—

(1) IN GENERAL.—Section 45B(b)(2) is amended to read as follows:

''(2) APPLICATION ONLY TO CERTAIN LINES OF BUSINESS.—In applying paragraph (1) there shall be taken into account only tips received from customers or clients in connection with the following services:

''(A) The providing, delivering, or serving of food or beverages for consumption, if the tipping of employees delivering or serving food or beverages by customers is customary.

''(B) The providing of any of the following services to a customer or client if the tipping of employees providing such services is customary:

''(i) Barbering and hair care.

''(ii) Nail care.

''(iii) Esthetics.

''(iv) Body and spa treatments.''.

(2) CREDIT DETERMINED WITH RESPECT TO MINIMUM WAGE IN EFFECT.—Section 45B(b)(1)(B) is amended—

(A) by striking ''as in effect on January 1, 2007, and'', and

(B) by inserting ", and in the case of food or beverage establishments, as in effect on January 1, 2007" after "without regard to section 3(m) of such Act".

(f) REPORTING REQUIREMENTS.—

(1) RETURNS FOR PAYMENTS MADE IN THE COURSE OF A TRADE OR BUSINESS.—

(A) STATEMENT FURNISHED TO SECRETARY.— Section 6041(a) is amended by inserting "(including a separate accounting of any such amounts properly designated as tips and whether such tips are received in an occupation described in section 224(c)(1))" after "such gains, profits, and income".

(B) STATEMENT FURNISHED TO PAYEE.— Section 6041(d) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by inserting after paragraph (2) the following new paragraph:

"(3) in the case of compensation to non-employees, the portion of payments that have been properly designated as tips and whether such tips are received in an occupation described in section 224(c)(1).".

(2) RETURNS FOR PAYMENTS MADE FOR SERVICES AND DIRECT SALES.—

(A) STATEMENT FURNISHED TO SECRETARY.— Section 6041A(a) is amended by inserting ''(including a separate accounting of any such amounts properly designated as tips and whether such tips are received in an occupation described in section 224(c)(1))'' after ''amount of such payments''.

(B) STATEMENT FURNISHED TO PAYEE.— Section 6041A(e) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by inserting after paragraph (2) the following new paragraph:

''(3) the portion of payments that have been properly designated as tips and whether such tips are received in an occupation described in section 224(c)(1).''.

(3) RETURNS RELATING TO THIRD PARTY SETTLEMENT ORGANIZATIONS.—

(A) STATEMENT FURNISHED TO SECRETARY.—Section 6050W(a) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2)

and inserting ''and'', and by adding at the end the following new paragraph:

''(3) in the case of a third party settlement organization, the portion of reportable payment transactions that have been properly designated by payors as tips and whether such tips are received in an occupation described in section 224(c)(1).''.

(B) STATEMENT FURNISHED TO PAYEE.—Section 6050W(f)(2) is amended by inserting ''(including a separate accounting of any such amounts that have been properly designated by payors as tips and whether such tips are received in an occupation described in section 224(c)(1))'' after ''reportable payment transactions''.

(4) RETURNS RELATED TO WAGES.—Section 6051(a) is amended by striking ''and'' at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting '', and'', and by inserting after paragraph (17) the following new paragraph:

''(18) the total amount of tips reported by the employee under section 6053(a).''.

(g) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by

redesignating the item relating to section 224 as relating to section 225 and by inserting after the item relating to section 223 the following new item:

"Sec. 224. Qualified tips.".

(h) PUBLISHED LIST OF OCCUPATIONS TRADITIONALLY RECEIVING TIPS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury (or the Secretary's delegate) shall publish a list of occupations which traditionally and customarily received tips on or before December 31, 2024, for purposes of section 224(c)(1) (as added by subsection (a)).

(i) WITHHOLDING.—The Secretary of the Treasury (or the Secretary's delegate) shall modify the tables and procedures prescribed under section 3402(a) to take into account the deduction allowed under section 224 (as added by this Act).

(j) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 110102. NO TAX ON OVERTIME.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1, as amended by the preceding provisions of this Act, is amended by redesignating section 225 as section 226 and by inserting after section 224 the following new section:

"SEC. 225. QUALIFIED OVERTIME COMPENSATION.

"(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the qualified overtime compensation received during the taxable year.

"(b) QUALIFIED OVERTIME COMPENSATION.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified overtime compensation' means overtime compensation paid to an individual required under section 7 of the Fair Labor Standards Act of 1938 that is in excess of the regular rate (as used in such section) at which such individual is employed.

"(2) EXCLUSIONS.—Such term shall not include—

"(A) any qualified tip (as defined in section 224(c)), or

"(B) any amount received by an individual during a taxable year if such individual is a highly compensated employee (as defined in section 414(q)(1)) of any employer for the calendar year in which the taxable year begins, or receives earned income in excess of the dollar amount in effect under section 414(q)(1)(B)(i) for such calendar year.

"(c) SOCIAL SECURITY NUMBER REQUIRED.—

''(1) IN GENERAL.—No deduction shall be allowed under this section unless the taxpayer includes on the return of tax for the taxable year—

''(A) such individual's social security number, and

''(B) if the individual is married, the social security number of such individual's spouse.

''(2) MARRIED INDIVIDUALS.—Rules similar to the rules of section 32(d) shall apply to this section.

''(3) SOCIAL SECURITY NUMBER DEFINED.—For purposes of paragraph (1), the term 'social security number' shall have the meaning given such term in section 24(h)(7).

''(d) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section.

''(e) TERMINATION.—No deduction shall be allowed under this section for any taxable year beginning after December 31, 2028.''.

(b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—Section 63(b), as amended by the preceding provisions of this Act, is amended by striking ''and'' at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ''and'', and by adding at the end the following new paragraph:

''(6) the deduction provided in section 225.''.

(c) REQUIREMENT TO INCLUDE OVERTIME COMPENSATION ON W-2.—Section 6051(a), as amended by the preceding provision of this Act, is amended by striking ''and'' at the end of paragraph (17), by striking the period at the end of paragraph (18) and inserting '', and'', and by inserting after paragraph (18) the following new paragraph:

''(19) the total amount of qualified overtime compensation (as defined in section 225(b)).''.

(d) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended by striking ''and'' at the end of subparagraph (W), by striking the period at the end of subparagraph (X) and inserting '', and'', and by inserting after subparagraph (X) the following new subparagraph:

''(Y) an omission of a correct social security number required under section 225(c) (relating to deduction for qualified overtime).''.

(e) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1, as amended by the preceding provisions of this Act, is amended by redesignating the item relating to section 225 as an item

relating to section 226 and by inserting after the item relating to section 224 the following new item:

"Sec. 225. Qualified overtime compensation.".

(f) WITHHOLDING.—The Secretary of the Treasury (or the Secretary's delegate) shall modify the tables and procedures prescribed under section 3402(a) to take into account the deduction allowed under section 225 (as added by this Act).

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 110103. ENHANCED DEDUCTION FOR SENIORS.

(a) IN GENERAL.—Section 63(f) is amended by adding at the end the following new paragraph:

"(5) BONUS ADDITIONAL AMOUNT FOR SENIORS.—

"(A) IN GENERAL.—In the case of any taxable year beginning after December 31, 2024, and before January 1, 2029, the dollar amount in effect under paragraph (1) shall be increased by $4,000.

"(B) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—In the case of any taxpayer for any taxable year, the $4,000 amount in subparagraph(A) shall be reduced (but not below zero) by 4 percent of so much

of the taxpayer's modified adjusted gross income as exceeds $75,000 ($150,000 in the case of a joint return).

"(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

"(D) SOCIAL SECURITY NUMBER REQUIRED.—

"(i) IN GENERAL.—Subparagraph (A) shall not apply unless the taxpayer includes on the return of tax for the taxable year—

"(I) such individual's social security number, and

"(II) if the individual is married, the social security number of such individual's spouse.

"(ii) MARRIED INDIVIDUALS.—Rules similar to the rules of section 32(d) shall apply to this section.

''(iii) SOCIAL SECURITY NUMBER DEFINED.—For purposes of clause (i), the term 'social security number' shall have the meaning given such term in section 24(h)(7).

''(E) COORDINATION WITH INFLATION ADJUSTMENT.—Subsection (c)(4) shall not apply to any dollar amount contained in this paragraph.

''(F) ALLOWANCE TO SENIORS WHO ELECT TO ITEMIZE.—In the case of a taxpayer who elects to itemize deductions for any taxable year beginning after December 31, 2024, and before January 1, 2029, there shall be allowed as a deduction the aggregate increase which would be determined under subparagraph (A) (determined after the application of subparagraphs (B), (D), and (E)) with respect to such taxpayer for such taxable year if such taxpayer did not so elect to itemize deductions for such taxable year.''.

(b) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended by striking

''and'' at the end of subparagraph (X), by striking the period at the end of subparagraph (Y) and inserting '', and'', and by inserting after subparagraph (Y) the following new subparagraph:

''(Z) an omission of a correct social security number required under section 63(f)(5)(D) (relating to bonus additional amount for seniors).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 110104. NO TAX ON CAR LOAN INTEREST.

(a) IN GENERAL.—Section 163(h) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) SPECIAL RULES FOR TAXABLE YEARS 2025 THROUGH 2028 RELATING TO QUALIFIED PASSENGER VEHICLE LOAN INTEREST.—

''(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2024, and before January 1, 2029, for purposes of this subsection the term 'personal interest' shall not include qualified passenger vehicle loan interest.

''(B) QUALIFIED PASSENGER VEHICLE LOAN INTEREST DEFINED.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'qualified passenger vehicle loan interest' means any interest which is paid or accrued during the taxable year on indebtedness incurred by the taxpayer after December 31, 2024, for the purchase of, and that is secured by a first lien on, an applicable passenger vehicle for personal use.

''(ii) EXCEPTIONS.—Such term shall not include any amount paid or incurred on any of the following:

''(I) A loan to finance fleet sales.

''(II) A personal cash loan secured by a vehicle previously purchased by the taxpayer.

''(III) A loan incurred for the purchase of a commercial vehicle that is not used for personal purposes.

''(IV) Any lease financing.

''(V) A loan to finance the purchase of a vehicle with a salvage title.

''(VI) A loan to finance the purchase of a vehicle intended to be used for scrap or parts.

"(C) LIMITATIONS.—

"(i) DOLLAR LIMIT.—The amount of interest taken into account by a taxpayer under subparagraph (B) for any taxable year shall not exceed $10,000.

"(ii) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

"(I) IN GENERAL.—The amount which is otherwise allowable as a deduction under subsection (a) as qualified passenger vehicle loan interest (determined without regard to this clause and after the application of clause (i)) shall be reduced (but not below zero) by $200 for each $1,000 (or portion thereof) by which the modified adjusted gross income of the taxpayer for the taxable year exceeds $100,000 ($200,000 in the case of a joint return).

"(II) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this clause, the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the

taxable year determined after application of sections 86, 135, 137, 219, 221, and 469, and without regard to this paragraph and sections 911, 931, and 933.

''(D) APPLICABLE PASSENGER VEHICLE.—The term 'applicable passenger vehicle' means any vehicle—

''(i)(I) which is manufactured primarily for use on public streets, roads, and highways,

''(II) which has at least 2 wheels, and

''(III) which is a car, minivan, van, sport utility vehicle, pickup truck, or motorcycle,

''(ii) which is an all-terrain vehicle (designed for use on land), or

''(iii) any trailer, camper, or vehicle (designed for use on land) which—

''(I) is designed to provide temporary living quarters for recreational, camping, or seasonal use, and

''(II) is a motor vehicle or is designed to be towed by, or affixed to, a motor vehicle.

Such term shall not include any vehicle the final assembly of which did not occur within the United States.

''(E) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

''(i) ALL-TERRAIN VEHICLE.—The term 'all-terrain vehicle' means any motorized vehicle which has 3 or 4 wheels, a seat designed to be straddled by the operator, and handlebars for steering control.

''(ii) FINAL ASSEMBLY.—For purposes of subparagraph (D), the term 'final assembly' means the process by which a manufacturer produces a vehicle at, or through the use of, a plant, factory, or other place from which the vehicle is delivered to a dealer or importer with all component parts necessary for the mechanical operation of the vehicle included with the vehicle, whether or not the component parts are permanently installed in or on the vehicle.

''(iii) TREATMENT OF REFINANCING.—Indebtedness described in subparagraph (B) shall include indebtedness

that results from refinancing any indebtedness described in such subparagraph, and that is secured by a first lien on the applicable passenger vehicle with respect to which the refinanced indebtedness was incurred, but only to the extent the amount of such resulting indebtedness does not exceed the amount of such refinanced indebtedness.

''(iv) RELATED PARTIES.—Indebtedness described in subparagraph (B) shall not include any indebtedness owed to a person who is related (within the meaning of section 267(b) or 707(b)(1)) to the taxpayer.''.

(b) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES.—Section 62(a) is amended by inserting after paragraph (21) the following new paragraph:

''(22) QUALIFIED PASSENGER VEHICLE LOAN INTEREST.—So much of the deduction allowed by section 163(a) as is attributable to the exception under section 163(h)(4)(A).''.

(c) REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new section:

"SEC. 6050AA. RETURNS RELATING TO APPLICABLE PASSENGER VEHICLE LOAN INTEREST RECEIVED IN TRADE OR BUSINESS FROM INDIVIDUALS.

''(a) IN GENERAL.—Any person—

''(1) who is engaged in a trade or business, and

''(2) who, in the course of such trade or business, receives from any individual interest aggregating $600 or more for any calendar year on a specified passenger vehicle loan,

shall make the return described in subsection (b) with respect to each individual from whom such interest was received at such time as the Secretary may provide.

''(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

''(1) is in such form as the Secretary may prescribe, and

''(2) contains—

''(A) the name and address of the individual from whom the interest described in subsection (a)(2) was received,

''(B) the amount of such interest received for the calendar year,

''(C) the amount of outstanding principal on the specified passenger vehicle loan as of the beginning of such calendar year,

''(D) the date of the origination of such loan,

''(E) the year, make, and model of the applicable passenger vehicle which secures such loan (or such other description of such vehicle as the Secretary may prescribe), and

''(F) such other information as the Secretary may prescribe.

''(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

''(1) the name, address, and phone number of the information contact of the person required to make such return, and

''(2) the information described in subparagraphs (B), (C), (D), and (E) of subsection (b)(2) with respect to such individual (and such information as is described in subsection (b)(2)(F) with re-

spect to such individual as the Secretary may provide for purposes of this subsection).

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.

''(d) DEFINITIONS.—For purposes of this section—

''(1) IN GENERAL.—Terms used in this section which are also used in paragraph (4) of section 163(h) shall have the same meaning as when used in such paragraph.

''(2) SPECIFIED PASSENGER VEHICLE LOAN.—The term 'specified passenger vehicle loan' means the indebtedness described in section 163(h)(4)(B) with respect to any applicable passenger vehicle.

''(e) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance to prevent the duplicate reporting of information under this section.''.

(2) PENALTIES.—Section 6724(d) is amended—

(A) in paragraph (1)(B), by striking ''or'' at the end of clause (xxvii), by striking ''and'' at the end of clause (xxviii) and inserting ''or'',

and by adding at the end the following new clause:

"(xxix) section 6050AA(a) (relating to returns relating to applicable passenger vehicle loan interest received in trade or business from individuals), and", and

(B) in paragraph (2), by striking "or" at the end of subparagraph (KK), by striking the period at the end of subparagraph (LL) and inserting ", or", and by inserting after subparagraph (LL) the following new subparagraph:

"(MM) section 6050AA(b) (relating to statements relating to applicable passenger vehicle loan interest received in trade or business from individuals).".

(d) CONFORMING AMENDMENTS.—

(1) Section 56(e)(1)(B) is amended by striking "section 163(h)(4)" and inserting "section 163(h)(5)".

(2) Section 85 is amended by striking subsection (c).

(3) Section 86(b)(2)(A) is amended by inserting "163(h)(4)," after "137,".

(4) Section 135(c)(4)(A) is amended by inserting "163(h)(4)," after "137,".

(5) Section 137(b)(3)(A) is amended by inserting ", 163(h)(4)," after "85(c)".

(6) Section 219(g)(3)(A)(ii) is amended by inserting "163(h)(4)," after "137,".

(7) Section 221(b)(1)(C)(i) is amended by inserting ", 163(h)(4)," after "85(c)".

(8) Section 469(i)(3)(E)(iii) is amended by inserting "163(h)(4)," after "sections".

(9) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new item:

"Sec. 6050AA. Returns relating to applicable passenger vehicle loan interest received in trade or business from individuals.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to indebtedness incurred after December 31, 2024.

SEC. 110105. ENHANCEMENT OF EMPLOYER-PROVIDED CHILD CARE CREDIT.

(a) INCREASE OF AMOUNT OF QUALIFIED CHILD CARE EXPENDITURES TAKEN INTO ACCOUNT.—Section 45F(a)(1) is amended by striking "25 percent" and inserting "40 percent (50 percent in the case of an eligible small business)".

(b) INCREASE OF MAXIMUM CREDIT AMOUNT.—Subsection (b) of section 45F is amended to read as follows:

"(b) DOLLAR LIMITATION.—

''(1) IN GENERAL.—The credit allowable under subsection (a) for any taxable year shall not exceed $500,000 ($600,000 in the case of an eligible small business).

''(2) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2026, the $500,0000 and $600,000 amounts in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.''.

(c) ELIGIBLE SMALL BUSINESS.—Section 45F(c) is amended by adding at the end the following new paragraph:

''(4) ELIGIBLE SMALL BUSINESS.—The term 'eligible small business' means a business that meets the gross receipts test of section 448(c), determined—

''(A) by substituting '5-taxable-year' for '3-taxable-year' in paragraph (1) thereof, and

''(B) by substituting '5-year' for '3-year' each place such term appears in paragraph (3)(A) thereof.''.

(d) CREDIT ALLOWED FOR THIRD-PARTY INTERMEDIARIES.—Section 45F(c)(1)(A)(iii) is amended by inserting '', or under a contract with an intermediate entity that contracts with one or more qualified child care facilities to provide such child care services'' before the period at the end.

(e) TREATMENT OF JOINTLY OWNED OR OPERATED CHILD CARE FACILITY.—Section 45F(c)(2) is amended by adding at the end the following new subparagraph:

''(C) TREATMENT OF JOINTLY OWNED OR OPERATED CHILD CARE FACILITY.—A facility shall not fail to be treated as a qualified child care facility of the taxpayer merely because such facility is jointly owned or operated by the taxpayer and other persons.''.

(f) REGULATIONS AND GUIDANCE.—Section 45F is amended by adding at the end the following new subsection:

''(g) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as may be necessary to carry out the purposes of this section, includ-

ing guidance to carry out the purposes of paragraphs (1)(A)(iii) and (2)(C) of subsection (c).''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2025.

SEC. 110106. EXTENSION AND ENHANCEMENT OF PAID FAMILY AND MEDICAL LEAVE CREDIT.

(a) IN GENERAL.—Section 45S is amended—

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—For purposes of section 38, in the case of an eligible employer, the paid family and medical leave credit is an amount equal to either of the following (as elected by such employer):

''(A) The applicable percentage of the amount of wages paid to qualifying employees with respect to any period in which such employees are on family and medical leave.

''(B) If such employer has an insurance policy with regards to the provision of paid family and medical leave which is in force during the taxable year, the applicable percentage of the total amount of premiums paid or incurred by such employer during such taxable

year with respect to such insurance policy.'', and

(B) by adding at the end the following:

''(3) RATE OF PAYMENT DETERMINED WITHOUT REGARD TO WHETHER LEAVE IS TAKEN.—For purposes of determining the applicable percentage with respect to paragraph (1)(B), the rate of payment under the insurance policy shall be determined without regard to whether any qualifying employees were on family and medical leave during the taxable year.'',

(2) in subsection (b)(1), by striking ''credit allowed'' and inserting ''wages taken into account'',

(3) in subsection (c), by striking paragraphs (3) and (4) and inserting the following:

''(3) AGGREGATION RULE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), all persons which are treated as a single employer under subsections (b) and (c) of section 414 shall be treated as a single employer.

''(B) EXCEPTION.—

''(i) IN GENERAL.—Subparagraph (A) shall not apply to any person who establishes to the satisfaction of the Secretary

that such person has a substantial and legitimate business reason for failing to provide a written policy described in paragraph (1) or (2).

''(ii) SUBSTANTIAL AND LEGITIMATE BUSINESS REASON.—For purposes of clause (i), the term 'substantial and legitimate business reason' shall not include the operation of a separate line of business, the rate of wages or category of jobs for employees (or any similar basis), or the application of State or local laws relating to family and medical leave, but may include the grouping of employees of a common law employer.

''(4) TREATMENT OF BENEFITS MANDATED OR PAID FOR BY STATE OR LOCAL GOVERNMENTS.—For purposes of this section, any leave which is paid by a State or local government or required by State or local law—

''(A) except as provided in subparagraph (B), shall be taken into account in determining the amount of paid family and medical leave provided by the employer, and

''(B) shall not be taken into account in determining the amount of the paid family and medical leave credit under subsection (a).'',

(4) in subsection (d)—

(A) in paragraph (1), by inserting ''(or, at the election of the employer, for not less than 6 months)'' after ''1 year or more'', and

(B) in paragraph (2)—

(i) by inserting '', as determined on an annualized basis (pro-rata for part-time employees),'' after ''compensation'', and

(ii) by striking the period at the end and inserting '', and'', and

(C) by adding at the end the following:

''(3) is customarily employed for not less than 20 hours per week.'', and

(5) by striking subsection (i).

(b) NO DOUBLE BENEFIT.—Section 280C(a) is amended—

(1) by striking ''45S(a)'' and inserting ''45S(a)(1)(A)'', and

(2) by inserting after the first sentence the following: ''No deduction shall be allowed for that portion of the premiums paid or incurred for the taxable year which is equal to that portion of the paid

family and medical leave credit which is determined for the taxable year under section 45S(a)(1)(B).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110107. ENHANCEMENT OF ADOPTION CREDIT.

(a) IN GENERAL.—Section 23(a) is amended by adding at the end the following new paragraph:

''(4) PORTION OF CREDIT REFUNDABLE.—So much of the credit allowed under paragraph (1) as does not exceed $5,000 shall be treated as a credit allowed under subpart C and not as a credit allowed under this subpart.''.

(b) ADJUSTMENTS FOR INFLATION.—Section 23(h) is amended to read as follows:

''(h) ADJUSTMENTS FOR INFLATION.—

''(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in paragraphs (3) and (4) of subsection (a) and paragraphs (1) and (2)(A)(i) of subsection (b) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar

year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(2) ROUNDING.—If any amount as increased under paragraph (1) is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10.

''(3) SPECIAL RULE FOR REFUNDABLE PORTION.—In the case of the dollar amount in subsection (a)(4), paragraph (1) shall be applied—

''(A) by substituting '2025' for '2002' in the matter preceding subparagraph (A), and

''(B) by substituting 'calendar year 2024' for 'calendar year 2001' in subparagraph (B) thereof.''.

(c) EXCLUSION OF REFUNDABLE PORTION OF CREDIT FROM CARRYFORWARD.—Section 23(c)(1) is amended by striking ''credit allowable under subsection (a)'' and inserting ''portion of the credit allowable under subsection (a) which is allowed under this subpart''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 110108. RECOGNIZING INDIAN TRIBAL GOVERNMENTS FOR PURPOSES OF DETERMINING WHETHER A CHILD HAS SPECIAL NEEDS FOR PURPOSES OF THE ADOPTION CREDIT.

(a) IN GENERAL.—Section 23(d)(3) is amended—

(1) in subparagraph (A), by inserting ''or Indian tribal government'' after ''a State'', and

(2) in subparagraph (B), by inserting ''or Indian tribal government'' after ''such State''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 110109. SCHOLARSHIP GRANTING ORGANIZATIONS.

(a) ALLOWANCE OF CREDIT FOR CONTRIBUTIONS OF INDIVIDUALS TO SCHOLARSHIP GRANTING ORGANIZATIONS.—

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 25E the following new section:

''SEC. 25F. QUALIFIED ELEMENTARY AND SECONDARY EDUCATION SCHOLARSHIPS.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the aggregate amount of qualified contributions made by the taxpayer during the taxable year.

''(b) LIMITATIONS.—

''(1) IN GENERAL.—The credit allowed under subsection (a) to any taxpayer for any taxable year shall not exceed an amount equal to the greater of—

''(A) 10 percent of the adjusted gross income of the taxpayer for the taxable year, or

''(B) $5,000.

''(2) ALLOCATION OF VOLUME CAP.—The credit allowed under subsection (a) to any taxpayer for any taxable year shall not exceed the amount of the volume cap allocated by the Secretary to such taxpayer under subsection (g) with respect to qualified contributions made by the taxpayer during the taxable year.

''(3) REDUCTION BASED ON STATE CREDIT.—The amount allowed as a credit under subsection (a) for a taxable year shall be reduced by the amount allowed as a credit on any State tax return of the taxpayer for qualified contributions made by the taxpayer during the taxable year.

''(c) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE STUDENT.—The term 'eligible student' means an individual who—

''(A) is a member of a household with an income which is not greater than 300 percent

of the area median gross income (as such term is used in section 42), and

''(B) is eligible to enroll in a public elementary or secondary school.

''(2) QUALIFIED CONTRIBUTION.—The term 'qualified contribution' means a charitable contribution (as defined by section 170(c)) to a scholarship granting organization in the form of cash or marketable securities.

''(3) QUALIFIED ELEMENTARY OR SECONDARY EDUCATION EXPENSE.—The term 'qualified elementary or secondary education expense' means the following expenses in connection with enrollment or attendance at, or for students enrolled at or attending, an elementary or secondary public, private, or religious school:

''(A) Tuition.

''(B) Curriculum and curricular materials.

''(C) Books or other instructional materials.

''(D) Online educational materials.

''(E) Tuition for tutoring or educational classes outside of the home, including at a tutoring facility, but only if the tutor or instructor is not related to the student and—

''(i) is licensed as a teacher in any State,

''(ii) has taught at an eligible educational institution, or

''(iii) is a subject matter expert in the relevant subject.

''(F) Fees for a nationally standardized norm-referenced achievement test, an advanced placement examination, or any examinations related to college or university admission.

''(G) Fees for dual enrollment in an institution of higher education.

''(H) Educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies.

Such term shall include expenses for the purposes described in subparagraphs (A) through (H) in connection with a homeschool (whether treated as a homeschool or a private school for purposes of applicable State law). No amount paid to an elementary or secondary school shall be considered a qualified elementary or secondary education expense for the purposes of this section unless such school dem-

onstrates that it maintains a policy whereby its admissions standards do not take into account whether the student seeking enrollment has a current individualized education plan, nor takes into account that the student requires equitable services for a learning disability, and if a student does have such an individualized education plan, the school abides by the plan's terms and provides services outlined therein.

''(4) SCHOLARSHIP GRANTING ORGANIZATION.—The term 'scholarship granting organization' means any organization—

''(A) which—

''(i) is described in section 501(c)(3) and exempt from tax under section 501(a), and

''(ii) is not a private foundation,

''(B) substantially all of the activities of which are providing scholarships for qualified elementary or secondary education expenses of eligible students,

''(C) which prevents the co-mingling of qualified contributions with other amounts by maintaining one or more separate accounts exclusively for qualified contributions, and

''(D) which either—

''(i) meets the requirements of subsection (d), or

''(ii) pursuant to State law, was able (as of the date of the enactment of this section) to receive contributions that are eligible for a State tax credit if such contributions are used by the organization to provide scholarships to individual elementary and secondary students, including scholarships for attending private schools.

''(d) REQUIREMENTS FOR SCHOLARSHIP GRANTING ORGANIZATIONS.—

''(1) IN GENERAL.—An organization meets the requirements of this subsection if—

''(A) such organization provides scholarships to 2 or more students, provided that not all such students attend the same school,

''(B) such organization does not provide scholarships for any expenses other than qualified elementary or secondary education expenses,

''(C) such organization provides a scholarship to eligible students with a priority for—

''(i) students awarded a scholarship the previous school year, and

''(ii) after application of clause (i), any such students who have a sibling who was awarded a scholarship from such organization,

''(D) such organization does not earmark or set aside contributions for scholarships on behalf of any particular student,

''(E) such organization takes appropriate steps to verify the annual household income and family size of eligible students to whom it awards scholarships, and limits them to a member of a household for which the income does not exceed the amount established under subsection (c)(1)(A),

''(F) such organization—

''(i) obtains from an independent certified public accountant annual financial and compliance audits, and

''(ii) certifies to the Secretary (at such time, and in such form and manner, as the Secretary may prescribe) that the audit described in clause (i) has been completed, and

''(G) no officer or board member of such organization has been convicted of a felony.

''(2) INCOME VERIFICATION.—For purposes of paragraph (1)(E), review of all of the following (as applicable) shall be treated as satisfying the requirement to take appropriate steps to verify annual household income:

''(A) Federal and State income tax returns or tax return transcripts with applicable schedules for the taxable year prior to application.

''(B) Income reporting statements for tax purposes or wage and income transcripts from the Internal Revenue Service.

''(C) Notarized income verification letter from employers.

''(D) Unemployment or workers compensation statements.

''(E) Budget letters regarding public assistance payments and Supplemental Nutrition Assistance Program (SNAP) payments including a list of household members.

''(3) INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT.—For purposes of paragraph (1)(F), the term 'independent certified public accountant' means, with respect to an organization, a certified public accountant who is not a person described in

section 465(b)(3)(A) with respect to such organization or any employee of such organization.

''(4) PROHIBITION ON SELF-DEALING.—

''(A) IN GENERAL.—A scholarship granting organization may not award a scholarship to any disqualified person.

''(B) DISQUALIFIED PERSON.—For purposes of this paragraph, a disqualified person shall be determined pursuant to rules similar to the rules of section 4946.

''(e) DENIAL OF DOUBLE BENEFIT.—Any qualified contribution for which a credit is allowed under this section shall not be taken into account as a charitable contribution for purposes of section 170.

''(f) CARRYFORWARD OF UNUSED CREDIT.—

''(1) IN GENERAL.—If the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section, section 23, and section 25D), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(2) LIMITATION.—No credit may be carried forward under this subsection to any taxable year

following the fifth taxable year after the taxable year in which the credit arose. For purposes of the preceding sentence, credits shall be treated as used on a first-in first-out basis.

''(g) VOLUME CAP.—

''(1) IN GENERAL.—The volume cap applicable under this section shall be $5,000,000,000 for each of calendar years 2026 through 2029, and zero for calendar years thereafter. Such amount shall be allocated by the Secretary as provided in paragraph (2) to taxpayers with respect to qualified contributions made by such taxpayers, except that 10 percent of such amount shall be divided evenly among the States, and shall be available with respect to individuals residing in such States.

''(2) FIRST-COME, FIRST-SERVE.—For purposes of applying the volume cap under this section, such volume cap for any calendar year shall be allocated by the Secretary on a first-come, first-serve basis, as determined based on the time (during such calendar year) at which the taxpayer made the qualified contribution with respect to which the allocation is made. The Secretary shall not make any allocation of volume cap for any calendar year after December 31 of such calendar year.

''(3) REAL-TIME INFORMATION.—For purposes of this section, the Secretary shall develop a system to track the amount of qualified contributions made during the calendar year for which a credit may be claimed under this section, with such information to be updated in real time.

''(4) ANNUAL INCREASES.—

''(A) IN GENERAL.—In the case of the calendar year after a high-use calendar year, the dollar amount otherwise in effect under paragraph (1) for such calendar year shall be equal to 105 percent of the dollar amount in effect for such high-use calendar year.

''(B) HIGH-USE CALENDAR YEAR.—For purposes of this subsection, the term 'high-use calendar year' means any calendar year for which 90 percent or more of the volume cap in effect for such calendar year under paragraph (1) is allocated to taxpayers.

''(C) PREVENTION OF DECREASES IN ANNUAL VOLUME CAP.—The volume cap in effect under paragraph (1) for any calendar year shall not be less than the volume cap in effect under such paragraph for the preceding calendar year.

"(D) PUBLICATION OF ANNUAL VOLUME CAP.—The Secretary shall make publicly available the dollar amount of the volume cap in effect under paragraph (1) for each calendar year.

"(5) STATES.—For purposes of this subsection, the term 'State' includes the District of Columbia.".

(2) CONFORMING AMENDMENTS.—

(A) Section 25(e)(1)(C) is amended by striking "and 25D" and inserting "25D, and 25F".

(B) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25E the following new item:

"Sec. 25F. Qualified elementary and secondary education scholarships.".

(b) EXEMPTION FROM GROSS INCOME FOR SCHOLARSHIPS FOR QUALIFIED ELEMENTARY OR SECONDARY EDUCATION EXPENSES OF ELIGIBLE STUDENTS.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting before section 140 the following new section:

"SEC. 139J. SCHOLARSHIPS FOR QUALIFIED ELEMENTARY OR SECONDARY EDUCATION EXPENSES OF ELIGIBLE STUDENTS.

''(a) IN GENERAL.—In the case of an individual, gross income shall not include any amounts provided to any dependent of such individual pursuant to a scholarship for qualified elementary or secondary education expenses of an eligible student which is provided by a scholarship granting organization.

''(b) DEFINITIONS.—In this section, the terms 'qualified elementary or secondary education expense', 'eligible student', and 'scholarship granting organization' have the same meaning given such terms under section 25F(c).

''(c) TERMINATION.—Subsection (a) shall not apply to amounts received after December 31, 2029.''.

(2) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting before the item relating to section 140 the following new item:

''Sec. 139J. Scholarships for qualified elementary or secondary education expenses of eligible students.''.

(c) FAILURE OF SCHOLARSHIP GRANTING ORGANIZATIONS TO MAKE DISTRIBUTIONS.—

(1) IN GENERAL.—Chapter 42 is amended by adding at the end the following new subchapter:

"Subchapter I—Scholarship Granting Organizations

"Sec. 4969. Failure to distribute receipts.

"SEC. 4969. FAILURE TO DISTRIBUTE RECEIPTS.

"(a) IN GENERAL.—In the case of any scholarship granting organization (as defined in section 25F) which has been determined by the Secretary to have failed to satisfy the requirement under subsection (b) for any taxable year, any contribution made to such organization during the first taxable year beginning after the date of such determination shall not be treated as a qualified contribution (as defined in section 25F(c)(2)) for purposes of section 25F.

"(b) REQUIREMENT.—The requirement described in this subsection is that the amount of receipts of the scholarship granting organization for the taxable year which are distributed before the distribution deadline with respect to such receipts shall not be less than the required distribution amount with respect to such taxable year.

"(c) DEFINITIONS.—For purposes of this section—

"(1) REQUIRED DISTRIBUTION AMOUNT.—

"(A) IN GENERAL.—The required distribution amount with respect to a taxable year is the amount equal to 100 percent of the total re-

ceipts of the scholarship granting organization for such taxable year—

''(i) reduced by the sum of such receipts that are retained for reasonable administrative expenses for the taxable year or are carried to the succeeding taxable year under subparagraph (C), and

''(ii) increased by the amount of the carryover under subparagraph (C) from the preceding taxable year.

''(B) SAFE HARBOR FOR REASONABLE ADMINISTRATIVE EXPENSES.—For purposes of subparagraph (A)(i), if the percentage of total receipts of a scholarship granting organization for a taxable year which are used for administrative purposes is equal to or less than 10 percent, such expenses shall be deemed to be reasonable for purposes of such subparagraph.

''(C) CARRYOVER.—With respect to the amount of the total receipts of a scholarship granting organization with respect to any taxable year, an amount not greater than 15 percent of such amount may, at the election of such organization, be carried to the succeeding taxable year.

''(2) DISTRIBUTIONS.—The term 'distribution' includes amounts which are formally committed but not distributed. A formal commitment described in the preceding sentence may include contributions set aside for eligible students for more than one year.

''(3) DISTRIBUTION DEADLINE.—The distribution deadline with respect to receipts for a taxable year is the first day of the third taxable year following the taxable year in which such receipts are received by the scholarship granting organization.''.

(2) CLERICAL AMENDMENT.—The table of subchapters for chapter 42 is amended by adding at the end the following new item:

''SUBCHAPTER I—SCHOLARSHIP GRANTING ORGANIZATIONS''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after December 31, 2025.

(2) EXEMPTION FROM GROSS INCOME.—The amendments made by subsection (b) shall apply to amounts received after December 31, 2025, in taxable years ending after such date.

(e) ORGANIZATIONAL AND PARENTAL AUTONOMY.—

(1) PROHIBITION OF CONTROL OVER SCHOLARSHIP ORGANIZATIONS.—

(A) IN GENERAL.—

(i) TREATMENT.—A scholarship granting organization shall not, by virtue of participation under any provision of this section or any amendment made by this section, be regarded as acting on behalf of any governmental entity.

(ii) NO GOVERNMENTAL CONTROL.—Nothing in this section, or any amendment made by this section, shall be construed to permit, allow, encourage, or authorize any Federal, State, or local government entity, or officer or employee thereof, to mandate, direct, or control any aspect of any scholarship granting organization.

(iii) MAXIMUM FREEDOM.—To the extent permissible by law, this section, and any amendment made by this section, shall be construed to allow scholarship granting organizations maximum freedom to provide for the needs of the participants without governmental control.

(B) PROHIBITION OF CONTROL OVER NONPUBLIC SCHOOLS.—

(i) NO GOVERNMENTAL CONTROL.—Nothing in this section, or any amendment made by this section, shall be construed to permit, allow, encourage, or authorize any Federal, State, or local government entity, or officer or employee thereof, to mandate, direct, or control any aspect of any private or religious elementary or secondary education institution.

(ii) NO EXCLUSION OF PRIVATE OR RELIGIOUS SCHOOLS.—No Federal, State, or local government entity, or officer or employee thereof, shall impose or permit the imposition of any conditions or requirements that would exclude or operate to exclude educational expenses at private or religious elementary and secondary education institutions from being considered qualified elementary or secondary education expenses.

(iii) NO EXCLUSION OF QUALIFIED EXPENSES DUE TO INSTITUTION'S RELIGIOUS CHARACTER OR AFFILIATION.—No Federal, State, or local government entity, or officer or employee thereof, shall ex-

clude, discriminate against, or otherwise disadvantage any elementary or secondary education institution with respect to qualified elementary or secondary education expenses at that institution based in whole or in part on the institution's religious character or affiliation, including religiously based or mission-based policies or practices.

(C) PARENTAL RIGHTS TO USE SCHOLARSHIPS.—No Federal, State, or local government entity, or officer or employee thereof, shall disfavor or discourage the use of scholarships granted by participating scholarship granting organizations for qualified elementary or secondary education expenses at private or nonprofit elementary and secondary education institutions, including faith-based schools.

(D) PARENTAL RIGHT TO INTERVENE.—In any action filed in any State or Federal court which challenges the constitutionality (under the constitution of such State or the Constitution of the United States) of any provision of this section (or any amendment made by this section), any parent of an eligible student who

has received a scholarship from a scholarship granting organization shall have the right to intervene in support of the constitutionality of such provision or amendment. To avoid duplication of efforts and reduce the burdens placed on the parties to the action, the court in any such action may require interveners taking similar positions to file joint papers or to be represented by a single attorney at oral argument, provided that the court does not require such interveners to join any brief filed on behalf of any State which is a defendant in such action.

(2) DEFINITIONS.—For purposes of this subsection, the terms ''eligible student'', ''scholarship granting organization'', and ''qualified elementary or secondary education expense'' shall have the same meanings given such terms under section 25F(c) of the Internal Revenue Code of 1986 (as added by this Act).

SEC. 110110. ADDITIONAL ELEMENTARY, SECONDARY, AND HOME SCHOOL EXPENSES TREATED AS QUALIFIED HIGHER EDUCATION EXPENSES FOR PURPOSES OF 529 ACCOUNTS.

(a) IN GENERAL.—Section 529(c)(7) is amended to read as follows:

''(7) TREATMENT OF ELEMENTARY AND SECONDARY TUITION.—Any reference in this section to the term 'qualified higher education expense' shall include a reference to the following expenses in connection with enrollment or attendance at, or for students enrolled at or attending, an elementary or secondary public, private, or religious school:

''(A) Tuition.

''(B) Curriculum and curricular materials.

''(C) Books or other instructional materials.

''(D) Online educational materials.

''(E) Tuition for tutoring or educational classes outside of the home, including at a tutoring facility, but only if the tutor or instructor is not related to the student and—

''(i) is licensed as a teacher in any State,

''(ii) has taught at an eligible educational institution, or

''(iii) is a subject matter expert in the relevant subject.

''(F) Fees for a nationally standardized norm-referenced achievement test, an advanced

placement examination, or any examinations related to college or university admission.

''(G) Fees for dual enrollment in an institution of higher education.

''(H) Educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies.

Such term shall include expenses for the purposes described in subparagraphs (A) through (H) in connection with a homeschool (whether treated as a homeschool or a private school for purposes of applicable State law).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after the date of the enactment of this Act.

SEC. 110111. CERTAIN POSTSECONDARY CREDENTIALING EXPENSES TREATED AS QUALIFIED HIGHER EDUCATION EXPENSES FOR PURPOSES OF 529 ACCOUNTS.

(a) IN GENERAL.—Section 529(e)(3) is amended by adding at the end the following new subparagraph:

''(C) CERTAIN POSTSECONDARY CREDENTIALING EXPENSES.—The term 'quali-

fied higher education expenses' includes qualified postsecondary credentialing expenses (as defined in subsection (f)).''.

(b) QUALIFIED POSTSECONDARY CREDENTIALING EXPENSES.—Section 529 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) QUALIFIED POSTSECONDARY CREDENTIALING EXPENSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified postsecondary credentialing expenses' means—

''(A) tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary in a recognized postsecondary credential program, or any other expense incurred in connection with enrollment in or attendance at a recognized postsecondary credential program if such expense would, if incurred in connection with enrollment or attendance at an eligible educational institution, be covered under subsection (e)(3)(A),

''(B) fees for testing if such testing is required to obtain or maintain a recognized postsecondary credential, and

"(C) fees for continuing education if such education is required to maintain a recognized postsecondary credential.

"(2) RECOGNIZED POSTSECONDARY CREDENTIAL PROGRAM.—The term 'recognized postsecondary credential program' means any program to obtain a recognized postsecondary credential if—

"(A) such program is included on a State list prepared under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)),

"(B) such program is listed in the WEAMS Public directory (or successor directory) maintained by the Department of Veterans Affairs,

"(C) an examination (developed or administered by an organization widely recognized as providing reputable credentials in the occupation) is required to obtain or maintain such credential and such organization recognizes such program as providing training or education which prepares individuals to take such examination, or

"(D) such program is identified by the Secretary, after consultation with the Secretary

of Labor, as being a reputable program for obtaining a recognized postsecondary credential for purposes of this subsection.

''(3) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term 'recognized postsecondary credential' means—

''(A) any postsecondary employment credential that is industry recognized, including—

''(i) any postsecondary employment credential issued by a program that is accredited by the Institute for Credentialing Excellence, the National Commission on Certifying Agencies, or the American National Standards Institute,

''(ii) any postsecondary employment credential that is included in the Credentialing Opportunities On-Line (COOL) directory of credentialing programs (or successor directory) maintained by the Department of Defense or by any branch of the Armed Services, and

''(iii) any postsecondary employment credential identified for purposes of this clause by the Secretary, after consultation

with the Secretary of Labor, as being industry recognized,

''(B) any certificate of completion of an apprenticeship that is registered and certified with the Secretary of Labor under the National Apprenticeship Act (29 U.S.C. 50),

''(C) any occupational or professional license issued or recognized by a State or the Federal Government (and any certification that satisfies a condition for obtaining such a license), and

''(D) any recognized postsecondary credential as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).''.

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

SEC. 110112. REINSTATEMENT OF PARTIAL DEDUCTION FOR CHARITABLE CONTRIBUTIONS OF INDIVIDUALS WHO DO NOT ELECT TO ITEMIZE.

(a) IN GENERAL.—Section 170(p) is amended—

(1) by striking ''$300 ($600'' and inserting ''$150 ($300'', and

(2) by striking ''in 2021'' and inserting ''after December 31, 2024, and before January 1, 2029''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 110113. EXCLUSION FOR CERTAIN EMPLOYER PAYMENTS OF STUDENT LOANS UNDER EDUCATIONAL ASSISTANCE PROGRAMS MADE PERMANENT AND ADJUSTED FOR INFLATION.

(a) IN GENERAL.—Section 127(c)(1)(B) is amended by striking ''in the case of payments made before January 1, 2026,''.

(b) INFLATION ADJUSTMENT.—Section 127 is amended—

(1) by redesignating subsection (d) as subsection (e), and

(2) by inserting after subsection (c) the following new subsection:

''(d) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—In the case of any taxable year beginning after 2026, both of the $5,250 amounts in subsection (a)(2) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(2) ROUNDING.—If any increase under paragraph (1) is not a multiple of $50, such increase shall be rounded to the nearest multiple of $50.''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2025.

SEC. 110114. EXTENSION OF RULES FOR TREATMENT OF CERTAIN DISASTER-RELATED PERSONAL CASUALTY LOSSES.

For purposes of applying section 304(b) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (division EE of Public Law 116–260), section 301 of such Act shall be applied by substituting the date of the enactment of this section for ''the date of the enactment of this Act'' each place it appears.

SEC. 110115. TRUMP ACCOUNTS.

(a) IN GENERAL.—Subchapter F of chapter 1 is amended by adding at the end the following new part:

"PART IX—TRUMP ACCOUNTS

"SEC. 530A. TRUMP ACCOUNTS.

''(a) GENERAL RULE.—A Trump account shall be exempt from taxation under this subtitle. Notwithstanding the preceding sentence, such account shall be subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable organizations).

''(b) TRUMP ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'Trump account' means a trust created or organized in the United States for the exclusive benefit of an individual and which is designated (in such manner as the Secretary shall prescribe) at the time of the establishment of the trust as a Trump account, but only if the written governing instrument creating the trust meets the following requirements:

''(A) The individual establishing the account shall provide to the trustee the social security number of such individual and of the account beneficiary.

''(B) Except in the case of a qualified rollover contribution described in subsection (e), no contribution will be accepted—

''(i) before January 1, 2026,

''(ii) unless it is in cash,

''(iii) unless the account beneficiary has not attained age 18, and

''(iv) if such contribution would result in aggregate contributions for the taxable year exceeding the contribution limit specified in subsection (c)(1).

''(C) No distribution (other than a distribution of a qualified rollover contribution) will be allowed—

''(i) before the date on which the account beneficiary attains age 18, or

''(ii) in the case of such an account the account beneficiary of which has not attained age 25, if the aggregate distributions from such account exceeds the amount that is ½ the cash equivalent value of the account on the date on which the account beneficiary attains age 18.

''(D) The account beneficiary has not attained age 8 on the date of the establishment of the account.

''(E) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary

that the manner in which that person will administer the trust will be consistent with the requirements of this section or who has so demonstrated with respect to any individual retirement plan.

''(F) The interest of an individual in the balance of his account is nonforfeitable.

''(G) The assets of the trust shall not be commingled with other property except in a common trust fund or common investment fund.

''(H) No part of the trust funds will be invested in any asset other than eligible investments.

''(2) ELIGIBLE INVESTMENTS.—The term 'eligible investments' means stock of a regulated investment company (within the meaning of section 851) which—

''(A) tracks a well-established index of United States equities (or which invests in an equivalent diversified portfolio of United States equities),

''(B) does not use leverage,

''(C) minimizes fees and expenses, and

''(D) meets such other criteria as the Secretary determines appropriate for purposes of this section.

''(3) ACCOUNT BENEFICIARY.—The term 'account beneficiary' means the individual on whose behalf the Trump account was established.

''(c) TREATMENT OF CONTRIBUTIONS.—

''(1) CONTRIBUTION LIMIT.—The contribution limit for any taxable year is $5,000.

''(2) CONTRIBUTIONS FROM TAX EXEMPT SOURCES AND ROLLOVER CONTRIBUTIONS.—The amount contributed to a Trump account for purposes of paragraph (1) shall be determined without regard to—

''(A) a qualified rollover contribution,

''(B) any contribution from the Federal Government or any State, local, or tribal government, or

''(C) any contribution made through the program established under subsection (l).

''(3) COST-OF-LIVING ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2026, the $5,000 amount under paragraph (1) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(B) ROUNDING.—If any increase under subparagraph (A) is not a multiple of $100, such amount shall be rounded to the next lower multiple of $100.

''(d) DISTRIBUTIONS.—

''(1) AMOUNTS ALLOCABLE TO INVESTMENT IN THE CONTRACT.—A distribution from a Trump account of an amount allocable to the investment in the contract shall not be includible in the gross income of the distributee.

''(2) AMOUNTS ALLOCABLE TO INCOME ON THE CONTRACT USED FOR QUALIFIED EXPENSES.—A distribution from a Trump account of an amount allocable to income on the contract and which is used exclusively to pay for qualified expenses shall be includible in net capital gain of the distributee under section 1(h)(12).

''(3) AMOUNTS INCLUDIBLE IN GROSS INCOME.—Any distribution from a Trump account

which is not described in paragraph (1) or (2) shall be includible in the gross income of the distributee.

''(4) QUALIFIED EXPENSES.—For purposes of this subsection, the term 'qualified expenses' means any of the following expenses paid or incurred for the benefit of the account beneficiary:

''(A) Qualified higher education expenses (as defined in section 529(e)(3)) determined without regard to section 529(c)(7).

''(B) Qualified post-secondary credentialing expenses (as defined in section 529(f)).

''(C) Under regulations provided by the Secretary, amounts paid or incurred with respect to any small businesses for which the beneficiary has obtained any small business loan, small farm loan, or similar loan.

''(D) Any amount used for the purchase (as defined in section 36(c)(3)) of the principal residence (as used in section 121) of the account beneficiary if such account beneficiary is a first-time homebuyer (as defined in section 36(c)(1)) with respect to such purchase.

''(5) EXCEPTIONS.—Paragraphs (2) and (3) shall not apply to any distribution which is a qualified rollover contribution.

''(6) ADDITIONAL TAX ON CERTAIN DISTRIBUTIONS.—In the case of a distributee who has not attained age 30, the tax imposed by this chapter on the account beneficiary for any taxable year in which there is a distribution from a Trump account of such beneficiary which is includible in gross income under paragraph (3) shall be increased by 10 percent of the amount which is so includible.

''(e) QUALIFIED ROLLOVER CONTRIBUTION.—For purposes of this section, the term 'qualified rollover contribution' means an amount which is paid in a direct trustee-to-trustee transfer from a Trump account maintained for the benefit of the account beneficiary to a Trump account maintained for such beneficiary.

''(f) TREATMENT AFTER DEATH OF ACCOUNT BENEFICIARY.—Rules similar to the rules of section 223(f)(8) shall apply for purposes of this section.

''(g) DETERMINATIONS OF AGGREGATE DISTRIBUTIONS AND INVESTMENT IN CONTRACT IN THE CASE OF CERTAIN ROLLOVER CONTRIBUTIONS.—In the case of a qualified rollover contribution which is described in subsection (e)(2), any determination required under this section of the amount of the investment of the contract or of aggregate distributions from the Trump account shall be determined with respect to the aggregate of such

amounts for all Trump accounts of the same account beneficiary.

''(h) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust under this section if—

''(1) the custodial account would, except for the fact that it is not a trust, constitute a trust which meets the requirements of subsection (b)(1), and

''(2) the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section.

For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the person holding the assets of such account shall be treated as the trustee thereof.

''(i) TERMINATION.—

''(1) AGE 31.—Upon the date on which the account beneficiary attains age 31, a Trump account shall cease to be a Trump account and the amount in such account shall be treated as distributed for purposes of subsection (d).

''(2) MULTIPLE ACCOUNTS OF ONE BENEFICIARY.—

''(A) IN GENERAL.—In the case of any duplicate Trump account of any account beneficiary other than a Trump account which is established by the deposit through a qualified rollover contribution of the entire amount of another Trump account of the account beneficiary—

''(i) such duplicate Trump account shall cease to be a Trump account and the amount in such account shall be treated as distributed for purposes of subsection (d), and

''(ii) there is imposed an excise tax on the account beneficiary in an amount equal to so much of cash value of the account as is allocable to income on the contract.

''(B) WITHHOLDING REQUIREMENT.—In the case of an account terminated under subparagraph (A), the trustee shall deduct and withhold upon the amount to be distributed the amount in excess described in subparagraph (A)(ii).

''(C) NOTIFICATION.—The Secretary, upon determining that a duplicate account exists, shall provide a notice to the account beneficiary of such duplicate account (and the account custodian, in the case of a custodial account) and to each trustee of any Trump account of the account beneficiary of such duplicate account which identifies each Trump account of such beneficiary and the trustee of each such account.

''(D) DUPLICATE ACCOUNT.—For purposes of this paragraph, the term 'duplicate account' means—

''(i) in the case of an account beneficiary for the benefit of whom an account was established by the Secretary under section 6434, any other Trump account of such account beneficiary, or

''(ii) in the case of any other account beneficiary, any Trump account established after the first Trump account established for the benefit of such account beneficiary.

''(j) INVESTMENT IN THE CONTRACT.—For purposes of this section, rules similar to the rules applied to a qualified tuition program (as defined in section 529(b)) under

section 72(e)(9) shall apply for purposes of determining the investment in the contract, except that such amount shall be determined without regard to any contribution which is described in subsection (c)(2).

''(k) REPORTS.—The trustee of a Trump account shall make such reports regarding such account to the Secretary and to the beneficiary of the account with respect to contributions, distributions, the amount of investment in the contract, and such other matters as the Secretary may require. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required.

''(l) CONTRIBUTIONS TO PREDOMINATELY UNRELATED CHILDREN.—The Secretary shall establish a program through which contributions may be made to the Trump accounts of a large group of account beneficiaries if—

''(1) the contribution is made by any person described in any paragraph of section 501(c) and exempt from taxation under section 501(a),

''(2) such accounts are selected on the basis of the location of the residence of the account beneficiaries, the school district in which such bene-

ficiaries attend school, or another basis the Secretary determines appropriate, and

''(3) all individuals who are account beneficiaries of such an account who meet the selected criteria receive an equal portion of the contribution.''.

(b) DISTRIBUTION TAXED AT SAME RATE AS NET CAPITAL GAINS.—Section 1(h) is amended by adding at the end the following new paragraph:

''(12) DISTRIBUTIONS FROM TRUMP ACCOUNT TAXED AS NET CAPITAL GAIN.—For purposes of this subsection, the term 'net capital gain' means the net capital gain (determined without regard to this paragraph) increased by the amount includible in net capital gain under this paragraph by reason of section 530A(d)(2).''.

(c) TAX ON EXCESS CONTRIBUTIONS.—

(1) IN GENERAL.—Section 4973(a) is amended by striking ''or'' at the end of paragraph (5), by inserting ''or'' at the end of paragraph (6), and by inserting after paragraph (6) the following new paragraph:

''(7) a Trump account (as defined in section 530A(b)),''.

(2) EXCESS CONTRIBUTION.—Section 4973 is amended by adding at the end the following new subsection:

''(i) EXCESS CONTRIBUTIONS TO A TRUMP ACCOUNT.—For purposes of this section, in the case of Trump accounts (within the meaning of section 530A), the term 'excess contributions' means the sum of—

''(1) the amount by which the amount contributed for the calendar year to such account (other than qualified rollover contributions (as defined in section 530A(e))) exceeds the contribution limit under section 530A(c)(1) (determined without regard to contributions described in section 530A(c)(2)), and

''(2) the amount determined under this subsection for the preceding calendar year, reduced by the excess (if any) of the maximum amount allowable as a contribution under section 530A(c)(1) (as so determined) for the calendar year over the amount contributed to the account for the calendar year (other than qualified rollover contributions (as so defined)).''.

(d) DISCLOSURE OF RETURN INFORMATION TO FACILITATE CERTAIN CONTRIBUTIONS.—Section 6103(l) is

amended by adding at the end the following new paragraph:

''(23) DISCLOSURE OF RETURN INFORMATION TO ENABLE CERTAIN CONTRIBUTIONS TO TRUMP ACCOUNTS.—Upon written request signed by the head of the bureau or office of the Department of the Treasury requesting the inspection or disclosure, the Secretary may disclose the following return information with respect to a Trump account (as defined in section 503A(b)) to officers and employees of such bureau or office to the extent that such disclosure is necessary to carry out section 530A(l):

''(A) Information necessary to identify the account holders in a particular class of beneficiaries identified by a donor as the intended recipients.

''(B) The name, address, and social security number of a beneficiary.

''(C) The account custodian and the address of such custodian.

''(D) The account number.

''(E) The routing number.

''(F) To the extent determined by the Secretary in regulations, such other return infor-

mation as the Secretary determines necessary to ensure proper routing of funds

Return information disclosed under this paragraph may only be used to identify account holders in a particular class of beneficiaries or for the proper routing of funds and may not be redisclosed by the Secretary.''.

(e) FAILURE TO PROVIDE REPORTS ON TRUMP ACCOUNTS.—Section 6693(a)(2) is amended by striking ''and'' at the end of subparagraph (E), by striking the period at the end of subparagraph (F) and inserting '', and'', and by adding at the end the following new subparagraph:

''(G) section 530A(h) (relating to Trump accounts).''.

(f) CONFORMING AMENDMENT.—The table of parts for subchapter F of chapter 1 is amended by adding at the end the following new item:

''PART IX. TRUMP ACCOUNTS''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 110116. TRUMP ACCOUNTS CONTRIBUTION PILOT PROGRAM.

(a) IN GENERAL.—Subchapter B of chapter 65 is amended by adding at the end the following new section:

"SEC. 6434. TRUMP ACCOUNTS CONTRIBUTION PILOT PROGRAM.

"(a) IN GENERAL.—In the case of any taxpayer with respect to whom an eligible individual is a qualifying child, there shall be allowed a one-time credit of $1,000 with respect to each such eligible individual who is a qualifying child of such taxpayer which shall be payable by the Secretary only to the Trump account with respect to which such eligible individual is the account beneficiary.

"(b) ACCOUNT ESTABLISHED BY SECRETARY.—

"(1) IN GENERAL.—In the case of any eligible individual that the Secretary determines is not the account beneficiary of any Trump account as of the qualifying date of such eligible individual, the Secretary shall establish an account for the benefit of such eligible individual.

"(2) QUALIFYING DATE.—For purposes of paragraph (1), the term 'qualifying date' means, with respect to an eligible individual, the first date on which a return of tax is filed by an individual with respect to whom such eligible individual is a qualifying child with respect to the taxable year to which such return relates.

"(3) NOTIFICATION.—In the case of any eligible individual for the benefit of whom the Secretary es-

tablishes an account under paragraph (1), the Secretary shall—

''(A) notify any individual with respect to whom such eligible individual is a qualifying child for the taxable year described in paragraph (2) of the establishment of such account, and

''(B) shall provide an opportunity to such individual to elect to decline the application of this subsection to such qualifying child.

''(4) DETERMINATION OF DEFAULT TRUSTEE.—For purposes of selecting a trustee for an account established under paragraph (1), the Secretary shall take into account—

''(A) the history of reliability and regulatory compliance of such trustee,

''(B) the customer service experience of such trustee,

''(C) the costs imposed by such trustee on the account or account beneficiary, and

''(D) to the extent practicable, the preferences of any individual described in paragraph (3)(A) with respect to such eligible individual.

''(c) ELIGIBLE INDIVIDUAL.—For purposes of subsection (a), the term eligible individual means an individual—

''(1) who is born after December 31, 2024, and before January 1, 2029, and

''(2) who is a United States citizen at birth.

''(d) SOCIAL SECURITY NUMBER REQUIRED.—

''(1) IN GENERAL.—No credit shall be allowed under subsection (a) to a taxpayer unless such taxpayer includes on the return of tax for the taxable year—

''(A) such individual's social security number,

''(B) if such individual is married, the social security number of such individual's spouse, and

''(C) the social security number of the eligible individual with respect to whom such credit is allowed.

''(2) SOCIAL SECURITY NUMBER DEFINED.—For purposes of paragraph (1), the term 'social security number' shall have the meaning given such term in section 24(h)(7).

''(e) DEFINITIONS.—For purposes of this section—

''(1) QUALIFYING CHILD.—The term qualifying child has the meaning given such term in section 152(c).

''(2) TRUMP ACCOUNT; ACCOUNT BENEFICIARY.—The terms 'Trump account' and 'account beneficiary' have the meaning given such terms in section 530A(b).''.

(b) PENALTY FOR NEGLIGENT CLAIM OR FRAUDULENT CLAIM.—Part I of subchapter A of chapter 68 of subtitle F is amended by adding at the end the following new section:

''SEC. 6659. IMPROPER CLAIM FOR TRUMP ACCOUNT CONTRIBUTION PILOT PROGRAM CREDIT.

''(a) IN GENERAL.—In the case of any taxpayer that makes an excessive claim for a credit under section 6434—

''(1) if such excess is a result of negligence or disregard of the rules or regulations, there shall be imposed a penalty of $500, or

''(2) if such excess is a result of fraud, there shall be imposed a penalty of $1,000.

''(b) DEFINITIONS.—The terms 'negligence' and 'disregard' have the same meaning as when such terms are used in section 6662.''.

(c) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended by striking ''and'' at the end of subparagraph (Y), by striking the period at the end of subparagraph (Z) and inserting '', and'', and by inserting after subparagraph (Z) the following new subparagraph:

''(AA) an omission of a correct social security number required under section 6434(d)(1) (relating to the Trump accounts contribution pilot program).''.

(d) CLERICAL AMENDMENTS.—

(1) The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

''Sec. 6434. Trump accounts contribution pilot program.''.

(2) The table of sections for part I of subchapter A of chapter 68 of subtitle F is amended by inserting after the item relating to section 6658 the following new item:

''Sec. 6659. Improper claim for Trump account contribution pilot program credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

PART 3—INVESTING IN HEALTH OF AMERICAN FAMILIES AND WORKERS

SEC. 110201. TREATMENT OF HEALTH REIMBURSEMENT ARRANGEMENTS INTEGRATED WITH INDIVIDUAL MARKET COVERAGE.

(a) IN GENERAL.—Section 9815(b) is amended—

(1) by striking ''EXCEPTION.—Notwithstanding subsection (a)'' and inserting the following: ''EXCEPTIONS.—

''(1) SELF-INSURED GROUP HEALTH PLANS.—Notwithstanding subsection (a)'', and

(2) by adding at the end the following new paragraph:

''(2) CUSTOM HEALTH OPTION AND INDIVIDUAL CARE EXPENSE ARRANGEMENTS.—

''(A) IN GENERAL.—For purposes of this subchapter, a custom health option and individual care expense arrangement shall be treated as meeting the requirements of section 9802 and sections 2705, 2711, 2713, and 2715 of title XXVII of the Public Health Service Act.

''(B) CUSTOM HEALTH OPTION AND INDIVIDUAL CARE EXPENSE ARRANGEMENTS DEFINED.—For purposes of this section, the term 'custom health option and individual care ex-

pense arrangement' means a health reimbursement arrangement—

''(i) which is an employer-provided group health plan funded solely by employer contributions to provide payments or reimbursements for medical care subject to a maximum fixed dollar amount for a period,

''(ii) under which such payments or reimbursements may only be made for medical care provided during periods during which the individual is covered—

''(I) under individual health insurance coverage (other than coverage that consists solely of excepted benefits), or

''(II) under part A and B of title XVIII of the Social Security Act or part C of such title,

''(iii) which meets the nondiscrimination requirements of subparagraph (C),

''(iv) which meets the substantiation requirements of subparagraph (D), and

''(v) which meets the notice requirements of subparagraph (E).

''(C) NONDISCRIMINATION.—

''(i) IN GENERAL.—An arrangement meets the requirements of this subparagraph if an employer offering such arrangement to an employee within a specified class of employee—

''(I) offers such arrangement to all employees within such specified class on the same terms, and

''(II) does not offer any other group health plan (other than an account-based group health plan or a group health plan that consists solely of excepted benefits) to any employees within such specified class.

In the case of an employer who offers a group health plan provided through health insurance coverage in the small group market (that is subject to section 2701 of the Public Health Service Act) to all employees within such specified class, subclause (II) shall not apply to such group health plan.

''(ii) SPECIFIED CLASS OF EMPLOYEE.—For purposes of this subpara-

graph, any of the following may be designated as a specified class of employee:

''(I) Full-time employees.

''(II) Part-time employees.

''(III) Salaried employees.

''(IV) Non-salaried employees.

''(V) Employees whose primary site of employment is in the same rating area.

''(VI) Employees who are included in a unit of employees covered under a collective bargaining agreement to which the employer is subject (determined under rules similar to the rules of section 105(h)).

''(VII) Employees who have not met a group health plan, or health insurance issuer offering group health insurance coverage, waiting period requirement that satisfies section 2708 of the Public Health Service Act.

''(VIII) Seasonal employees.

''(IX) Employees who are nonresident aliens and who receive no earned income (within the meaning of

section 911(d)(2)) from the employer which constitutes income from sources within the United States (within the meaning of section 861(a)(3)).

''(X) Such other classes of employees as the Secretary may designate.

An employer may designate (in such manner as is prescribed by the Secretary) two or more of the classes described in the preceding subclauses as the specified class of employees to which the arrangement is offered for purposes of applying this subparagraph.

''(iii) SPECIAL RULE FOR NEW HIRES.—An employer may designate prospectively so much of a specified class of employees as are hired after a date set by the employer. Such subclass of employees shall be treated as the specified class for purposes of applying clause (i).

''(iv) RULES FOR DETERMINING TYPE OF EMPLOYEE.—For purposes for clause (ii), any determination of full-time, part-time, or seasonal employment status shall

be made under rules similar to the rules of section 105(h) or 4980H, whichever the employer elects for the plan year. Such election shall apply with respect to all employees of the employer for the plan year.

''(v) PERMITTED VARIATION.—For purposes of clause (i)(I), an arrangement shall not fail to be treated as provided on the same terms within a specified class merely because the maximum dollar amount of payments and reimbursements which may be made under the terms of the arrangement for the year with respect to each employee within such class—

''(I) increases as additional dependents of the employee are covered under the arrangement, and

''(II) increases with respect to a participant as the age of the participant increases, but not in excess of an amount equal to 300 percent of the lowest maximum dollar amount with respect to such a participant determined without regard to age.

''(D) SUBSTANTIATION REQUIREMENTS.—An arrangement meets the requirements of this subparagraph if the arrangement has reasonable procedures to substantiate—

''(i) that the participant and any dependents are, or will be, enrolled in coverage described in subparagraph (B)(ii) as of the beginning of the plan year of the arrangement (or as of the beginning of coverage under the arrangement in the case of an employee who first becomes eligible to participate in the arrangement after the date notice is given with respect to the plan under subparagraph (E) (determined without regard to clause (iii) thereof), and

''(ii) any requests made for payment or reimbursement of medical care under the arrangement and that the participant and any dependents remain so enrolled.

''(E) NOTICE.—

''(i) IN GENERAL.—Except as provided in clause (iii), an arrangement meets the requirements of this subparagraph if, under the arrangement, each employee eligible to participate is, not later than 60

days before the beginning of the plan year, given written notice of the employee's rights and obligations under the arrangement which—

''(I) is sufficiently accurate and comprehensive to apprise the employee of such rights and obligations, and

''(II) is written in a manner calculated to be understood by the average employee eligible to participate.

''(ii) NOTICE REQUIREMENTS.—Such notice shall include such information as the Secretary may by regulation prescribe.

''(iii) NOTICE DEADLINE FOR CERTAIN EMPLOYEES.—In the case of an employee—

''(I) who first becomes eligible to participate in the arrangement after the date notice is given with respect to the plan under clause (i) (determined without regard to this clause), or

''(II) whose employer is first established fewer than 120 days before

the beginning of the first plan year of the arrangement,

the requirements of this subparagraph shall be treated as met if the notice required under clause (i) is provided not later than the date the arrangement may take effect with respect to such employee.''.

(b) INCLUSION OF CHOICE ARRANGEMENT PERMITTED BENEFITS ON W–2.—

(1) IN GENERAL.—Section 6051(a), as amended by the preceding provisions of this Act, is amended by striking ''and'' at the end of paragraph (18), by striking the period at the end of paragraph (19) and inserting '', and'', and by inserting after paragraph (19) the following new paragraph:

''(20) the total amount of permitted benefits for enrolled individuals under a custom health option and individual care expense arrangement (as defined in section 9815(b)(2)) with respect to such employee.''.

(c) TREATMENT OF CURRENT RULES RELATING TO CERTAIN ARRANGEMENTS.—

(1) NO INFERENCE.—To the extent not inconsistent with the amendments made by this section—

(A) no inference shall be made from such amendments with respect to the rules prescribed in the Federal Register on June 20, 2019, (84 Fed. Reg. 28888) relating to health reimbursement arrangements and other account-based group health plans, and

(B) any reference to custom health option and individual care expense arrangements shall for purposes of such rules be treated as including a reference to individual coverage health reimbursement arrangements.

(2) OTHER CONFORMING OF RULES.—The Secretary of the Treasury, the Secretary of Health and Human Services, and the Secretary of Labor shall modify such rules as may be necessary to conform to the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2025.

SEC. 110202. PARTICIPANTS IN CHOICE ARRANGEMENT ELIGIBLE FOR PURCHASE OF EXCHANGE INSURANCE UNDER CAFETERIA PLAN.

(a) IN GENERAL.—Section 125(f)(3) is amended by adding at the end the following new subparagraph:

''(C) EXCEPTION FOR PARTICIPANTS IN CHOICE ARRANGEMENT.—Subparagraph (A) shall not apply in the case of an employee participating in a custom health option and individual care expense arrangement (within the meaning of section 9815(b)(2)) offered by the employee's employer.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110203. EMPLOYER CREDIT FOR CHOICE ARRANGEMENT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

''SEC. 45BB. EMPLOYER CREDIT FOR CHOICE ARRANGEMENT.

''(a) IN GENERAL.—For purposes of section 38, in the case of an eligible employer, the CHOICE arrangement credit determined under this section for any taxable year is an amount, with respect to each employee enrolled during the credit period in a CHOICE arrangement maintained by the employer, equal to—

''(1) $100 multiplied by the number of months for which the employee is so enrolled during the first year in the credit period, and

''(2) one-half of the dollar amount in effect under paragraph (1) for the taxable year, multiplied by the number of months for which the employee is so enrolled during the second year of the credit period.

''(b) ARRANGEMENT MUST CONSTITUTE MINIMUM ESSENTIAL COVERAGE.—An employee shall not be taken into account under subsection (a) unless such employee's eligibility for the CHOICE arrangement (determined without regard to the employee being enrolled) would cause the employee to be treated under section 36B(c)(2) as being eligible for minimum essential coverage consisting of an eligible employer-sponsored plan (as defined in section 5000A(f)(2)).

''(c) DEFINITIONS.—For purposes of this section—

''(1) CHOICE ARRANGEMENT.—The term 'CHOICE arrangement' means a custom health option and individual care expense arrangement (as defined in section 9815(b)(2)(B)).

''(2) CREDIT PERIOD.—The credit period with respect to an eligible employer is the first 2 one-year periods beginning with the month during which the

employer first establishes a CHOICE arrangement on behalf of employees of the employer.

''(3) ELIGIBLE EMPLOYER.—The term 'eligible employer' means, with respect to any taxable year beginning in a calendar year, an employer who is not an applicable large employer for the calendar year under section 4980H.

''(d) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2026, the dollar amount in subsection (a) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(2) ROUNDING.—If any amount after adjustment under paragraph (1) is not a multiple of $10, such amount shall be rounded to the next lower multiple of $10.''.

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) is amended by striking ''plus'' at the end of paragraph (40), by striking the period at the

end of paragraph (41) and inserting ", plus", and by adding at the end the following new paragraph:

"(42) the CHOICE arrangement credit determined under section 45BB(a).".

(c) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—Section 38(c)(4)(B) is amended—

(1) by redesignating clauses (x), (xi), and (xii) as clauses (xi), (xii), and (xiii), respectively, and

(2) by inserting after clause (ix) the following new clause:

"(x) the credit determined under section 45BB,".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45BB. Employer credit for CHOICE arrangement.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110204. INDIVIDUALS ENTITLED TO PART A OF MEDICARE BY REASON OF AGE ALLOWED TO CONTRIBUTE TO HEALTH SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 223(c)(1)(B) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

''(iv) entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act by reason of section 226(a) of such Act.''.

(b) TREATMENT OF HEALTH INSURANCE PURCHASED FROM ACCOUNT.—Section 223(d)(2)(C)(iv) is amended by inserting ''and who is not an eligible individual'' after ''who has attained the age specified in section 1811 of the Social Security Act''.

(c) COORDINATION WITH PENALTY ON DISTRIBUTIONS NOT USED FOR QUALIFIED MEDICAL EXPENSES.—Section 223(f)(4)(C) is amended by striking ''Subparagraph (A)'' and inserting ''Except in the case of an eligible individual, subparagraph (A)''

(d) CONFORMING AMENDMENT.—Section 223(b)(7) is amended by inserting ''(other than an entitlement to benefits described in subsection (c)(1)(B)(iv))'' after ''Social Security Act''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2025.

SEC. 110205. TREATMENT OF DIRECT PRIMARY CARE SERVICE ARRANGEMENTS.

(a) IN GENERAL.—Section 223(c)(1) is amended by adding at the end the following new subparagraph:

"(E) TREATMENT OF DIRECT PRIMARY CARE SERVICE ARRANGEMENTS.—

"(i) IN GENERAL.—A direct primary care service arrangement shall not be treated as a health plan for purposes of subparagraph (A)(ii).

"(ii) DIRECT PRIMARY CARE SERVICE ARRANGEMENT.—For purposes of this subparagraph—

"(I) IN GENERAL.—The term 'direct primary care service arrangement' means, with respect to any individual, an arrangement under which such individual is provided medical care (as defined in section 213(d)) consisting solely of primary care services provided by primary care practitioners (as defined in section 1833(x)(2)(A) of the Social Security Act, determined without regard to clause (ii) thereof), if the sole compensation for such care is a fixed periodic fee.

"(II) LIMITATION.—With respect to any individual for any month, such

term shall not include any arrangement if the aggregate fees for all direct primary care service arrangements (determined without regard to this subclause) with respect to such individual for such month exceed $150 (twice such dollar amount in the case of an individual with any direct primary care service arrangement (as so determined) that covers more than one individual).

''(iii) CERTAIN SERVICES SPECIFICALLY EXCLUDED FROM TREATMENT AS PRIMARY CARE SERVICES.—For purposes of this subparagraph, the term 'primary care services' shall not include—

''(I) procedures that require the use of general anesthesia,

''(II) prescription drugs (other than vaccines), and

''(III) laboratory services not typically administered in an ambulatory primary care setting.

The Secretary, after consultation with the Secretary of Health and Human Services,

shall issue regulations or other guidance regarding the application of this clause.''.

(b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT FEES TREATED AS MEDICAL EXPENSES.—Section 223(d)(2)(C) is amended by striking ''or'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', or'', and by adding at the end the following new clause:

''(v) any direct primary care service arrangement.''.

(c) INFLATION ADJUSTMENT.—Section 223(g)(1) is amended—

(1) by inserting '', (c)(1)(E)(ii)(II),'' after ''(b)(2)'' each place it appears, and

(2) in subparagraph (B), by striking ''clause (ii)'' in clause (i) and inserting ''clauses (ii) and (iii)'', by striking ''and'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', and'', and by inserting after clause (ii) the following new clause:

''(iii) in the case of the dollar amount in subsection (c)(1)(E)(ii)(II) for taxable years beginning in calendar years after 2026, 'calendar year 2025'.''.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2025.

SEC. 110206. ALLOWANCE OF BRONZE AND CATASTROPHIC PLANS IN CONNECTION WITH HEALTH SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 223(c)(2) is amended by adding at the end the following new subparagraph:

''(H) BRONZE AND CATASTROPHIC PLANS TREATED AS HIGH DEDUCTIBLE HEALTH PLANS.—The term 'high deductible health plan' shall include any plan—

''(i) available as individual coverage through an Exchange established under section 1311 or 1321 of the Patient Protection and Affordable Care Act, and

''(ii) described in subsection (d)(1)(A) or (e) of section 1302 of such Act.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to months beginning after December 31, 2025.

SEC. 110207. ON-SITE EMPLOYEE CLINICS.

(a) IN GENERAL.—Section 223(c)(1), as amended by the preceding provisions of this Act, is amended by adding at the end the following new subparagraph:

''(F) SPECIAL RULE FOR QUALIFIED ITEMS AND SERVICES.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(ii), an individual shall not be treated as covered under a health plan described in subclauses (I) and (II) of such subparagraph merely because the individual is eligible to receive, or receives, qualified items and services—

''(I) at a healthcare facility located at a facility owned or leased by the employer of the individual (or of the individual's spouse), or

''(II) at a healthcare facility operated primarily for the benefit of employees of the employer of the individual (or of the individual's spouse).

''(ii) QUALIFIED ITEMS AND SERVICES DEFINED.—For purposes of this subparagraph, the term 'qualified items and services' means the following:

''(I) Physical examination.

''(II) Immunizations, including injections of antigens provided by employees.

''(III) Drugs or biologicals other than a prescribed drug (as such term is defined in section 213(d)(3)).

''(IV) Treatment for injuries occurring in the course of employment.

''(V) Preventive care for chronic conditions (as defined in clause (iv)).

''(VI) Drug testing.

''(VII) Hearing or vision screenings and related services.

''(iii) AGGREGATION.—For purposes of clause (i), all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.

''(iv) PREVENTIVE CARE FOR CHRONIC CONDITIONS.—For purposes of this subparagraph, the term 'preventive care for chronic conditions' means any item or service specified in the Appendix of Internal Revenue Service Notice 2019–45 which is prescribed to treat an individual diagnosed with the associated chronic condition specified in such Appendix for the purpose of preventing the exacerbation of such

chronic condition or the development of a secondary condition, including any amendment, addition, removal, or other modification made by the Secretary (pursuant to the authority granted to the Secretary under paragraph (2)(C)) to the items or services specified in such Appendix subsequent to the date of publication of such Notice.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to months in taxable years beginning after December 31, 2025.

SEC. 110208. CERTAIN AMOUNTS PAID FOR PHYSICAL ACTIVITY, FITNESS, AND EXERCISE TREATED AS AMOUNTS PAID FOR MEDICAL CARE.

(a) IN GENERAL.—Section 223(d)(2)(A) is amended by adding at the end the following: ''For purposes of this subparagraph, amounts paid for qualified sports and fitness expenses shall be treated as paid for medical care.''.

(b) QUALIFIED SPORTS AND FITNESS EXPENSES.—Section 223(d)(2) is amended by adding at the end the following new subparagraph:

''(E) QUALIFIED SPORTS AND FITNESS EXPENSES.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'qualified sports and fitness expenses' means amounts paid exclusively for the sole purpose of participating in a physical activity including—

''(I) for membership at a fitness facility, or

''(II) for participation or instruction in physical exercise or physical activity.

''(ii) OVERALL DOLLAR LIMITATION.—

''(I) IN GENERAL.—The aggregate amount treated as qualified sports and fitness expenses with respect to any taxpayer for any taxable year shall not exceed $500 ($1,000 in the case of a joint return or a head of household (as defined in section 2(b))).

''(II) MONTHLY LIMIT.—The amount taken into account under subparagraph (A) as paid for participating in a physical activity during a month beginning during the taxable

year shall not exceed an amount equal to 1/12 of the amount in effect with respect to the taxpayer for the taxable year under subclause (I).

''(iii) FITNESS FACILITY.—For purposes of clause (i)(I), the term 'fitness facility' means a facility—

''(I) which provides instruction in a program of physical exercise, offers facilities for the preservation, maintenance, encouragement, or development of physical fitness, or serves as the site of such a program of a State or local government,

''(II) which is not a private club owned and operated by its members,

''(III) which does not offer golf, hunting, sailing, or riding facilities,

''(IV) the health or fitness component of which is not incidental to its overall function and purpose, and

''(V) which is fully compliant with the State of jurisdiction and Federal anti-discrimination laws.

''(iv) TREATMENT OF PERSONAL TRAINERS, EXERCISE VIDEOS, ETC.—The term 'qualified sports and fitness expenses' shall not include any amount paid for—

''(I) videos, books, or similar materials,

''(II) remote or virtual instruction in a physical exercise or physical activity, unless such instruction is live, or

''(III) one-on-one personal training.

''(v) PROGRAMS WHICH INCLUDE COMPONENTS OTHER THAN PHYSICAL EXERCISE AND PHYSICAL ACTIVITY.—Rules similar to the rules of section 213(d)(6) shall apply in the case of any program that includes physical exercise or physical activity and also other components. For purposes of the preceding sentence, travel and accommodations shall be treated as a separate component.

''(vi) MEMBERSHIP, PARTICIPATION, AND INSTRUCTION MUST BE CONTINUING.—An amount shall not be treated

as paid for the purpose of participating in a physical activity unless—

''(I) in the case of a membership at a fitness facility, such membership is for more than 1 day, and

''(II) in the case of participation or instruction in physical exercise or physical activity, the amount paid constitutes payment for more than 1 occasion of such participation or instruction.

''(vii) COST-OF-LIVING ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2026, each dollar amount in clause (ii)(I) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any increase under the preceding sentence is not a multiple of $50, such increase shall be rounded to the nearest multiple of $50.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110209. ALLOW BOTH SPOUSES TO MAKE CATCH-UP CONTRIBUTIONS TO THE SAME HEALTH SAVINGS ACCOUNT.

(a) IN GENERAL.—Section 223(b)(5) is amended to read as follows:

''(5) SPECIAL RULE FOR MARRIED INDIVIDUALS WITH FAMILY COVERAGE.—

''(A) IN GENERAL.—In the case of individuals who are married to each other, if both spouses are eligible individuals and either spouse has family coverage under a high deductible health plan as of the first day of any month—

''(i) the limitation under paragraph (1) shall be applied by not taking into account any other high deductible health plan coverage of either spouse (and if such spouses both have family coverage under

separate high deductible health plans, only one such coverage shall be taken into account),

''(ii) such limitation (after application of clause (i)) shall be reduced by the aggregate amount paid to Archer MSAs of such spouses for the taxable year, and

''(iii) such limitation (after application of clauses (i) and (ii)) shall be divided equally between such spouses unless they agree on a different division.

''(B) TREATMENT OF ADDITIONAL CONTRIBUTION AMOUNTS.—If both spouses referred to in subparagraph (A) have attained age 55 before the close of the taxable year, the limitation referred to in subparagraph (A)(iii) which is subject to division between the spouses shall include the additional contribution amounts determined under paragraph (3) for both spouses. In any other case, any additional contribution amount determined under paragraph (3) shall not be taken into account under subparagraph (A)(iii) and shall not be subject to division between the spouses.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 110210. FSA AND HRA TERMINATIONS OR CONVERSIONS TO FUND HSAs.

(a) IN GENERAL.—Section 106(e)(2) is amended to read as follows:

''(2) QUALIFIED HSA DISTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified HSA distribution' means, with respect to any employee, a distribution from a health flexible spending arrangement or health reimbursement arrangement of such employee contributed directly to a health savings account of such employee if—

''(i) such distribution is made in connection with such employee establishing coverage under a high deductible health plan (as defined in section 223(c)(2)) if during the 4-year period preceding the date the employee so establishes coverage the employee was not covered under such a high deductible health plan, and

''(ii) such arrangement is described in section 223(c)(1)(B)(v) with respect to any portion of the plan year remaining after such distribution is made, if such employee remains enrolled in such arrangement.

''(B) DOLLAR LIMITATION.—The aggregate amount of distributions from health flexible spending arrangements and health reimbursement arrangements of any employee which may be treated as qualified HSA distributions in connection with an establishment of coverage described in subparagraph (A)(i) shall not exceed the dollar amount in effect under section 125(i)(1) (twice such amount in the case of coverage which is described in section 223(b)(2)(B)).''.

(b) PARTIAL REDUCTION OF LIMITATION ON DEDUCTIBLE HSA CONTRIBUTIONS.—Section 223(b)(4) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by inserting after subparagraph (C) the following new subparagraph:

''(D) so much of any qualified HSA distribution (as defined in section 106(e)(2)) made to a health savings account of such individual

during the taxable year as does not exceed the aggregate increases in the balance of the arrangement from which such distribution is made which occur during the portion of the plan year which precedes such distribution (other than any balance carried over to such plan year and determined without regard to any decrease in such balance during such portion of the plan year).''.

(c) CONVERSION TO HSA-COMPATIBLE ARRANGEMENT FOR REMAINDER OF PLAN YEAR.—Section 223(c)(1)(B), as amended by this preceding provisions of this Act, is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by adding at the end the following new clause:

''(v) coverage under a health flexible spending arrangement or health reimbursement arrangement for the portion of the plan year after a qualified HSA distribution (as defined in section 106(e)(2) determined without regard to subparagraph (A)(ii) thereof) is made, if the terms of such arrangement which apply for such portion of the plan year are such that, if

such terms applied for the entire plan year, then such arrangement would not be taken into account under subparagraph (A)(ii) of this paragraph for such plan year.''.

(d) INCLUSION OF QUALIFIED HSA DISTRIBUTIONS ON W–2.—

(1) IN GENERAL.—Section 6051(a), as amended by the preceding provisions of this Act, is amended by striking ''and'' at the end of paragraph (19), by striking the period at the end of paragraph (20) and inserting '', and'', and by inserting after paragraph (20) the following new paragraph:

''(21) the amount of any qualified HSA distribution (as defined in section 106(e)(2)) with respect to such employee.''.

(2) CONFORMING AMENDMENT.—Section 6051(a)(12) is amended by inserting ''(other than any qualified HSA distribution, as defined in section 106(e)(2))'' before the comma at the end.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2025.

SEC. 110211. SPECIAL RULE FOR CERTAIN MEDICAL EXPENSES INCURRED BEFORE ESTABLISHMENT OF HEALTH SAVINGS ACCOUNT.

(a) IN GENERAL.—Section 223(d)(2), as amended by the preceding provisions of this Act, is amended by adding at the end the following new subparagraph:

''(F) TREATMENT OF CERTAIN MEDICAL EXPENSES INCURRED BEFORE ESTABLISHMENT OF ACCOUNT.—If a health savings account is established during the 60-day period beginning on the date that coverage of the account beneficiary under a high deductible health plan begins, then, solely for purposes of determining whether an amount paid is used for a qualified medical expense, such account shall be treated as having been established on the date that such coverage begins.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to coverage beginning after December 31, 2025.

SEC. 110212. CONTRIBUTIONS PERMITTED IF SPOUSE HAS HEALTH FLEXIBLE SPENDING ARRANGEMENT.

(a) CONTRIBUTIONS PERMITTED IF SPOUSE HAS A HEALTH FLEXIBLE SPENDING ARRANGEMENT.—Section 223(c)(1)(B), as amended by this preceding provisions of

this Act, is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by adding at the end the following new clause:

''(vi) coverage under a health flexible spending arrangement of the spouse of the individual for any plan year of such arrangement if the aggregate reimbursements under such arrangement for such year do not exceed the aggregate expenses which would be eligible for reimbursement under such arrangement if such expenses were determined without regard to any expenses paid or incurred with respect to such individual.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning after December 31, 2025.

SEC. 110213. INCREASE IN HEALTH SAVINGS ACCOUNT CONTRIBUTION LIMITATION FOR CERTAIN INDIVIDUALS.

(a) INCREASE.—

(1) IN GENERAL.—Section 223(b) is amended by adding at the end the following new paragraph:

''(9) INCREASE IN LIMITATION FOR CERTAIN TAXPAYERS.—

''(A) IN GENERAL.—The applicable limitation under subparagraphs (A) and (B) of paragraph (2) shall be increased by $4,300 and $8,550, respectively.

''(B) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—The amount of the increase under subparagraph (A) (determined without regard to this subparagraph) shall be reduced (but not below zero) by the amount which bears the same ratio to the amount of such increase (as so determined) as—

''(i) the excess (if any) of—

''(I) the taxpayer's adjusted gross income for such taxable year, over

''(II) $75,000 ($150,000 in the case of a joint return, if the eligible individual has family coverage), bears to

''(ii) $25,000 ($50,000 in the case of a joint return, if the eligible individual has family coverage).

For purposes of the preceding sentence, adjusted gross income shall be determined in the same manner as under section 219(g)(3)(A), except determined without regard to any deduction allowed under this section.''.

(2) ONLY TO APPLY TO EMPLOYEE CONTRIBUTIONS.—Section 106(d)(1) is amended by inserting ''and section 223(b)(9)'' after ''determined without regard to this subsection''.

(b) INFLATION ADJUSTMENT.—Section 223(g), as amended by the preceding provisions of this Act, is amended—

(1) by inserting '', (b)(9)(A), (b)(9)(B)(i)(II),'' before ''and (c)(2)(A)'' each place it appears,

(2) by striking ''clauses (ii) and (ii)'' in paragraph (1)(B)(i) and inserting ''clauses (ii), (iii), and (iv)'',

(3) by striking ''and'' at the end of paragraph (1)(B)(ii),

(4) by striking the period at the end of paragraph (1)(B)(iii) and inserting '', and'', and

(5) by inserting after paragraph (1)(B)(iii) the following new clause:

"(iv) in the case of the dollar amounts in subsections (b)(9)(A) and (b)(9)(B)(i)(II), 'calendar year 2025'.".

(c) EFFECTIVE DATE.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2025.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2026.

SEC. 110214. REGULATIONS.

The Secretary of the Treasury and the Secretary of Health and Human Services may each prescribe such rules and other guidance as may be necessary or appropriate to carry out the amendments made by this part.

Subtitle B—Make Rural America and Main Street Grow Again

PART 1—EXTENSION OF TAX CUTS AND JOBS ACT REFORMS FOR RURAL AMERICA AND MAIN STREET

SEC. 111001. EXTENSION OF SPECIAL DEPRECIATION ALLOWANCE FOR CERTAIN PROPERTY.

(a) IN GENERAL.—Section 168(k) is amended—

(1) in paragraph (2)—

(A) by striking ''January 1, 2027'' each place it appears and inserting ''January 1, 2030'', and

(B) in subparagraph (B)—

(i) in clause (i)(II), by striking ''January 1, 2028'' and inserting ''January 1, 2031'', and

(ii) in the heading of clause (ii), by striking ''PRE-JANUARY 1, 2027 BASIS'' and inserting ''PRE-JANUARY 1, 2030 BASIS'',

(2) in paragraph (5)(A), by striking ''January 1, 2027'' and inserting ''January 1, 2030'', and

(3) in paragraph (6)—

(A) in subparagraph (A)—

(i) by inserting ''in the case of property acquired by the taxpayer before January 20, 2025,'' after ''Except as otherwise provided in this paragraph,'', and

(ii) by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by adding at the end the following new clause:

''(vi) in the case of property placed in service after December 31, 2026, 0 percent.'',

(B) in subparagraph (B)—

(i) by striking ''In the case of property described'' and inserting ''In the case of property acquired by the taxpayer before January 20, 2025 and described'', and

(ii) by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by adding at the end the following new clause:

''(vi) in the case of property placed in service after December 31, 2027, 0 percent.'',

(C) in subparagraph (C), by inserting ''and'' at the end of clause (iii), by striking clauses (iv) and (v), and by adding at the end the following new clause:

''(iv) in the case of a plant which is planted or grafted after January 19, 2025, and before January 1, 2030, 100 percent.'', and

(D) by adding at the end the following new subparagraph:

''(D) RULE FOR PROPERTY ACQUIRED AFTER JANUARY 19, 2025.—

''(i) IN GENERAL.—In the case of property acquired by the taxpayer after January 19, 2025 and placed in service after such date and before January 1, 2030 (January 1, 2031, in the case of property described in subparagraph (B) or (C) of paragraph (2)), the term 'applicable percentage' means 100 percent.

''(ii) ACQUISITION DATE DETERMINATION.—For purposes of clause (i), property shall not be treated as acquired after the date on which a written binding contract is entered into for such acquisition.''.

(b) CONFORMING AMENDMENT.—Section 460(c)(6)(B) is amended by striking ''which'' and all that follows through the period and inserting ''which has a recovery period of 7 years or less.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section

shall apply to property acquired after January 19, 2025 and placed in service after such date.

(2) SPECIFIED PLANTS.—The amendments made by this section shall apply to specified plants planted or grafted after January 19, 2025.

SEC. 111002. DEDUCTION OF DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) SUSPENSION OF AMORTIZATION FOR DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.—Section 174 is amended by adding at the end the following new subsection:

''(e) SUSPENSION OF APPLICATION TO DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.—In the case of any domestic research or experimental expenditures (as defined in section 174A(b)), this section shall not apply to such expenditures paid or incurred in taxable years beginning after December 31, 2024, and before January 1, 2030.''.

(b) REINSTATEMENT OF EXPENSING FOR DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.—Part VI of subchapter B of chapter 1 is amended by inserting after section 174 the following new section:

"SEC. 174A. TEMPORARY RULES FOR DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.

"(a) TREATMENT AS EXPENSES.—Notwithstanding section 263, there shall be allowed as a deduction any domestic research or experimental expenditures which are paid or incurred by the taxpayer during the taxable year.

"(b) DOMESTIC RESEARCH OR EXPERIMENTAL EXPENDITURES.—For purposes of this section, the term 'domestic research or experimental expenditures' means research or experimental expenditures paid or incurred by the taxpayer in connection with the taxpayer's trade or business other than such expenditures which are attributable to foreign research (within the meaning of section 41(d)(4)(F)).

"(c) AMORTIZATION OF CERTAIN DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.—

"(1) IN GENERAL.—At the election of the taxpayer, made in accordance with regulations or other guidance provided by the Secretary, in the case of domestic research or experimental expenditures which would (but for subsection (a)) be chargeable to capital account but not chargeable to property of a character which is subject to the allowance under section 167 (relating to allowance for depreciation, etc.) or section 611 (relating to allowance for deple-

tion), subsection (a) shall not apply and the taxpayer shall—

''(A) charge such expenditures to capital account, and

''(B) be allowed an amortization deduction of such expenditures ratably over such period of not less than 60 months as may be selected by the taxpayer (beginning with the midpoint of the taxable year in which such expenditures are paid or incurred).

''(2) TIME FOR AND SCOPE OF ELECTION.—The election provided by paragraph (1) may be made for any taxable year, but only if made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof). The method so elected, and the period selected by the taxpayer, shall be adhered to in computing taxable income for the taxable year for which the election is made and for all subsequent taxable years unless, with the approval of the Secretary, a change to a different method (or to a different period) is authorized with respect to part or all of such expenditures. The election shall not apply to any expenditure paid or incurred during any taxable year before the taxable year for which the taxpayer makes the election.

''(d) SPECIAL RULES.—

''(1) LAND AND OTHER PROPERTY.—This section shall not apply to any expenditure for the acquisition or improvement of land, or for the acquisition or improvement of property to be used in connection with the research or experimentation and of a character which is subject to the allowance under section 167 (relating to allowance for depreciation, etc.) or section 611 (relating to allowance for depletion); but for purposes of this section allowances under section 167, and allowances under section 611, shall be considered as expenditures.

''(2) EXPLORATION EXPENDITURES.—This section shall not apply to any expenditure paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (including oil and gas).

''(3) SOFTWARE DEVELOPMENT.—For purposes of this section, any amount paid or incurred in connection with the development of any software shall be treated as a research or experimental expenditure.

''(e) TERMINATION.—

''(1) IN GENERAL.—This section shall not apply to amounts paid or incurred in taxable years beginning after December 31, 2029.

''(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of a taxpayer's first taxable year beginning after December 31, 2029, paragraph (1) (and the corresponding application of section 174) shall be treated as a change in method of accounting for purposes of section 481 and—

''(A) such change shall be treated as initiated by the taxpayer,

''(B) such change shall be treated as made with the consent of the Secretary, and

''(C) such change shall be applied only on a cut-off basis for any domestic research or experimental expenditures paid or incurred in taxable years beginning after December 31, 2029, and no adjustment under section 481(a) shall be made.''.

(c) TREATMENT OF FOREIGN RESEARCH OR EXPERIMENTAL EXPENDITURES UPON DISPOSITION.—Section 174(d) is amended by inserting ''or reduction to amount realized'' after ''no deduction''.

(d) COORDINATION WITH CERTAIN OTHER PROVISIONS.—

(1) RESEARCH CREDIT.—

(A) Section 41(d)(1)(A) is amended by inserting ''or domestic research or experimental expenditures under section 174A'' after ''section 174''.

(B) Section 280C(c) is amended by adding at the end the following new paragraph:

''(4) DOMESTIC RESEARCH OR EXPERIMENTAL EXPENDITURES.—The domestic research or experimental expenditures otherwise taken into account under section 174A shall be reduced by the amount of the credit allowed under section 41(a).''.

(C) Section 280C(c) is amended—

(i) in paragraph (1)(B)—

(I) by striking ''a deduction'' and inserting ''an amortization deduction'', and

(II) by inserting ''under section 174'' after ''basic research expenses'', and

(ii) in paragraph (2)(A)(i), by striking ''paragraph (1)'' and inserting ''paragraphs (1) and (4)''.

(2) AMT ADJUSTMENT.—Section 56(b)(2) is amended—

(A) by striking ''174(a)'' each place it appears and inserting ''174A(a)'', and

(B) by adding at the end of subparagraph (A) the following new flush sentence:

''In the case of research and experimental expenditures charged to capital account and amortized under section 174 or 174A, such amounts shall be amortized for purposes of this subsection as provided in clause (ii).''.

(3) OPTIONAL 10-YEAR WRITEOFF.—Section 59(e)(2)(B) is amended by striking ''section 174(a) (relating to research and experimental expenditures)'' and inserting ''section 174A(a) (relating to temporary rules for domestic research and experimental expenditures)''.

(4) QUALIFIED SMALL ISSUE BONDS.—Section 144(a)(4)(C)(iv) is amended by inserting ''or 174A(a)'' after ''174(a)''.

(5) START-UP EXPENDITURES.—Section 195(c)(1) is amended by striking ''or 174'' in the last sentence and inserting ''174, or 174A''.

(6) CAPITAL EXPENDITURES.—

(A) Section 263(a)(1)(B) is amended by inserting '' or 174A'' after ''174''.

(B) Section 263A(c)(2) is amended by inserting ''or 174A'' after ''174''.

(7) ACTIVE BUSINESS COMPUTER SOFTWARE ROYALTIES.—Section 543(d)(4)(A)(i) is amended by inserting ''174A,'' after ''174,''.

(8) SOURCE RULES.—Section 864(g)(2) is amended in the last sentence—

(A) by striking ''treated as deferred expenses under subsection (b) of section 174'' and inserting ''allowed as an amortization deduction under section 174(a) or section 174A(c),'', and

(B) by striking ''such subsection'' and inserting ''such section (as the case may be)''.

(9) BASIS ADJUSTMENT.—Section 1016(a)(14) is amended by striking ''deductions as deferred expenses under section 174(b)(1) (relating to research and experimental expenditures)'' and inserting ''deductions under section 174 or 174A(c)''.

(10) SMALL BUSINESS STOCK.—Section 1202(e)(2)(B) is amended by striking ''research and experimental expenditures under section 174'' and inserting ''specified research or experimental expenditures under section 174 or domestic research or experimental expenditures under section 174A''.

(e) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 174 the following new item:

"Sec. 174A. Temporary rules for domestic research and experimental expenditures.".

(f) EFFECTIVE DATE AND SPECIAL RULE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2024.

(2) TREATMENT OF FOREIGN RESEARCH OR EXPERIMENTAL EXPENDITURES UPON DISPOSITION.—The amendment made by subsection (c) shall apply to property disposed, retired, or abandoned after May 12, 2025.

(3) COORDINATION WITH RESEARCH CREDIT.—The amendments made by subparagraphs (B) and (C) of subsection (d)(1) shall apply to taxable years beginning after December 31, 2024.

(4) SPECIAL RULE FOR SHORT TAXABLE YEARS.—The Secretary of the Treasury may prescribe such rules as are necessary or appropriate to provide for the application of the amendments made by this section in the case of any taxable year of less than 12 months that begins after December 31,

2024, and ends before the date of the enactment of this Act.

(5) CHANGE IN METHOD OF ACCOUNTING.—The amendments made by this section shall be treated as a change in method of accounting for purposes of section 481 of the Internal Revenue Code of 1986 and—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary, and

(C) such change shall be applied only on a cut-off basis for any research or experimental expenditures paid or incurred in taxable years beginning after December 31, 2024, and no adjustments under section 481(a) shall be made.

(6) NO INFERENCE.—The amendments made by subparagraphs (B) and (C) of subsection (d)(1) shall not be construed to create any inference with respect to the proper application of section 280C(c) of the Internal Revenue Code of 1986 with respect to taxable years beginning before January 1, 2025.

SEC. 111003. MODIFIED CALCULATION OF ADJUSTED TAXABLE INCOME FOR PURPOSES OF BUSINESS INTEREST DEDUCTION.

(a) IN GENERAL.—Section 163(j)(8)(A)(v) is amended by striking ''beginning before January 1, 2022'' and inserting ''beginning after December 31, 2024 and before January 1, 2030''.

(b) FLOOR PLAN FINANCING APPLICABLE TO CERTAIN TRAILERS AND CAMPERS.—Section 163(j)(9)(C) is amended by adding at the end the following new flush sentence:

> ''Such term shall also include any trailer or camper which is designed to provide temporary living quarters for recreational, camping, or seasonal use and is designed to be towed by, or affixed to, a motor vehicle.''.

(c) EFFECTIVE DATE AND SPECIAL RULE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

(2) SPECIAL RULE FOR SHORT TAXABLE YEARS.—The Secretary of the Treasury may prescribe such rules as are necessary or appropriate to provide for the application of the amendments made by this section in the case of any taxable year of less than 12 months that begins after December 31,

2024, and ends before the date of the enactment of this Act.

SEC. 111004. EXTENSION OF DEDUCTION FOR FOREIGN-DERIVED INTANGIBLE INCOME AND GLOBAL INTANGIBLE LOW-TAXED INCOME.

(a) IN GENERAL.—Section 250(a) is amended—

(1) by striking ''37.5 percent'' in paragraph (1)(A) and inserting ''36.5 percent'',

(2) by striking ''50 percent'' in paragraph (1)(B) and inserting ''49.2 percent'', and

(3) by striking paragraph (3).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 111005. EXTENSION OF BASE EROSION MINIMUM TAX AMOUNT.

(a) IN GENERAL.—Section 59A(b) is amended—

(1) by striking ''10 percent'' in paragraph (1) and inserting ''10.1 percent'', and

(2) by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 59A(b)(1) is amended by striking ''Except as provided in paragraphs (2) and (3)'' and inserting ''Except as provided in paragraph (2)''.

(2) Section 59A(b)(2), as redesignated by subsection (a)(2), is amended by striking ''the percentage otherwise in effect under paragraphs (1)(A) and (2)(A) shall each be increased'' and inserting ''the percentages otherwise in effect under paragraph (1)(A) shall be increased''.

(3) Section 59A(e)(1)(C) is amended by striking ''in the case of a taxpayer described in subsection (b)(3)(B)'' and inserting ''in the case of a taxpayer described in subsection (b)(2)(B)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 111006. EXCEPTION TO DENIAL OF DEDUCTION FOR BUSINESS MEALS.

(a) IN GENERAL.—Section 274(o) is amended by striking ''No deduction'' and inserting ''Except in the case of an expense described in subsection (e)(8), no deduction''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2025.

PART 2—ADDITIONAL TAX RELIEF FOR RURAL AMERICA AND MAIN STREET

SEC. 111101. SPECIAL DEPRECIATION ALLOWANCE FOR QUALIFIED PRODUCTION PROPERTY.

(a) IN GENERAL.—Section 168 is amended by adding at the end the following new subsection:

''(n) SPECIAL ALLOWANCE FOR QUALIFIED PRODUCTION PROPERTY.—

''(1) IN GENERAL.—In the case of any qualified production property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 100 percent of the adjusted basis of the qualified production property, and

''(B) the adjusted basis of the qualified production property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) QUALIFIED PRODUCTION PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified production property' means that portion of any nonresidential real property—

''(i) to which this section applies,

''(ii) which is used by the taxpayer as an integral part of a qualified production activity,

''(iii) which is placed in service in the United States or any possession of the United States,

''(iv) the original use of which commences with the taxpayer,

''(v) the construction of which begins after January 19, 2025, and before January 1, 2029,

''(vi) with respect to which the taxpayer has elected the application of this subsection, and

''(vii) which is placed in service before January 1, 2033.

''(B) SPECIAL RULE FOR CERTAIN PROPERTY NOT PREVIOUSLY USED IN QUALIFIED PRODUCTION ACTIVITIES.—

''(i) IN GENERAL.—In the case of property acquired by the taxpayer during

the period described in subparagraph (A)(v), the requirements of clauses (iv) and (v) of subparagraph (A) shall be treated as satisfied if such property was not used in a qualified production activity (determined without regard to the second sentence of subparagraph (D)) by any person at any time during the period beginning on January 1, 2021, and ending on May 12, 2025.

''(ii) WRITTEN BINDING CONTRACTS.—For purposes of determining under clause (i)—

''(I) whether such property is acquired before the period described in subparagraph (A)(v), such property shall be treated as acquired not later than the date on which the taxpayer enters into a written binding contract for such acquisition, and

''(II) whether such property is acquired after such period, such property shall be treated as acquired not earlier than such date.

''(C) EXCLUSION OF OFFICE SPACE, ETC.—The term 'qualified production property'

shall not include that portion of any nonresidential real property which is used for offices, administrative services, lodging, parking, sales activities, research activities, software engineering activities, or other functions unrelated to manufacturing, production, or refining of tangible personal property.

''(D) QUALIFIED PRODUCTION ACTIVITY.—The term 'qualified production activity' means the manufacturing, production, or refining of a qualified product. The activities of any taxpayer do not constitute manufacturing, production, or refining of a qualified product unless the activities of such taxpayer result in a substantial transformation of the property comprising the product.

''(E) PRODUCTION.—The term 'production' shall not include activities other than agricultural production and chemical production.

''(F) QUALIFIED PRODUCT.—The term 'qualified product' means any tangible personal property.

''(G) SYNDICATION.—For purposes of subparagraph (A)(iv), rules similar to the rules of subsection (k)(2)(E)(iii) shall apply.

''(3) DEDUCTION ALLOWED IN COMPUTING MINIMUM TAX.—For purposes of determining alternative minimum taxable income under section 55, the deduction under section 167 for qualified production property shall be determined under this section without regard to any adjustment under section 56.

''(4) COORDINATION WITH CERTAIN OTHER PROVISIONS.—

''(A) OTHER SPECIAL DEPRECIATION ALLOWANCES.—The term 'qualified production property' shall not include any property to which subsection (k), (l), or (m) applies. For purposes of subsections (k)(7), (l)(3)(D), and (m)(2)(B)(iii), qualified production property to which this subsection applies shall be treated as a separate class of property.

''(B) ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified production property' shall not include any property to which the alternative depreciation system under subsection (g) applies. For purposes of subsection (g)(7)(A), qualified production property to which this subsection applies shall be treated as separate nonresidential real property.

''(5) RECAPTURE.—If, at any time during the 10-year period beginning on the date that any qualified production property is placed in service by the taxpayer, such property ceases to be used as described in paragraph (2)(A)(ii) and is used by the taxpayer in a productive use not described in paragraph (2)(A)(ii)—

''(A) section 1245 shall be applied—

''(i) by treating such property as having been disposed of by the taxpayer as of the first time such property is so used in a productive use not described in paragraph (2)(A)(ii), and

''(ii) by treating the amount described in subparagraph (B) of section 1245(a)(1) with respect to such disposition as being not less than the amount described in subparagraph (A) of such section, and

''(B) the basis of the taxpayer in such property, and the taxpayer's allowance for depreciation with respect to such property, shall be appropriately adjusted to take into account amounts recognized by reason of subparagraph (A).

''(6) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance—

''(A) regarding what constitutes a substantial transformation of property, and

''(B) providing for the application of paragraph (5) with respect to a change in use described in such paragraph by a transferee following a fully or partially tax free transfer of qualified production property.''.

(b) TREATMENT OF QUALIFIED PRODUCTION PROPERTY AS SECTION 1245 PROPERTY.—Section 1245(a)(3) is amended by striking ''or'' at the end of subparagraph (E), by striking the period at the end of subparagraph (F) and inserting '', or'', and by adding at the end the following new subparagraph:

''(G) any qualified production property (as defined in section 168(n)(2)).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 111102. RENEWAL AND ENHANCEMENT OF OPPORTUNITY ZONES.

(a) MODIFICATION OF LOW-INCOME COMMUNITY DEFINITION.—Section 1400Z–1(c)(1) is amended—

(1) by striking ''COMMUNITIES.—The term'' and inserting the following: ''COMMUNITIES.—

''(A) IN GENERAL.—The term'', and

(2) by adding at the end the following:

''(B) MODIFICATIONS.—For purposes of subparagraph (A), section 45D(e)(1) shall be applied in subparagraph (B) thereof, by substituting '70 percent' for '80 percent' each place it appears.

''(C) CERTAIN CENSUS TRACTS DISALLOWED.—The term 'low-income community' shall not include any population census tract if—

''(i) in the case of a tract not located within a metropolitan area, the median family income for such tract is at least 125 percent of statewide median family income, or

''(ii) in the case of a tract located within a metropolitan area, the median family income for such tract is at least 125

percent of the metropolitan area median family income.''.

(b) NEW ROUND OF QUALIFIED OPPORTUNITY ZONE DESIGNATIONS.—

(1) IN GENERAL.—Section 1400Z–1 is amended by adding at the end the following new subsection:

''(g) NEW ROUND OF QUALIFIED OPPORTUNITY ZONE DESIGNATIONS.—

''(1) IN GENERAL.—In addition to designations under subsection (b), and under rules similar to the rules of such subsection, the Secretary shall designate tracts nominated by the chief executive officers of States for purposes of this section.

''(2) NUMBER OF DESIGNATIONS; PROPORTION OF RURAL AREAS DESIGNATED.—

''(A) IN GENERAL.—Of the low-income communities within a State, the Secretary may designate under this subsection not more than 25 percent as qualified opportunity zones, of which at least the lesser of the following shall be qualified opportunity zones which are comprised entirely of a rural area:

''(i) The applicable percentage of the total number of qualified opportunity zone

designations which may be made within the State under this subsection.

''(ii) All low-income communities within the State which are comprised entirely of a rural area.

''(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be, for any calendar year during which a designation is made, the greater of—

''(i) 33 percent, or

''(ii) the percentage of the United States population living within a rural area for the preceding calendar year.

''(3) RURAL AREA.—Whether a low-income community is comprised entirely of a rural area shall be determined by the Secretary in consultation with the Secretary of Agriculture. For purposes of this subsection, the term 'rural area' has the meaning given such term by section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act.

''(4) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—A designation as a qualified opportunity zone under this subsection shall remain in effect for the period beginning on January 1, 2027, and ending on December 31, 2033.

''(5) CONTIGUOUS TRACTS NOT ELIGIBLE.—Subsection (e) shall not apply to designations made under this subsection.''.

(2) ELECTION WITH RESPECT TO NEW ROUND OF ZONES.—Section 1400Z–2(a)(2)(B) is amended by striking ''December 31, 2026'' and inserting ''December 31, 2033''.

(3) YEAR OF INCLUSION.—Section 1400Z–2(b)(1)(B) is amended to read as follows:

''(B)(i) December 31, 2026, in the case of an amount invested before January 1, 2027, and

''(ii) December 31, 2033, in the case of an amount invested after December 31, 2026, and before January 1, 2034.''.

(4) WINDING DOWN INITIAL ZONE DESIGNATIONS.—Section 1400Z–1(f) is amended—

(A) by striking ''and ending'' and all that follows and inserting the following: ''and ending on December 31, 2026.'', and

(B) by striking ''A designation'' and inserting ''Except as provided in subsection (g)(4), a designation''.

(c) MODIFICATION OF OPPORTUNITY ZONE INVESTMENT INCENTIVES.—

(1) CONSOLIDATED BASIS INCREASES; RURAL ZONE BASIS INCREASE.—Section 1400Z–2(b)(2)(B) is amended by adding at the end the following new clauses:

''(v) CONSOLIDATED BASIS INCREASE FOR INVESTMENTS AFTER 2026.—In the case of investments made after December 31, 2026—

''(I) clauses (iii) and (iv) shall not apply, and

''(II) for any such investment held by the taxpayer for at least 5 years, the basis of such adjustment shall be increased by an amount equal to 10 percent of the amount of gain deferred by reason of subsection (a)(1)(A).

''(vi) SPECIAL RULE FOR RURAL OPPORTUNITY FUNDS.—Clause (v) shall be applied by substituting '30 percent' for '10 percent' in the case of an investment in a qualified rural opportunity fund.

''(vii) QUALIFIED RURAL OPPORTUNITY FUND.—For purposes of clause (vi), a 'qualified rural opportunity fund'

means a qualified opportunity fund that holds at least 90 percent of its assets in qualified opportunity zone property which—

''(I) is qualified opportunity zone business property substantially all of the use of which, during substantially all of the fund's holding period for such property, was in a qualified opportunity zone comprised entirely of a rural area, or

''(II) is qualified opportunity zone stock, or a qualified opportunity zone partnership interest, in a qualified opportunity zone business in which substantially all of the tangible property owned or leased is qualified opportunity zone business property described in subsection (d)(3)(A)(i) and substantially all the use of which is in a qualified opportunity zone comprised entirely of a rural area.

For purposes of the preceding sentence, property held in the fund shall be meas-

ured under rules similar to the rules of subsection (d)(1).''.

(2) LIMITED TREATMENT OF ORDINARY INCOME.—Section 1400Z–2(a) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR ORDINARY INCOME.—In the case of any ordinary income of the taxpayer for the taxable year—

''(A) the taxpayer may elect the application of paragraph (1) with respect to so much of ordinary income as does not exceed $10,000 (reduced by the amount of any income with respect to which an election pursuant to this paragraph has previously been made), and

''(B) subsection (b)(2)(B) shall not apply to the investment with respect to such election.''.

(3) SPECIAL RULE FOR IMPROVEMENT OF EXISTING STRUCTURES IN RURAL AREAS, INCLUDING FOR DATA CENTERS.—Section 1400Z–2(d)(2)(D)(ii) is amended by inserting ''(50 percent of such adjusted basis in the case of property in a qualified opportunity zone comprised entirely of a rural area)'' after ''the adjusted basis of such property''.

(d) INFORMATION REPORTING ON QUALIFIED OPPORTUNITY FUNDS AND QUALIFIED RURAL OPPORTUNITY FUNDS.—

(1) FILING REQUIREMENTS FOR FUNDS AND INVESTORS.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6039J the following new sections:

"SEC. 6039K. RETURNS WITH RESPECT TO QUALIFIED OPPORTUNITY FUNDS AND QUALIFIED RURAL OPPORTUNITY FUNDS.

''(a) IN GENERAL.—Every qualified opportunity fund shall file an annual return (at such time and in such manner as the Secretary may prescribe) containing the information described in subsection (b).

''(b) INFORMATION FROM QUALIFIED OPPORTUNITY FUNDS.—The information described in this subsection is—

''(1) the name, address, and taxpayer identification number of the qualified opportunity fund,

''(2) whether the qualified opportunity fund is organized as a corporation or a partnership,

''(3) the value of the total assets held by the qualified opportunity fund as of each date described in section 1400Z–2(d)(1),

''(4) the value of all qualified opportunity zone property held by the qualified opportunity fund on each such date,

''(5) with respect to each investment held by the qualified opportunity fund in qualified opportunity zone stock or a qualified opportunity zone partnership interest—

''(A) the name, address, and taxpayer identification number of the corporation in which such stock is held or the partnership in which such interest is held, as the case may be,

''(B) each North American Industry Classification System (NAICS) code that applies to the trades or businesses conducted by such corporation or partnership,

''(C) the population census tracts in which the qualified opportunity zone business property of such corporation or partnership is located,

''(D) the amount of the investment in such stock or partnership interest as of each date described in section 1400Z–2(d)(1),

''(E) the value of tangible property held by such corporation or partnership on each such date which is owned by such corporation or partnership,

''(F) the value of tangible property held by such corporation or partnership on each such date which is leased by such corporation or partnership,

''(G) the approximate number of residential units (if any) for any real property held by such corporation or partnership, and

''(H) the approximate average monthly number of full-time equivalent employees of such corporation or partnership for the year (within numerical ranges identified by the Secretary) or such other indication of the employment impact of such corporation or partnership as determined appropriate by the Secretary,

''(6) with respect to the items of qualified opportunity zone business property held by the qualified opportunity fund—

''(A) the North American Industry Classification System (NAICS) code that applies to the trades or businesses in which such property is held,

''(B) the population census tract in which the property is located,

''(C) whether the property is owned or leased,

''(D) the aggregate value of the items of qualified opportunity zone property held by the qualified opportunity fund as of each date described in section 1400Z–2(d)(1), and

''(E) in the case of real property, number of residential units (if any),

''(7) the approximate average monthly number of full-time equivalent employees for the year of the trades or businesses of the qualified opportunity fund in which qualified opportunity zone business property is held (within numerical ranges identified by the Secretary) or such other indication of the employment impact of such trades or businesses as determined appropriate by the Secretary,

''(8) with respect to each person who disposed of an investment in the qualified opportunity fund during the year—

''(A) the name and taxpayer identification number of such person,

''(B) the date or dates on which the investment disposed was acquired, and

''(C) the date or dates on which any such investment was disposed and the amount of the investment disposed, and

''(9) such other information as the Secretary may require.

''(c) STATEMENT REQUIRED TO BE FURNISHED TO INVESTORS.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return by reason of subsection (b)(8) a written statement showing—

''(1) the name, address and phone number of the information contact of the person required to make such return, and

''(2) the information required to be shown on such return by reason of subsection (b)(8) with respect to the person whose name is required to be so set forth.

''(d) DEFINITIONS.—For purposes of this section—

''(1) IN GENERAL.—Any term used in this section which is also used in subchapter Z of chapter 1 shall have the meaning given such term under such subchapter.

''(2) FULL-TIME EQUIVALENT EMPLOYEES.—The term 'full-time equivalent employees' means, with respect to any month, the sum of—

''(A) the number of full-time employees (as defined in section 4980H(c)(4)) for the month, plus

''(B) the number of employees determined (under rules similar to the rules of section 4980H(c)(2)(E)) by dividing the aggregate number of hours of service of employees who are not full-time employees for the month by 120.

''(e) APPLICATION TO QUALIFIED RURAL OPPORTUNITY FUNDS.—Every qualified rural opportunity fund (as defined in section 1400Z–2(b)(2)(B)(vii)) shall file the annual return required under subsection (a), and the statements required under subsection (c), applied—

''(1) by substituting 'qualified rural opportunity' for 'qualified opportunity' each place it appears,

''(2) by substituting 'section 1400Z–2(b)(2)(B)(vii)' for 'section 1400Z–2(d)(1)' each place it appears, and

''(3) by treating any reference (after the application of paragraph (1)) to qualified rural opportunity zone stock, a qualified rural opportunity zone partnership interest, a qualified rural opportunity zone business, or qualified opportunity zone business property as stock, an interest, a business, or property, respectively, described in subclause (I) or (II),

as the case may be, of section 1400Z–2(b)(2)(B)(vii).

"SEC. 6039L. INFORMATION REQUIRED FROM QUALIFIED OPPORTUNITY ZONE BUSINESSES AND QUALIFIED RURAL OPPORTUNITY ZONE BUSINESSES.

''(a) IN GENERAL.—Every applicable qualified opportunity zone business shall furnish to the qualified opportunity fund described in subsection (b) a written statement in such manner and setting forth such information as the Secretary may by regulations prescribe for purposes of enabling such qualified opportunity fund to meet the requirements of section 6039K(b)(5).

''(b) APPLICABLE QUALIFIED OPPORTUNITY ZONE BUSINESS.—For purposes of subsection (a), the term 'applicable qualified opportunity zone business' means any qualified opportunity zone business—

''(1) which is a trade or business of a qualified opportunity fund,

''(2) in which a qualified opportunity fund holds qualified opportunity zone stock, or

''(3) in which a qualified opportunity fund holds a qualified opportunity zone partnership interest.

''(c) OTHER TERMS.—Any term used in this section which is also used in subchapter Z of chapter 1 shall have the meaning given such term under such subchapter.

''(d) APPLICATION TO QUALIFIED RURAL OPPORTUNITY BUSINESSES.—Every applicable qualified rural opportunity zone business (as defined in subsection (b) determined after application of the substitutions described in this sentence) shall furnish the written statement required under subsection (a), applied—

''(1) by substituting 'qualified rural opportunity' for 'qualified opportunity' each place it appears, and

''(2) by treating any reference (after the application of paragraph (1)) to qualified rural opportunity zone stock, a qualified rural opportunity zone partnership interest, or a qualified rural opportunity zone business as stock, an interest, or a business, respectively, described in subclause (I) or (II), as the case may be, of section 1400Z–2(b)(2)(B)(vii).''.

(2) PENALTIES.—

(A) IN GENERAL.—Part II of subchapter B of chapter 68 is amended by inserting after section 6725 the following new section:

"SEC. 6726. FAILURE TO COMPLY WITH INFORMATION REPORTING REQUIREMENTS RELATING TO QUALIFIED OPPORTUNITY FUNDS AND QUALIFIED RURAL OPPORTUNITY FUNDS.

"(a) IN GENERAL.—In the case of any person required to file a return under section 6039K fails to file a complete and correct return under such section in the time and in the manner prescribed therefor, such person shall pay a penalty of $500 for each day during which such failure continues.

"(b) LIMITATION.—

"(1) IN GENERAL.—The maximum penalty under this section on failures with respect to any 1 return shall not exceed $10,000.

"(2) LARGE QUALIFIED OPPORTUNITY FUNDS.—In the case of any failure described in subsection (a) with respect to a fund the gross assets of which (determined on the last day of the taxable year) are in excess of $10,000,000, paragraph (1) shall be applied by substituting '$50,000' for '$10,000'.

"(c) PENALTY IN CASES OF INTENTIONAL DISREGARD.—If a failure described in subsection (a) is due to intentional disregard, then—

"(1) subsection (a) shall be applied by substituting '$2,500' for '$500',

''(2) subsection (b)(1) shall be applied by substituting '$50,000' for '$10,000', and

''(3) subsection (b)(2) shall be applied by substituting '$250,000' for '$50,000'.

''(d) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—In the case of any failure relating to a return required to be filed in a calendar year beginning after 2025, each of the dollar amounts in subsections (a), (b), and (c) shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year determined by substituting 'calendar year 2024' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(2) ROUNDING.—

''(A) IN GENERAL.—If the $500 dollar amount in subsection (a) and (c)(1) or the $2,500 amount in subsection (c)(1), after being increased under paragraph (1), is not a multiple of $10, such dollar amount shall be rounded to the next lowest multiple of $10.

''(B) ASSET THRESHOLD.—If the $10,000,000 dollar amount in subsection (b)(2), after being increased under paragraph (1), is not a multiple of $10,000, such dollar amount

shall be rounded to the next lowest multiple of $10,000.

''(C) OTHER DOLLAR AMOUNTS.—If any dollar amount in subsection (b) or (c) (other than any amount to which subparagraph (A) or (B) applies), after being increased under paragraph (1), is not a multiple of $1,000, such dollar amount shall be rounded to the next lowest multiple of $1,000.''.

(B) INFORMATION REQUIRED TO BE SENT TO OTHER TAXPAYERS.—Section 6724(d)(2), as amended by the preceding provisions of this Act, is amended—

(i) by striking ''or'' at the end of subparagraph (LL),

(ii) by striking the period at the end of the subparagraph (MM) and inserting a comma, and

(iii) by inserting after subparagraph (MM) the following new subparagraphs:

''(NN) section 6039K(c) (relating to disposition of qualified opportunity fund investments), or

''(OO) section 6039L (relating to information required from certain qualified opportunity

zone businesses and qualified rural opportunity zone businesses).''.

(3) ELECTRONIC FILING.—Section 6011(e) is amended by adding at the end the following new paragraph:

''(8) QUALIFIED OPPORTUNITY FUNDS AND QUALIFIED RURAL OPPORTUNITY FUNDS.—Notwithstanding paragraphs (1) and (2), any return filed by a qualified opportunity fund or qualified rural opportunity fund shall be filed on magnetic media or other machine-readable form.''.

(4) CLERICAL AMENDMENTS.—

(A) The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6039J the following new items:

''Sec. 6039K. Returns with respect to qualified opportunity funds and qualified rural opportunity funds.
''Sec. 6039L. Information required from qualified opportunity zone businesses and qualified rural opportunity zone businesses.''.''.

(B) The table of sections for part II of subchapter B of chapter 68 is amended by inserting after the item relating to section 6725 the following new item:

''Sec. 6726. Failure to comply with information reporting requirements relating to qualified opportunity funds and qualified rural opportunity funds.''.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

(e) SECRETARY REPORTING OF DATA ON OPPORTUNITY ZONE AND RURAL OPPORTUNITY ZONE TAX INCENTIVES.—

(1) IN GENERAL.—As soon as practical after the date of the enactment of this Act, and annually thereafter, the Secretary of the Treasury, or the Secretary's delegate (referred to in this section as the ''Secretary'') shall make publicly available a report on qualified opportunity funds.

(2) INFORMATION INCLUDED.—The report required under paragraph (1) shall include, to the extent available, the following information:

(A) The number of qualified opportunity funds.

(B) The aggregate dollar amount of assets held in qualified opportunity funds.

(C) The aggregate dollar amount of investments made by qualified opportunity funds in qualified opportunity fund property, stated separately for each North American Industry Classification System (NAICS) code.

(D) The percentage of population census tracts designated as qualified opportunity zones that have received qualified opportunity fund investments.

(E) For each population census tract designated as a qualified opportunity zone, the approximate average monthly number of full-time equivalent employees of the qualified opportunity zone businesses in such qualified opportunity zone for the preceding 12-month period (within numerical ranges identified by the Secretary) or such other indication of the employment impact of such qualified opportunity fund businesses as determined appropriate by the Secretary.

(F) The percentage of the total amount of investments made by qualified opportunity funds in—

(i) qualified opportunity zone property which is real property; and

(ii) other qualified opportunity zone property.

(G) For each population census tract, the aggregate approximate number of residential

units resulting from investments made by qualified opportunity funds in real property.

(H) The aggregate dollar amount of investments made by qualified opportunity funds in each population census tract.

(3) ADDITIONAL INFORMATION.—

(A) IN GENERAL.—Beginning with the report submitted under paragraph (1) for the 6th year after the date of the enactment of this Act, the Secretary shall include in such report the impacts and outcomes of a designation of a population census tract as a qualified opportunity zone as measured by economic indicators, such as job creation, poverty reduction, new business starts, and other metrics as determined by the Secretary.

(B) SEMI-DECENNIAL INFORMATION.—

(i) IN GENERAL.—In the case of any report submitted under paragraph (1) in the 6th year or the 11th year after the date of the enactment of this Act, the Secretary shall include the following information:

(I) For population census tracts designated as a qualified opportunity

zone, a comparison (based on aggregate information) of the factors listed in clause (iii) between the 5-year period ending on the date of the enactment of Public Law 115–97 and the most recent 5-year period for which data is available.

(II) For population census tracts designated as a qualified opportunity zone, a comparison (based on aggregate information) of the factors listed in clause (iii) for the most recent 5-year period for which data is available between such population census tracts and a similar population census tracts that were not designated as a qualified opportunity zone.

(ii) CONTROL GROUPS.—For purposes of clause (i), the Secretary may combine population census tracts into such groups as the Secretary determines appropriate for purposes of making comparisons.

(iii) FACTORS LISTED.—The factors listed in this clause are the following:

(I) The unemployment rate.

(II) The number of persons working in the population census tract, including the percentage of such persons who were not residents in the population census tract in the preceding year.

(III) Individual, family, and household poverty rates.

(IV) Median family income of residents of the population census tract.

(V) Demographic information on residents of the population census tract, including age, income, education, race, and employment.

(VI) The average percentage of income of residents of the population census tract spent on rent annually.

(VII) The number of residences in the population census tract.

(VIII) The rate of home ownership in the population census tract.

(IX) The average value of residential property in the population census tract.

(X) The number of affordable housing units in the population census tract.

(XI) The number and percentage of residents in the population census tract that were not employed for the preceding year.

(XII) The number of new business starts in the population census tract.

(XIII) The distribution of employees in the population census tract by North American Industry Classification System (NAICS) code.

(4) PROTECTION OF IDENTIFIABLE RETURN INFORMATION.—In making reports required under this subsection, the Secretary—

(A) shall establish appropriate procedures to ensure that any amounts reported do not disclose taxpayer return information that can be associated with any particular taxpayer or competitive or proprietary information, and

(B) if necessary to protect taxpayer return information, may combine information required

with respect to individual population census tracts into larger geographic areas.

(5) DEFINITIONS.—Any term used in this subsection which is also used in subchapter Z of chapter 1 of the Internal Revenue Code of 1986 shall have the meaning given such term under such subchapter.

(6) REPORTS ON QUALIFIED RURAL OPPORTUNITY FUNDS.—The Secretary shall make publicly available, with respect to qualified rural opportunity funds, separate reports as required under this subsection, applied—

(A) by substituting ''qualified rural opportunity'' for ''qualified opportunity'' each place it appears,

(B) by substituting a reference to this Act for ''Public Law 115–97'', and

(C) by treating any reference (after the application of subparagraph (A)) to qualified rural opportunity zone stock, qualified rural opportunity zone partnership interest, qualified rural opportunity zone business, or qualified opportunity zone business property as stock, interest, business, or property, respectively, described in subclause (I) or (II), as the case may be, of sec-

tion 1400Z–2(b)(2)(B)(vii) of the Internal Revenue Code of 1986.

SEC. 111103. INCREASED DOLLAR LIMITATIONS FOR EXPENSING OF CERTAIN DEPRECIABLE BUSINESS ASSETS.

(a) IN GENERAL.—Section 179(b) is amended—

(1) in paragraph (1), by striking ''$1,000,000'' and inserting ''$2,500,000'', and

(2) in paragraph (2), by striking ''$2,500,000'' and inserting ''$4,000,000''.

(b) CONFORMING AMENDMENTS.—Section 179(b)(6)(A) is amended—

(1) by inserting ''(2025 in the case of the dollar amounts in paragraphs (1) and (2))'' after ''In the case of any taxable year beginning after 2018'', and

(2) in clause (ii), by striking ''determined by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof.'' and inserting ''determined by substituting in subparagraph (A)(ii) thereof—

''(I) in the case of amounts in paragraphs (1) and (2), 'calendar year 2024' for 'calendar year 2016', and

''(II) in the case of the amount in paragraph (5)(A), 'calendar year 2017' for 'calendar year 2016'.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service in taxable years beginning after December 31, 2024.

SEC. 111104. REPEAL OF REVISION TO DE MINIMIS RULES FOR THIRD PARTY NETWORK TRANSACTIONS.

(a) REINSTATEMENT OF EXCEPTION FOR DE MINIMIS PAYMENTS AS IN EFFECT PRIOR TO ENACTMENT OF AMERICAN RESCUE PLAN ACT OF 2021.—

(1) IN GENERAL.—Section 6050W(e) is amended to read as follows:

''(e) EXCEPTION FOR DE MINIMIS PAYMENTS BY THIRD PARTY SETTLEMENT ORGANIZATIONS.—A third party settlement organization shall be required to report any information under subsection (a) with respect to third party network transactions of any participating payee only if—

''(1) the amount which would otherwise be reported under subsection (a)(2) with respect to such transactions exceeds $20,000, and

''(2) the aggregate number of such transactions exceeds 200.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in section 9674 of the American Rescue Plan Act.

(b) APPLICATION OF DE MINIMIS RULE FOR THIRD PARTY NETWORK TRANSACTIONS TO BACKUP WITHHOLDING.—

(1) IN GENERAL.—Section 3406(b) is amended by adding at the end the following new paragraph:

''(8) OTHER REPORTABLE PAYMENTS INCLUDE PAYMENTS IN SETTLEMENT OF THIRD PARTY NETWORK TRANSACTIONS ONLY WHERE AGGREGATE TRANSACTIONS EXCEED REPORTING THRESHOLD FOR THE CALENDAR YEAR.—

''(A) IN GENERAL.—Any payment in settlement of a third party network transaction required to be shown on a return required under section 6050W which is made during any calendar year shall be treated as a reportable payment only if—

''(i) the aggregate number of transactions with respect to the participating payee during such calendar year exceeds the number of transactions specified in section 6050W(e)(2), and

''(ii) the aggregate amount of transactions with respect to the participating payee during such calendar year exceeds the dollar amount specified in section 6050W(e)(1) at the time of such payment.

''(B) EXCEPTION IF THIRD PARTY NETWORK TRANSACTIONS MADE IN PRIOR YEAR WERE REPORTABLE.—Subparagraph (A) shall not apply with respect to payments to any participating payee during any calendar year if one or more payments in settlement of third party network transactions made by the payor to the participating payee during the preceding calendar year were reportable payments.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to calendar years beginning after December 31, 2024.

SEC. 111105. INCREASE IN THRESHOLD FOR REQUIRING INFORMATION REPORTING WITH RESPECT TO CERTAIN PAYEES.

(a) IN GENERAL.—Section 6041(a) is amended by striking ''$600'' and inserting ''$2,000''.

(b) INFLATION ADJUSTMENT.—Section 6041 is amended by adding at the end the following new subsection:

''(h) INFLATION ADJUSTMENT.—In the case of any calendar year after 2026, the dollar amount in subsection (a) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any increase under the preceding sentence is not a multiple of $100, such increase shall be rounded to the nearest multiple of $100.''.

(c) APPLICATION TO REPORTING ON REMUNERATION FOR SERVICES.—Section 6041A(a)(2) is amended by striking ''is $600 or more'' and inserting ''equals or exceeds the dollar amount in effect for such calendar year under section 6041(a)''.

(d) APPLICATION TO BACKUP WITHHOLDING.—Section 3406(b)(6) is amended—

(1) by striking ''$600'' in subparagraph (A) and inserting ''the dollar amount in effect for such calendar year under section 6041(a)'', and

(2) by striking ''ONLY WHERE AGGREGATE FOR CALENDAR YEAR IS $600 OR MORE'' in the heading and inserting ''ONLY IF IN EXCESS OF THRESHOLD''.

(e) CONFORMING AMENDMENTS.—

(1) The heading of section 6041(a) is amended by striking ''OF $600 OR MORE'' and inserting ''EXCEEDING THRESHOLD''.

(2) Section 6041(a) is amended by striking ''taxable year'' and inserting ''calendar year''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to payments made after December 31, 2025.

SEC. 111106. EXCLUSION OF INTEREST ON LOANS SECURED BY RURAL OR AGRICULTURAL REAL PROPERTY.

(a) IN GENERAL.—Part III of subchapter B of chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after section 139J the following new section:

''SEC. 139K. INTEREST ON LOANS SECURED BY RURAL OR AGRICULTURAL REAL PROPERTY.

''(a) IN GENERAL.—Gross income shall not include 25 percent of the interest received by a qualified lender on any qualified real estate loan.

''(b) QUALIFIED LENDER.—For purposes of this section, the term 'qualified lender' means—

''(1) any bank or savings association the deposits of which are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.),

''(2) any State- or federally-regulated insurance company,

''(3) any entity wholly owned, directly or indirectly, by a company that is treated as a bank holding company for purposes of section 8 of the International Banking Act of 1978 (12 U.S.C. 3106) if—

''(A) such entity is organized, incorporated, or established under the laws of the United States or any State of the United States, and

''(B) the principal place of business of such entity is in the United States (including any territory of the United States),

''(4) any entity wholly owned, directly or indirectly, by a company that is considered an insurance holding company under the laws of any State if such entity satisfies the requirements described in subparagraphs (A) and (B) of paragraph (3), and

''(5) with respect to interest received on a qualified real estate loan secured by real estate described in subsection (c)(3)(A), any federally chartered instrumentality of the United States established under section 8.1(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-1(a)).

''(c) QUALIFIED REAL ESTATE LOAN.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified real estate loan' means any loan—

''(A) secured by—

''(i) rural or agricultural real estate, or

''(ii) a leasehold mortgage (with a status as a lien) on rural or agricultural real estate,

''(B) made to a person other than a specified foreign entity (as defined in section 7701(a)(51)), and

''(C) made after the date of the enactment of this section and before January 1, 2029.

For purposes of the preceding sentence, the determination of whether property securing such loan is rural or agricultural real estate shall be made as of the time the interest income on such loan is accrued.

''(2) REFINANCINGS.—For purposes of subparagraphs (A) and (C) of paragraph (1), a loan shall not be treated as made after the date of the enactment of this section to the extent that the proceeds of such loan are used to refinance a loan which was made on or before the date of the enact-

ment of this section (or, in the case of any series of refinancings, the original loan was made on or before such date).

''(3) RURAL OR AGRICULTURAL REAL ESTATE.—The term 'rural or agricultural real estate' means—

''(A) any real property which is substantially used for the production of one or more agricultural products,

''(B) any real property which is substantially used in the trade or business of fishing or seafood processing, and

''(C) any aquaculture facility.

Such term shall not include any property which is not located in a State or a possession of the United States.

''(4) AQUACULTURE FACILITY.—The term 'aquaculture facility' means any land, structure, or other appurtenance that is used for aquaculture (including any hatchery, rearing pond, raceway, pen, or incubator).

''(d) COORDINATION WITH SECTION 265.—Qualified real estate loans shall be treated as obligations described in section 265(a)(2) the interest on which is wholly exempt from the taxes imposed by this subtitle.''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after the item relating to section 139J the following new item:

''Sec. 139K. Interest on loans secured by rural or agricultural real property.''.

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

SEC. 111107. TREATMENT OF CERTAIN QUALIFIED SOUND RECORDING PRODUCTIONS.

(a) ELECTION TO TREAT COSTS AS EXPENSES.—Section 181(a)(1) is amended by striking ''qualified film or television production, and any qualified live theatrical production,'' and inserting ''qualified film or television production, any qualified live theatrical production, and any qualified sound recording production''.

(b) DOLLAR LIMITATION.—Section 181(a)(2) is amended by adding at the end the following new subparagraph:

''(C) QUALIFIED SOUND RECORDING PRODUCTION.—Paragraph (1) shall not apply to so much of the aggregate cost of any qualified sound recording production, or to so much of the aggregate, cumulative cost of all such quali-

fied sound recording productions in the taxable year, as exceeds $150,000.''.

(c) NO OTHER DEDUCTION OR AMORTIZATION DEDUCTION ALLOWABLE.—Section 181(b) is amended by striking ''qualified film or television production or any qualified live theatrical production'' and inserting ''qualified film or television production, any qualified live theatrical production, or any qualified sound recording production''.

(d) ELECTION.—Section 181(c)(1) is amended by striking ''qualified film or television production or any qualified live theatrical production'' and inserting ''qualified film or television production, any qualified live theatrical production, or any qualified sound recording production''.

(e) QUALIFIED SOUND RECORDING PRODUCTION DEFINED.—Section 181 is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting after subsection (e) the following new subsection:

''(f) QUALIFIED SOUND RECORDING PRODUCTION.—For purposes of this section, the term 'qualified sound recording production' means a sound recording (as defined in section 101 of title 17, United States Code) produced and recorded in the United States.''.

(f) APPLICATION OF TERMINATION.—Section 181(g) is amended by striking ''qualified film and television productions or qualified live theatrical productions'' and inserting ''qualified film and television productions, qualified live theatrical productions, and qualified sound recording productions''.

(g) BONUS DEPRECIATION.—

(1) QUALIFIED SOUND RECORDING PRODUCTION AS QUALIFIED PROPERTY.—Section 168(k)(2)(A)(i) is amended—

(A) by striking ''or'' at the end of subclause (IV), by inserting ''or'' at the end of subclause (V), and by inserting after subclause (V) the following:

''(VI) which is a qualified sound recording production (as defined in subsection (f) of section 181) which is placed in service before January 1, 2029, for which a deduction would have been allowable under section 181 without regard to subsections (a)(2) and (h) of such section or this subsection, and'', and

(B) in subclauses (IV) and (V) (as so amended) by striking ''without regard to sub-

sections (a)(2) and (g)'' both places it appears and inserting ''without regard to subsections (a)(2) and (h)''.

(2) PRODUCTION PLACED IN SERVICE.—Section 168(k)(2)(H) is amended by striking ''and'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', and'', and by adding after clause (ii) the following:

''(iii) a qualified sound recording production shall be considered to be placed in service at the time of initial release or broadcast.''.

(h) CONFORMING AMENDMENTS.—

(1) The heading for section 181 is amended to read as follows: ''**TREATMENT OF CERTAIN QUALIFIED PRODUCTIONS**.''.

(2) The table of sections for part VI of subchapter B of chapter 1 is amended by striking the item relating to section 181 and inserting the following new item:

''Sec. 181. Treatment of certain qualified productions.''.

(i) EFFECTIVE DATE.—The amendments made by this section shall apply to productions commencing in taxable years ending after the date of the enactment of this Act.

SEC. 111108. MODIFICATIONS TO LOW-INCOME HOUSING CREDIT.

(a) STATE HOUSING CREDIT CEILING INCREASE FOR LOW-INCOME HOUSING CREDIT.—

(1) IN GENERAL.—Section 42(h)(3)(I) is amended—

(A) by striking ''and 2021,'' and inserting ''2021, 2026, 2027, 2028, and 2029,'', and

(B) by striking ''2018, 2019, 2020, AND 2021'' in the heading and inserting ''CERTAIN CALENDAR YEARS''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to calendar years after 2025.

(b) TAX-EXEMPT BOND FINANCING REQUIREMENT.—

(1) IN GENERAL.—Section 42(h)(4) is amended by striking subparagraph (B) and inserting the following:

''(B) SPECIAL RULE WHERE MINIMUM PERCENT OF BUILDINGS IS FINANCED WITH TAX-EXEMPT BONDS SUBJECT TO VOLUME CAP.—For purposes of subparagraph (A), paragraph (1) shall not apply to any portion of the credit allowable under subsection (a) with respect to a building if—

''(i) 50 percent or more of the aggregate basis of such building and the land on which the building is located is financed by 1 or more obligations described in subparagraph (A), or

''(ii)(I) 25 percent or more of the aggregate basis of such building and the land on which the building is located is financed by 1 or more qualified obligations, and

''(II) 1 or more of such qualified obligations—

''(aa) are part of an issue the issue date of which is after December 31, 2025, and

''(bb) provide the financing for not less than 5 percent of the aggregate basis of such building and the land on which the building is located.

''(C) QUALIFIED OBLIGATION.—For purposes of subparagraph (B)(ii), the term 'qualified obligation' means an obligation which is described in subparagraph (A) and which is part of an issue the issue date of which is before January 1, 2030.''.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by this subsection shall apply to buildings placed in service in taxable years beginning after December 31, 2025.

(B) REHABILITATION EXPENDITURES TREATED AS SEPARATE NEW BUILDING.—In the case of any building with respect to which any expenditures are treated as a separate new building under section 42(e) of the Internal Revenue Code of 1986, for purposes of subparagraph (A), both the existing building and the separate new building shall be treated as having been placed in service on the date such expenditures are treated as placed in service under section 42(e)(4) of such Code.

(c) TEMPORARY INCLUSION OF INDIAN AREAS AND RURAL AREAS AS DIFFICULT DEVELOPMENT AREAS FOR PURPOSES OF CERTAIN BUILDINGS.—

(1) IN GENERAL.—Section 42(d)(5)(B)(iii)(I) is amended by inserting before the period the following: ", and, in the case of buildings placed in service after December 31, 2025 and before January 1, 2030, any Indian area or rural area".

(2) INDIAN AREA; RURAL AREA.—Section 42(d)(5)(B)(iii) is amended by redesignating sub-

clause (II) as subclause (IV) and by inserting after subclause (I) the following new subclauses:

"(II) INDIAN AREA.—For purposes of subclause (I), the term 'Indian area' means any Indian area (as defined in section 4(11) of the Native American Housing Assistance and Self Determination Act of 1996 (25 U.S.C. 4103(11))) and any housing area (as defined in section 801(5) of such Act (25 U.S.C. 4221(5))).

"(III) RURAL AREA.—For purposes of subclause (I), the term 'rural area' means any non-metropolitan area, or any rural area as defined by section 520 of the Housing Act of 1949, which is identified by the qualified allocation plan under subsection (m)(1)(B).".

(3) ELIGIBLE BUILDINGS.—Section 42(d)(5)(B)(iii), as amended by paragraph (2), is further amended by adding at the end the following new subclause:

"(V) SPECIAL RULE FOR BUILDINGS IN INDIAN AREAS.—In the case

of an area which is a difficult development area solely because it is an Indian area under this section, a building shall not be treated as located in such area unless such building is assisted or financed under the Native American Housing Assistance and Self Determination Act of 1996 (25 U.S.C. 4101 et seq.) or the project sponsor is an Indian tribe (as defined in section 45A(c)(6)), a tribally designated housing entity (as defined in section 4(22) of such Act (25 U.S.C. 4103(22))), or wholly owned or controlled by such an Indian tribe or tribally designated housing entity.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to buildings placed in service after December 31, 2025.

SEC. 111109. INCREASED GROSS RECEIPTS THRESHOLD FOR SMALL MANUFACTURING BUSINESSES.

(a) IN GENERAL.—Section 448(c) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) GROSS RECEIPTS TEST FOR MANUFACTURING TAXPAYERS.—In the case of a manufacturing taxpayer, paragraph (1) shall be applied by substituting '$80,000,000' for '$25,000,000'.''.

(b) INFLATION ADJUSTMENT.—Section 448(c)(5) (as so redesignated) is amended by striking ''the dollar amount in paragraph (1) shall be increased'' and inserting ''the dollar amounts in paragraphs (1) and (4) shall each be increased''.

(c) MANUFACTURING TAXPAYER DEFINED.—Section 448(d) is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

''(8) MANUFACTURING TAXPAYER.—

''(A) IN GENERAL.—The term 'manufacturing taxpayer' means a corporation or partnership substantially all the gross receipts of which during the 3-taxable-year period described in subsection (c)(1) are derived from the lease, rental, license, sale, exchange, or other disposition of qualified products.

''(B) QUALIFIED PRODUCT.—For purposes of subparagraph (A), the term 'qualified product' means a product that is both—

''(i) tangible personal property which is not a food or beverage prepared in the same building as a retail establishment in which substantially similar property is sold to the public, and

''(ii) produced or manufactured by the taxpayer in a manner which results in a substantial transformation (within the meaning of section 168(n)(2)(D)) of the property comprising the product.

''(C) AGGREGATION RULE.—Solely for purposes of determining whether a taxpayer is a manufacturing taxpayer under subparagraph (A)—

''(i) gross receipts shall be determined under the rules of paragraphs (2) and (3) of subsection (c), and

''(ii) for purposes of subsection (c)(2), in applying section 52(b), the term 'trade or business' shall include any activity treated as a trade or business under paragraph (5) or (6) of section 469(c) (determined without regard to the phrase 'To the extent provided in regulations' in such paragraph (6)).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 111110. GLOBAL INTANGIBLE LOW-TAXED INCOME DETERMINED WITHOUT REGARD TO CERTAIN INCOME DERIVED FROM SERVICES PERFORMED IN THE VIRGIN ISLANDS.

(a) IN GENERAL.—Section 951A(c)(2)(A)(i) is amended by striking ''and'' at the end of subclause (IV), by striking '', over'' at the end of subclause (V) and inserting '', and'', and by adding at the end the following new subclause:

''(VI) in the case of any specified United States shareholder, any qualified Virgin Islands services income, over''.

(b) DEFINITIONS AND SPECIAL RULES.—Section 951A(c)(2) is amended by adding at the end the following new subparagraph:

''(C) PROVISIONS RELATED TO QUALIFIED VIRGIN ISLANDS SERVICES INCOME.—For purposes of subparagraph (A)(i)(VI)—

''(i) QUALIFIED VIRGIN ISLANDS SERVICES INCOME.—The term 'qualified Virgin Islands services income' means any

gross income which satisfies all of the following requirements:

''(I) Such gross income is compensation for labor or personal services performed in the Virgin Islands by a corporation formed under the laws of the Virgin Islands.

''(II) Such gross income is attributable to services performed from within the Virgin Islands by individuals for the benefit of such corporation.

''(III) Such gross income is effectively connected with the conduct of a trade or business within the Virgin Islands.

''(ii) SPECIFIED UNITED STATES SHAREHOLDER.—The term 'specified United States shareholder' means any United States shareholder which is—

''(I) an individual, trust, or estate, or

''(II) a closely held C corporation (as defined in section 469(j)(1)) if such corporation acquired its direct or

indirect equity interest in the foreign corporation which derived the qualified Virgin Islands services income before December 31, 2023.

''(iii) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out this subparagraph and subparagraph (A)(i)(VI), including regulations or other guidance to prevent the abuse of such subparagraphs.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 111111. EXTENSION AND MODIFICATION OF CLEAN FUEL PRODUCTION CREDIT.

(a) PROHIBITION ON FOREIGN FEEDSTOCKS.—

(1) IN GENERAL.—Section 45Z(f)(1)(A) is amended—

(A) in clause (i)(II)(bb), by striking ''and'' at the end,

(B) in clause (ii), by striking the period at the end and inserting ", and", and

(C) by adding at the end the following new clause:

"(iii) such fuel is exclusively derived from a feedstock which was produced or grown in the United States, Mexico, or Canada.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to transportation fuel sold after December 31, 2025.

(b) DETERMINATION OF EMISSIONS RATE.—

(1) IN GENERAL.—Section 45Z(b)(1)(B) is amended by adding at the end the following new clauses:

"(iv) EXCLUSION OF INDIRECT LAND USE CHANGES.—Notwithstanding clauses (ii) and (iii), the lifecycle greenhouse gas emissions shall be adjusted as necessary to exclude any emissions attributed to indirect land use change. Any such adjustment shall be based on regulations or methodologies determined by the Secretary in consultation with the Administrator of the En-

vironmental Protection Agency and the Secretary of Agriculture.

''(v) ANIMAL MANURES.—For purposes of the table described in clause (i), with respect to any transportation fuels which are derived from animal manure, a distinct emissions rate shall be provided with respect to each of the specific feedstocks used to such produce such fuel, which shall include dairy manure, swine manure, poultry manure, and such other sources as are determined appropriate by the Secretary.''.

(2) CONFORMING AMENDMENT.—Section 45Z(b)(1)(B)(i) is amended by striking ''clauses (ii) and (iii)'' and inserting ''clauses (ii), (iii), (iv), and (v)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to emissions rates published for taxable years beginning after December 31, 2025.

(c) EXTENSION OF CLEAN FUEL PRODUCTION CREDIT.—Section 45Z(g) is amended by striking ''December 31, 2027'' and inserting ''December 31, 2031''.

(d) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

(1) IN GENERAL.—Section 45Z(f) is amended by adding at the end the following new paragraph:

''(8) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

''(A) IN GENERAL.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

''(B) OTHER PROHIBITED FOREIGN ENTITIES.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if the taxpayer is a foreign-influenced entity (as defined in section 7701(a)(51)(D)).''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 111112. RESTORATION OF TAXABLE REIT SUBSIDIARY ASSET TEST.

(a) IN GENERAL.—Section 856(c)(4)(B)(ii) is amended by striking ''20 percent'' and inserting ''25 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

PART 3—INVESTING IN THE HEALTH OF RURAL AMERICA AND MAIN STREET

SEC. 111201. EXPANDING THE DEFINITION OF RURAL EMERGENCY HOSPITAL UNDER THE MEDICARE PROGRAM.

(a) IN GENERAL.—Section 1861(kkk) of the Social Security Act (42 U.S.C. 1395x(kkk)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking ''the detailed transition plan'' and all that follows through ''such paragraph'' and inserting ''the detailed transition plan described in clause (i)(I) of such paragraph or the assessment of health care needs described in clause (i)(II) of such paragraph, as applicable,'';

(B) in subparagraph (D)(vi), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new subparagraph:

''(E) in the case of a facility described in paragraph (3)(B)—

''(i) submits an application under section 1866(j) to enroll under this title as a rural emergency hospital—

''(I) in the case that such facility is located in a State that, as of January 1, 2027, provides for the licensing of rural emergency hospitals under State or applicable local law (as described in paragraph (5)(A)), not later than December 31, 2027; and

''(II) in the case that such facility is located in a State that, as of January 1, 2027, does not provide for the licensing of such rural emergency hospitals under State or applicable local law (as so described), not later than the date that is 1 year after the date on which such State begins to provide for such licensing; and

''(ii) in the case that such facility is located less than 35 miles away from the nearest hospital, critical access hospital, or rural emer-

gency hospital as of the date on which such facility submits an application under section 1866(j) to enroll under this title as a rural emergency hospital, beginning not later than 1 year after the end of the first full cost reporting period for which the facility is so enrolled, demonstrates annually, in a form and manner determined appropriate by the Secretary, that more than 50 percent of the services furnished for the most recent cost reporting period (as determined by the Secretary) were services described in paragraph (1)(A)(i), as determined based on discharges of individuals entitled to benefits under part A or enrolled under part B during such cost reporting period.'';

(2) in paragraph (3)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and adjusting the margins accordingly;

(B) by striking ''A facility'' and inserting: ''(A) IN GENERAL.—A facility''; and

(C) by adding at the end the following new subparagraph:

''(B) ADDITIONAL FACILITIES.—Beginning January 1, 2027, a facility described in this paragraph shall also include a facility that—

''(i) at any time during the period beginning January 1, 2014, and ending December 26, 2020—

''(I) was a critical access hospital; or

''(II) was a subsection (d) hospital (as defined in section 1886(d)(1)(B)) with not more than 50 beds located in a county (or equivalent unit of local government) in a rural area (as defined in section 1886(d)(2)(D)); and

''(ii) as of December 27, 2020, was not enrolled in the program under this title under section 1866(j).''; and

(3) in paragraph (4)—

(A) in subparagraph (A)(i)—

(i) in subclause (IV), by striking the period at the end and inserting ''; and'';

(ii) by redesignating subclauses (I) through (IV) as items (aa) through (dd), respectively, and adjusting the margins accordingly;

(iii) by striking ''including a detailed'' and inserting ''including—

''(I) except in the case of a facility described in paragraph (3)(B), a detailed''; and

(iv) by adding at the end the following new subclause:

''(II) in the case of a facility described in paragraph (3)(B), an assessment of the health care needs of the county (or equivalent unit of local government) in which such facility is located, which shall include—

''(aa) a description of the services furnished by the facility during the period that such facility was enrolled in the program under this title under section 1866(j);

''(bb) a description of the reasons that the facility, as of December 27, 2020, was no longer so enrolled;

''(cc) the population of such county (or equivalent unit);

''(dd) the percentage of such population who are individuals entitled to

benefits under part A or enrolled under part B; and

''(ee) a description of any lack of access to health care services experienced by such individuals, and an explanation of how reopening the facility as a rural emergency hospital would mitigate such lack of access.''.

(b) AMENDMENTS TO PAYMENT RULES.—Section 1834(x) of the Social Security Act (42 U.S.C. 1395m(x)) is amended—

(1) in paragraph (1), by inserting '', except that, in the case of a facility described in section 1861(kkk)(3)(B) that, as of the date on which such facility submits an application under section 1866(j) to enroll under this title as a rural emergency hospital, is located less than 35 miles away from the nearest hospital, critical access hospital, or rural emergency hospital, such increase shall not apply'' before the period at the end; and

(2) in paragraph (2)(A), by inserting ''(other than a facility described in section 1861(kkk)(3)(B) that, as of the date on which such facility submits an application under section 1866(j) to enroll under this title as a rural emergency hospital, is located

less than 10 miles away from the nearest hospital, critical access hospital, or rural emergency hospital)'' after ''rural emergency hospital''.

Subtitle C—Make America Win Again

PART 1—WORKING FAMILIES OVER ELITES

SEC. 112001. TERMINATION OF PREVIOUSLY-OWNED CLEAN VEHICLE CREDIT.

(a) IN GENERAL.—Section 25E(g) is amended by striking ''December 31, 2032'' and inserting ''December 31, 2025''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to vehicles acquired after December 31, 2025.

SEC. 112002. TERMINATION OF CLEAN VEHICLE CREDIT.

(a) IN GENERAL.—Section 30D is amended—

(1) by redesignating subsection (h) as subsection (i), and

(2) in subsection (i), as so redesignated, by striking ''December 31, 2032'' and inserting ''December 31, 2026''.

(b) SPECIAL RULE FOR TAXABLE YEAR 2026.—Section 30D is amended by inserting after subsection (g) the following new subsection:

''(h) SPECIAL RULE FOR TAXABLE YEAR 2026.—

''(1) IN GENERAL.—With respect to any vehicle placed in service after December 31, 2025, such vehicle shall not be treated as a new clean vehicle for purposes of this section if, during the period beginning on December 31, 2009, and ending on December 31, 2025, the number of covered vehicles manufactured by the manufacturer of such vehicle which are sold for use in the United States is greater than 200,000.

''(2) COVERED VEHICLES.—For purposes of this subsection, the term 'covered vehicles' means—

''(A) with respect to vehicles placed in service before January 1, 2023, new qualified plug-in electric drive motor vehicles (as defined in subsection (d)(1), as in effect on December 31, 2022), and

''(B) new clean vehicles.

''(3) CONTROLLED GROUPS.—Rules similar to the rules of section 30B(f)(4) shall apply for purposes of this subsection.''.

(c) CONFORMING AMENDMENTS.—Section 30D(e) is amended—

(1) in paragraph (1)(B)—

(A) in clause (iii), by inserting ''and'' after the comma at the end,

(B) in clause (iv), by striking ", and" and inserting a period, and

(C) by striking clause (v), and

(2) in paragraph (2)(B)—

(A) in clause (ii), by inserting "and" after the comma at the end,

(B) in clause (iii), by striking the comma at the end and inserting a period, and

(C) by striking clauses (iv) through (vi).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to vehicles placed in service after December 31, 2025.

SEC. 112003. TERMINATION OF QUALIFIED COMMERCIAL CLEAN VEHICLES CREDIT.

(a) IN GENERAL.—Section 45W(g) is amended to read as follows:

"(g) TERMINATION.—

"(1) IN GENERAL.—No credit shall be determined under this section with respect to any vehicle acquired after December 31, 2025.

"(2) EXCEPTION FOR BINDING CONTRACTS.—Paragraph (1) shall not apply with respect to vehicles placed in service before January 1, 2033, and acquired pursuant to a written binding contract entered into before May 12, 2025.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to vehicles acquired after December 31, 2025.

SEC. 112004. TERMINATION OF ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.

(a) IN GENERAL.—Section 30C(i) is amended by striking ''December 31, 2032'' and inserting ''December 31, 2025''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2025.

SEC. 112005. TERMINATION OF ENERGY EFFICIENT HOME IMPROVEMENT CREDIT.

(a) IN GENERAL.—Section 25C(i) is amended to read as follows:

''(i) TERMINATION.—This section shall not apply with respect to any property placed in service after December 31, 2025.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 25C(d)(2)(C) is amended to read as follows:

''(C) Any oil furnace or hot water boiler which is placed in service before January 1, 2026, and—

''(i) meets or exceeds 2021 Energy Star efficiency criteria, and

''(ii) is rated by the manufacturer for use with fuel blends at least 20 percent of the volume of which consists of an eligible fuel.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2025.

SEC. 112006. TERMINATION OF RESIDENTIAL CLEAN ENERGY CREDIT.

(a) IN GENERAL.—Section 25D(h) is amended by striking ''December 31, 2034'' and inserting ''December 31, 2025''.

(b) CONFORMING AMENDMENTS.—Section 25D(g) is amended—

(1) in paragraph (2), by inserting ''and'' after the comma at the end,

(2) in paragraph (3), by striking ''January 1, 2033, 30 percent,'' and inserting ''January 1, 2026, 30 percent.'', and

(3) by striking paragraphs (4) and (5).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2025.

SEC. 112007. TERMINATION OF NEW ENERGY EFFICIENT HOME CREDIT.

(a) IN GENERAL.—Section 45L(h) is amended to read as follows:

''(h) TERMINATION.—This section shall not apply to any qualified new energy efficient home acquired after December 31, 2025 (December 31, 2026, in the case of any home for which construction began before May 12, 2025).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to homes acquired after December 31, 2025.

SEC. 112008. RESTRICTIONS ON CLEAN ELECTRICITY PRODUCTION CREDIT.

(a) TERMINATION OF CREDIT.—Section 45Y is amended by striking subsection (d) and by adding at the end the following new subsection:

''(h) TERMINATION OF CREDIT.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), no credit shall be allowed under this section for any qualified facility—

''(A) the construction of which begins after the date which is 60 days after the date of the enactment of this subsection, or

''(B) which is placed in service after December 31, 2028.

''(2) ADVANCED NUCLEAR FACILITIES.—In the case of any qualified facility that is an advanced nuclear facility (as defined in section 45J(d)(2))—

''(A) paragraph (1) shall not apply, and

''(B) no credit shall be allowed under this section for any such facility the construction of which begins after December 31, 2028.

''(3) EXPANSION OF NUCLEAR FACILITIES.—In the case of any nuclear facility the reactor design for which is approved by the Nuclear Regulatory Commission—

''(A) paragraph (1) shall not apply, and

''(B) no credit shall be allowed under this section for any such facility the expansion of which begins after December 31, 2028.''.

(b) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 45Y is amended—

(1) in subsection (b)(1), by adding at the end the following new subparagraph:

''(E) MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.—The term 'qualified facility' shall not include any facility for which construction begins after December 31, 2025 if the construction of such facility includes any material assistance from a prohib-

ited foreign entity (as defined in section 7701(a)(52)).", and

(2) in subsection (g), by adding at the end the following new paragraph:

"(13) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

"(A) IN GENERAL.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

"(B) OTHER PROHIBITED FOREIGN ENTITIES.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if—

"(i) the taxpayer is a foreign-influenced entity (as defined in section 7701(a)(51)(D)), or

"(ii) during such taxable year, the taxpayer—

"(I) makes a payment of dividends, interest, compensation for serv-

ices, rentals or royalties, guarantees or any other fixed, determinable, annual, or periodic amount to a prohibited foreign entity (as defined in section 7701(a)(51)) in an amount which is equal to or greater than 5 percent of the total of such payments made by such taxpayer during such taxable year which are related to the production of electricity, or

''(II) makes payments described in subclause (I) to more than 1 prohibited foreign entity (as so defined) in an amount which, in the aggregate, is equal to or greater than 15 percent of the total of such payments made by such taxpayer during such taxable year which are related to the production of electricity.''.

(c) DEFINITIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 7701(a) is amended by adding at the end the following new paragraphs:

''(51) PROHIBITED FOREIGN ENTITY.—

"(A) IN GENERAL.—The term 'prohibited foreign entity' means a specified foreign entity or a foreign-influenced entity.

"(B) SPECIFIED FOREIGN ENTITY.—For purposes of subparagraph (A), the term 'specified foreign entity' means—

"(i) a foreign entity of concern described in subparagraph (A), (B), (D), or (E) of section 9901(8) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283; 15 U.S.C. 4651),

"(ii) an entity identified as a Chinese military company operating in the United States in accordance with section 1260H of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283; 10 U.S.C. 113 note),

"(iii) an entity included on a list required by clause (i), (ii), (iv), or (v) of section 2(d)(2)(B) of Public Law 117–78 (135 Stat. 1527),

"(iv) an entity specified under section 154(b) of the National Defense Authoriza-

tion Act for Fiscal Year 2024 (Public Law 118–31; 10 U.S.C. note prec. 4651), or

"(v) a foreign-controlled entity.

"(C) FOREIGN-CONTROLLED ENTITY.—For purposes of subparagraph (B), the term 'foreign-controlled entity' means—

"(i) the government of a covered nation (as defined in section 4872(f)(2) of title 10, United States Code),

"(ii) a person who is a citizen, national, or resident of a covered nation, provided that such person is not an individual who is a citizen or lawful permanent resident of the United States,

"(iii) an entity or a qualified business unit (as defined in section 989(a)) incorporated or organized under the laws of, or having its principal place of business in, a covered nation, or

"(iv) an entity (including subsidiary entities) controlled (as determined under subparagraph (F)) by an entity described in clause (i), (ii), or (iii).

"(D) FOREIGN-INFLUENCED ENTITY.—For purposes of subparagraph (A), the term 'foreign-influenced entity' means an entity—

"(i) with respect to which, during the taxable year—

"(I) a specified foreign entity has the direct or indirect authority to appoint a covered officer of such entity,

"(II) a single specified foreign entity owns at least 10 percent of such entity,

"(III) one or more specified foreign entities own in the aggregate at least 25 percent of such entity, or

"(IV) at least 25 percent of the debt of such entity is held in the aggregate by one or more specified foreign entities, or

"(ii) which, during the previous taxable year—

"(I) makes a payment of dividends, interest, compensation for services, rentals or royalties, guarantees or any other fixed, determinable, annual, or periodic amount to a specified

foreign entity in an amount which is equal to or greater than 10 percent of the total of such payments made by such entity during such taxable year, or

''(II) makes payments described in subclause (I) to more than 1 specified foreign entity in an amount which, in the aggregate, is equal to or greater than 25 percent of the total of such payments made by such entity during such taxable year.

Clause (ii) shall not apply unless such entity makes such payments knowingly (or has reason to know).

''(E) COVERED OFFICER.—For purposes of this paragraph, the term 'covered officer' means, with respect to an entity—

''(i) a member of the board of directors, board of supervisors, or equivalent governing body,

''(ii) an executive-level officer, including the president, chief executive officer, chief operating officer, chief financial offi-

cer, general counsel, or senior vice president, or

''(iii) an individual having powers or responsibilities similar to those of officers or members described in clause (i) or (ii).

''(F) DETERMINATION OF CONTROL.—For purposes of subparagraph (C)(iv), the term 'control' means—

''(i) in the case of a corporation, ownership (by vote or value) of more than 50 percent of the stock in such corporation,

''(ii) in the case of a partnership, ownership of more than 50 percent of the profits interests or capital interests in such partnership, or

''(iii) in any other case, ownership of more than 50 percent of the beneficial interests in the entity.

''(G) DETERMINATION OF OWNERSHIP.—For purposes of this section, section 318 (other than subsection (a)(3) thereof) shall apply for purposes of determining ownership of stock in a corporation. Similar principles shall apply for purposes of determining ownership of interests in any other entity.

''(H) REGULATIONS AND GUIDANCE.—The Secretary may prescribe such regulations and guidance as may be necessary or appropriate to carry out the provisions of this paragraph.

''(52) MATERIAL ASSISTANCE FROM A PROHIBITED FOREIGN ENTITY.—

''(A) IN GENERAL.—The term 'material assistance from a prohibited foreign entity' means, with respect to any property—

''(i) any component, subcomponent, or applicable critical mineral (as defined in section 45X(c)(6)) included in such property that is extracted, processed, recycled, manufactured, or assembled by a prohibited foreign entity, or

''(ii) any design of such property which is based on any copyright or patent held by a prohibited foreign entity or any know-how or trade secret provided by a prohibited foreign entity.

''(B) EXCLUSION.—

''(i) IN GENERAL.—The term 'material assistance from a prohibited foreign entity' shall not include any assembly part or constituent material, provided that such

part or material is not acquired directly from a prohibited foreign entity.

''(ii) ASSEMBLY PART.—For purposes of this subparagraph, the term 'assembly part' means a subcomponent or collection of subcomponents which is—

''(I) not uniquely designed for use in the construction of a qualified facility described in section 45Y or 48E or an eligible component described in section 45X, and

''(II) not exclusively or predominantly produced by prohibited foreign entities.

''(iii) CONSTITUENT MATERIAL.—For purposes of this subparagraph, the term 'constituent material' means any material which is—

''(I) not uniquely formulated for use in a qualified facility described in section 45Y or 48E or an eligible component described in section 45X, and

''(II) not exclusively or predominantly produced, processed, or extracted by prohibited foreign entities.

''(iv) REGULATIONS AND GUIDANCE.—The Secretary may prescribe such regulations and guidance as may be necessary or appropriate to carry out the provisions of this paragraph.''.

(d) DENIAL OF CREDIT FOR EXPENDITURES FOR CERTAIN WIND AND SOLAR LEASING ARRANGEMENTS.—Section 45Y, as amended by subsection (a), is amended by inserting after subsection (c) the following new subsection:

''(d) DENIAL OF CREDIT FOR EXPENDITURES FOR WIND AND SOLAR LEASING ARRANGEMENTS.—No credit shall be allowed under this section for any investment during the taxable year with respect to property described in paragraph (1), (2), or (4) of section 25D(d) if—

''(1) the taxpayer rents or leases such property to a third party during such taxable year, and

''(2) the lessee would qualify for a credit under section 25D with respect to such property if the lessee owned such property.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

(2) TERMINATION OF CREDIT.—The amendment made by subsection (a) shall apply to facilities for which construction begins after the date that is 60 days after the date of enactment of this Act.

SEC. 112009. RESTRICTIONS ON CLEAN ELECTRICITY INVESTMENT CREDIT.

(a) TERMINATION OF CREDIT.—Section 48E is amended by striking subsection (e) and by adding at the end the following new subsection:

''(j) TERMINATION OF CREDIT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no credit shall be allowed under this section for any qualified facility or energy storage technology—

''(A) the construction of which begins after the date which is 60 days after the date of the enactment of this subsection, or

''(B) which is placed in service after December 31, 2028.

''(2) ADVANCED NUCLEAR FACILITY.—In the case of any qualified facility that is an advanced nuclear facility (as defined in section 45J(d)(2))—

''(A) paragraph (1) shall not apply, and

''(B) no credit shall be allowed under this section for any such facility the construction of which begins after December 31, 2028.''.

(b) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

(1) IN GENERAL.—Section 48E is amended—

(A) in subsection (b)(3), by adding at the end the following new subparagraph:

''(D) MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.—The term 'qualified facility' shall not include any facility the construction of which begins after December 31, 2025 if the construction of such facility includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)).'', and

(B) in subsection (c), by adding at the end the following new paragraph:

''(3) MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.—The term 'energy storage technology' shall not include any property the construc-

tion of which begins after December 31, 2025 if the construction of such property includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)).''.

(2) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 48E(d) is amended by adding at the end the following new paragraph:

''(6) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

''(A) IN GENERAL.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

''(B) OTHER PROHIBITED FOREIGN ENTITIES.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if—

''(i) the taxpayer is a foreign-influenced entity (as defined in section 7701(a)(51)(D)), or

''(ii) during such taxable year, the taxpayer—

''(I) makes a payment of dividends, interest, compensation for services, rentals or royalties, guarantees or any other fixed, determinable, annual, or periodic amount to a prohibited foreign entity (as defined in section 7701(a)(51)) in an amount which is equal to or greater than 5 percent of the total of such payments made by such taxpayer during such taxable year which are related to the production of electricity or storage of energy, or

''(II) makes payments described in subclause (I) to more than 1 prohibited foreign entity (as so defined) in an amount which, in the aggregate, is equal to or greater than 15 percent of the total of such payments made by such taxpayer during such taxable year which are related to the production of electricity or storage of energy.''.

(3) RECAPTURE.—Section 50(a) is amended—

(A) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively,

(B) by inserting after paragraph (3) the following new paragraph:

"(4) PAYMENTS TO PROHIBITED FOREIGN ENTITIES.—

"(A) IN GENERAL.—If there is an applicable payment made by a specified taxpayer before the close of the 10-year period beginning on the date such taxpayer placed in service investment credit property which is eligible for the clean electricity investment credit under section 48E(a), then the tax under this chapter for the taxable year in which such applicable payment occurs shall be increased by 100 percent of the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from reducing to zero any credit determined under section 46 which is attributable to the clean electricity investment credit under section 48E(a) with respect to such property.

''(B) APPLICABLE PAYMENT.—For purposes of this paragraph, the term 'applicable payment' means, with respect to any taxable year, a payment or payments described in subclause (I) or (II) of section 48E(d)(6)(B)(ii).

''(C) SPECIFIED TAXPAYER.—For purposes of this paragraph, the term 'specified taxpayer' means any taxpayer who has been allowed a credit under section 48E(a) for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph.'',

(C) in paragraph (5), as redesignated by subparagraph (A), by striking ''or any applicable transaction to which paragraph (3)(A) applies,'' and inserting ''any applicable transaction to which paragraph (3)(A) applies, or any applicable payment to which paragraph (4)(A) applies,'', and

(D) in paragraph (7), as redesignated by subparagraph (A), by striking ''or (3)'' and inserting ''(3), or (4)''.

(c) DENIAL OF CREDIT FOR EXPENDITURES FOR CERTAIN WIND AND SOLAR LEASING ARRANGEMENTS.—Section 48E, as amended by subsection (a), is amended

by inserting after subsection (d) the following new subsection:

''(e) DENIAL OF CREDIT FOR EXPENDITURES FOR WIND AND SOLAR LEASING ARRANGEMENTS.—No credit shall be allowed under this section for any investment during the taxable year with respect to property described in paragraph (1), (2), or (4) of section 25D(d) if—

''(1) the taxpayer rents or leases such property to a third party during such taxable year, and

''(2) the lessee would qualify for a credit under section 25D with respect to such property if the lessee owned such property.''.

(d) CONFORMING AMENDMENTS.—Section 48E(h)(4) is amended—

(1) in subparagraph (C), by striking ''December 31 of the applicable year (as defined in section 45Y(d)(3))'' and inserting ''December 31, 2028'',

(2) in subparagraph (D), by striking ''the third calendar year following the applicable year (as defined in section 45Y(d)(3))'' and inserting ''2028'', and

(3) in subparagraph (E)(i), by striking ''after the date that is 4 years after the date of the allocation with respect to the facility of which such property is a part'' and inserting ''the earlier of—

"(I) the date that is 4 years after the date of the allocation with respect to the facility of which such property is a part, or

"(II) December 31, 2028.".

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

(2) TERMINATION OF CREDIT.—The amendment made by subsection (a) shall apply to facilities and energy storage technology for which construction begins after the date that is 60 days after the date of enactment of this Act.

SEC. 112010. REPEAL OF TRANSFERABILITY OF CLEAN FUEL PRODUCTION CREDIT.

(a) IN GENERAL.—Section 6418(f)(1)(A) is amended by striking clause (viii).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to fuel produced after December 31, 2027.

SEC. 112011. RESTRICTIONS ON CARBON OXIDE SEQUESTRATION CREDIT.

(a) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 45Q(f) is amended by adding at the end the following new paragraph:

''(10) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

''(A) IN GENERAL.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

''(B) OTHER PROHIBITED FOREIGN ENTITIES.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if the taxpayer is a foreign-influenced entity (as defined in section 7701(a)(51)(D)).''.

(b) REPEAL OF TRANSFERABILITY.—Section 6418(f)(1), as amended by section 112010, is amended—

(1) in subparagraph (A), by striking clause (iii), and

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking ''clause (ii), (iii), or (v)'' and inserting ''clause (ii) or (v)'', and

(B) in clause (ii), by striking ''(or, in the case'' and all that follows through ''at such facility)''.

(c) EFFECTIVE DATES.—

(1) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—The amendments made by subsection (a) shall apply to taxable years beginning after the date of enactment of this Act.

(2) REPEAL OF TRANSFERABILITY.—The amendments made by subsection (b) shall apply to carbon capture equipment the construction of which begins after the date that is 2 years after the date of enactment of this Act.

SEC. 112012. RESTRICTIONS ON ZERO-EMISSION NUCLEAR POWER PRODUCTION CREDIT.

(a) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 45U(c) is amended by adding at the end the following new paragraph:

''(3) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

''(A) IN GENERAL.—No credit determined under subsection (a) shall be allowed under sec-

tion 38 for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

''(B) OTHER PROHIBITED FOREIGN ENTITIES.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if the taxpayer is a foreign-influenced entity (as defined in section 7701(a)(51)(D)).''.

(b) TERMINATION OF CREDIT.—Section 45U(e) is amended by striking ''December 31, 2032'' and inserting ''December 31, 2031''.

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

SEC. 112013. TERMINATION OF CLEAN HYDROGEN PRODUCTION CREDIT.

(a) TERMINATION.—Section 45V(c)(3)(C) is amended by striking ''January 1, 2033'' and inserting ''January 1, 2026''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to facilities the construction of which begins after December 31, 2025.

SEC. 112014. PHASE-OUT AND RESTRICTIONS ON ADVANCED MANUFACTURING PRODUCTION CREDIT.

(a) PHASE-OUT.—Section 45X(b)(3) is amended—

(1) in subparagraph (B)—

(A) in clause (ii), by adding ''and'' at the end,

(B) in clause (iii), by striking ''during calendar year 2032, 25 percent,'' and inserting ''after December 31, 2031, 0 percent.'', and

(C) by striking clause (iv), and

(2) by striking subparagraph (C) and inserting the following:

''(C) TERMINATION FOR WIND ENERGY COMPONENTS.—This section shall not apply to wind energy components sold after December 31, 2027.''.

(b) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 45X is amended—

(1) in subsection (c)(1), by adding at the end the following new subparagraph:

''(C) MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.—In the case of taxable years beginning after the date which is 2 years after the date of enactment of this subparagraph, the term 'eligible component' shall not include any property which—

''(i) includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)), or

''(ii) is produced subject to a licensing agreement with a prohibited foreign entity (as defined in section 7701(a)(51)) for which the value of such agreement is in excess of $1,000,000.'', and

(2) in subsection (d), by adding at the end the following new paragraph:

''(5) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

''(A) IN GENERAL.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

"(B) OTHER PROHIBITED FOREIGN ENTITIES.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if the taxpayer is a foreign-influenced entity (as defined in section 7701(a)(51)(D)).

"(C) PAYMENTS TO PROHIBITED FOREIGN ENTITIES.—

"(i) IN GENERAL.—If, for any taxable year beginning after the date that is 2 years after the date of the enactment of this paragraph, a taxpayer is described in clause (ii) for such taxable year with respect to any eligible component category, no credit shall be determined under subsection (a) for eligible components in such eligible component category for such taxable year.

"(ii) TAXPAYER DESCRIBED.—A taxpayer is described in this clause for a taxable year with respect to any eligible component category if such taxpayer—

''(I) makes a payment of dividends, interest, compensation for services, rentals or royalties, guarantees or any other fixed, determinable, annual, or periodic amount to a prohibited foreign entity (as defined in section 7701(a)(51)) in an amount which is equal to or greater than 5 percent of the total of such payments made by such taxpayer during such taxable year which are related to the production of eligible components included within such eligible component category, or

''(II) makes payments described in subclause (I) to more than 1 prohibited foreign entity (as so defined) in an amount which, in the aggregate, is equal to or greater than 15 percent of such payments made by such taxpayer during such taxable year which are related to the production of eligible components included within such eligible component category.

''(iii) ELIGIBLE COMPONENT CATEGORY.—For purposes of this subparagraph, the term 'eligible component category' means eligible components which are included within each respective clause under subsection (c)(1)(A).''.

(c) REPEAL OF TRANSFERABILITY.—Section 6418, as amended by sections 112010, 112011, and 112012 is amended—

(1) in subsection (f)(1)—

(A) in subparagraph (A)—

(i) by striking clause (vi), and

(ii) by redesignating clauses (iv), (v), (vii), (ix), (x), and (xi) as clauses (iii), (iv), (v), (vi), (vii), and (viii), respectively, and

(B) in subparagraph (B), by striking ''clause (ii) or (v)'' and inserting ''clause (ii) or (iv)'', and

(2) in subsection (g)(3), by striking ''clause (ix) or (x)'' and inserting ''clause (vi) or (vii)''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

(2) REPEAL OF TRANSFERABILITY.—The amendments made by subsection (c) shall apply to components sold after December 31, 2027.

SEC. 112015. PHASE-OUT OF CREDIT FOR CERTAIN ENERGY PROPERTY.

(a) PHASE-OUT.—Section 48(a) is amended—

(1) in paragraph (3)(vii), by striking ''the construction of which begins before January 1, 2035'' and inserting ''the construction of which begins before January 1, 2032'', and

(2) by striking paragraph (7) and inserting the following new paragraph:

''(7) PHASE-OUT FOR CERTAIN ENERGY PROPERTY.—In the case of any energy property described in clause (vii) of paragraph (3)(A), the energy percentage determined under paragraph (2) shall be equal to—

''(A) in the case of any property the construction of which begins before January 1, 2030, and which is placed in service after December 31, 2021, 6 percent,

''(B) in the case of any property the construction of which begins after December 31, 2029, and before January 1, 2031, 5.2 percent, and

"(C) in the case of any property the construction of which begins after December 31, 2030, and before January 1, 2032, 4.4 percent.".

(b) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 48(a) is amended by redesignating paragraph (16) as paragraph (17) and by inserting after paragraph (15) the following new paragraph:

"(16) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

"(A) IN GENERAL.—No credit determined under this subsection for energy property described in paragraph (3)(A)(vii) shall be allowed under section 38 for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

"(B) OTHER PROHIBITED FOREIGN ENTITIES.—No credit determined under this subsection for energy property described in paragraph (3)(A)(vii) shall be allowed under section 38 for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if the taxpayer is a foreign-influ-

enced entity (as defined in section 7701(a)(51)(D)).''.

(c) REPEAL OF TRANSFERABILITY.—Section 6418(f)(1)(A)(iii), as redesignated by section 112014, is amended by inserting ''(except so much of the credit as is determined under paragraph (3)(A)(vii) of such section)'' after ''section 48''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) REPEAL OF TRANSFERABILITY.—The amendments made by subsection (c) shall apply to property the construction of which begins after the date that is 2 years after the date of enactment of this Act.

SEC. 112016. INCOME FROM HYDROGEN STORAGE, CARBON CAPTURE ADDED TO QUALIFYING INCOME OF CERTAIN PUBLICLY TRADED PARTNERSHIPS TREATED AS CORPORATIONS.

(a) IN GENERAL.—Section 7704(d)(1)(E) is amended—

(1) by striking ''income and gains derived from the exploration'' and inserting ''income and gains derived from—

''(i) the exploration'',

(2) by inserting ''or'' before ''industrial source'', and

(3) by striking ''the transportation or storage'' and all that follows and inserting the following:

''(ii) the transportation or storage of—

''(I) any fuel described in subsection (b), (c), (d), (e), or (k) of section 6426, or any alcohol fuel defined in section 6426(b)(4)(A) or any biodiesel fuel as defined in section 40A(d)(1) or sustainable aviation fuel as defined in section 40B(d)(1), or

''(II) liquified hydrogen or compressed hydrogen, or

''(iii) in the case of a qualified facility (as defined in section 45Q(d), without regard to any date by which construction of the facility is required to begin) not less than 50 percent of the total carbon oxide

production of which is qualified carbon oxide (as defined in section 45Q(c))—

''(I) the generation, availability for such generation, or storage of electric power at such facility, or

''(II) the capture of carbon dioxide by such facility,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 112017. LIMITATION ON AMORTIZATION OF CERTAIN SPORTS FRANCHISES.

(a) IN GENERAL.—Section 197 is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) LIMITATION ON AMORTIZATION OF CERTAIN SPORTS FRANCHISES.—

''(1) IN GENERAL.—In the case of a specified sports franchise intangible, subsection (a) shall be applied by substituting '50 percent of the adjusted basis' for 'the adjusted basis'.

''(2) SPECIFIED SPORTS FRANCHISE INTANGIBLE.—For purposes of this subsection, the term 'specified sports franchise intangible' means any amortizable section 197 intangible which is—

''(A) a franchise to engage in professional football, basketball, baseball, hockey, soccer, or other professional sport, or

''(B) acquired in connection with such a franchise.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property acquired after the date of the enactment of this Act.

SEC. 112018. LIMITATION ON INDIVIDUAL DEDUCTIONS FOR CERTAIN STATE AND LOCAL TAXES, ETC.

(a) IN GENERAL.—Section 275 is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

''(b) LIMITATION ON INDIVIDUAL DEDUCTIONS FOR CERTAIN STATE AND LOCAL TAXES, ETC.—

''(1) LIMITATION.—

''(A) IN GENERAL.—In the case of an individual, no deduction shall be allowed for—

''(i) any disallowed foreign real property taxes, and

''(ii) any specified taxes to the extent that such taxes for such taxable year in the aggregate exceed—

''(I) half the dollar amount in effect under subclause (II), in the case

of a married individual filing a separate return, and

''(II) $40,400, in the case of any other taxpayer.

''(B) PHASEDOWN BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(i) IN GENERAL.—Except as provided in clause (ii), the limitation otherwise in effect under subparagraph (A)(ii) shall be reduced by 30 percent of the excess (if any) of the taxpayer's modified adjusted gross income over—

''(I) half the dollar amount in effect under subclause (II), in the case of a married individual filing a separate return, and

''(II) $505,000, in the case of any other taxpayer.

''(ii) LIMITATION ON REDUCTION.—The reduction under clause (i) shall not result in—

''(I) the limitation in effect under subparagraph (A)(ii)(I) being less than $5,000, or

"(II) the limitation in effect under subparagraph (A)(ii)(II) being less than $10,000.

"(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'modified adjusted gross income' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

"(D) ADJUSTMENT OF CERTAIN DOLLAR AMOUNTS.—

"(i) IN GENERAL.—In the case of any taxable year beginning after December 31, 2026, and before January 1, 2034, the dollar amount in effect under subparagraph (A)(ii)(II), and the dollar amount in effect under subparagraph (B)(i)(II), shall each be equal to 101 percent of such dollar amount as in effect for taxable years beginning in the preceding taxable year.

"(ii) MAINTENANCE OF INCREASE THEREAFTER.—In the case of any taxable year beginning after December 31, 2033, the dollar amounts referred to in clause (i)

shall be equal to such dollar amounts as in effect for taxable years beginning in 2033.

''(2) DISALLOWED FOREIGN REAL PROPERTY TAX.—For purposes of this subsection, the term 'disallowed foreign real property tax' means any tax which—

''(A) is a foreign real property tax described in section 164(a)(1) or 216(a)(1), and

''(B) is not an excepted tax.

''(3) SPECIFIED TAX.—For purposes of this subsection, the term 'specified tax' means—

''(A) any tax which—

''(i) is described in paragraph (1), (2), or (3) of section 164(a) or section 216(a)(1), or is taken into account under section 164(b)(5), and

''(ii) is not an excepted tax or a disallowed foreign real property tax, and

''(B) any substitute payment.

''(4) EXCEPTED TAX.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'excepted tax' means—

''(i) any foreign tax described in section 164(a)(3),

''(ii) any tax described in section 164(a)(3) which is paid or accrued by a qualifying entity with respect to carrying on a qualified trade or business (as defined in section 199A(d), without regard to section 199A(b)(3)), and

''(iii) any tax described in paragraph (1) or (2) of section 164(a), or section 216(a)(1), which is paid or accrued in carrying on a trade or business or an activity described in section 212.

''(B) QUALIFYING ENTITY.—For purposes of subparagraph (A), the term 'qualifying entity' means any partnership or S corporation with gross receipts for the taxable year (within the meaning of section 448(c)) if at least 75 percent of such gross receipts are derived in a qualified trade or business (as defined in section 199A(d), without regard to section 199A(b)(3)). For purposes of the preceding sentence, the gross receipts of all trades or businesses which are under common control (within the meaning of section 52(b)) with any trade or business of the partnership or S cor-

poration shall be taken into account as gross receipts of the entity.

''(5) SUBSTITUTE PAYMENT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'substitute payment' means any amount (other than a tax described in paragraph (3)(A) or (4)(A)(ii)) paid, incurred, or accrued to any entity referred to in section 164(b)(2) if, under the laws of one or more entities referred to in section 164(b)(2), one or more persons would (if the assumptions described in subparagraphs (B) and (C) applied) be entitled to specified tax benefits the aggregate dollar value of which equals or exceeds 25 percent of such amount.

''(B) ASSUMPTION REGARDING DOLLAR VALUE OF TAX BENEFITS.—The assumption described in this subparagraph is that the dollar value of a specified tax benefit is—

''(i) in the case of a credit or refund, the amount of such credit or refund,

''(ii) in the case of a deduction or exclusion, 15 percent of the amount of such deduction or exclusion, and

''(iii) in any other case, an amount determined in such manner as the Secretary may provide consistent with the principles of clauses (i) and (ii).

''(C) ASSUMPTION REGARDING STATUS OF PARTNERS OR SHAREHOLDERS.—The assumption described in this subparagraph is, in the case of any amount referred to in subparagraph (A) which is paid, incurred, or accrued by a partnership or S corporation, that all of the partners or shareholders of such partnership or S corporation, respectively, are individuals who are residents of the jurisdiction of the entity or entities providing the specified tax benefits (and possess such other characteristics as the laws of such entities may require for entitlement to such benefits).

''(D) SPECIFIED TAX BENEFIT.—For purposes of subparagraph (A), the term 'specified tax benefit' means any benefit which—

''(i) is determined with respect to the amount referred to in subparagraph (A), and

''(ii) is allowed against, or determined by reference to, a tax described in paragraph (3)(A) or section 164(b)(5).

''(E) EXCEPTION FOR NON-DEDUCTIBLE PAYMENTS.—To the extent that a deduction for an amount described in subparagraph (A) is not allowed under this chapter (determined without regard to this subsection, section 170(b)(1), section 703(a), section 704(d), and section 1363(b)), the term 'substitute payment' shall not include such amount.

''(F) EXCEPTION FOR CERTAIN WITHHOLDING TAXES.—To the extent provided in regulations issued by the Secretary, the term 'substitute payment' shall not include an amount withheld on behalf of another person if all of such amount is included in the gross income of such person (determined under this chapter).

''(6) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance—

''(A) to treat as a tax described in paragraph (3) of section 164(a) any tax that is, in substance, based on general tax principles, described in such paragraph,

''(B) to treat as a substitute payment any amount that, in substance, substitutes for a specified tax,

''(C) to provide for the proper allocation, for purposes of paragraph (4)(A)(ii), of taxes described in section 164(a)(3) between trades or business described in section 199A(d)(1) and trades or business not so described, and

''(D) to otherwise prevent the avoidance of the purposes of this subsection.''.

(b) STATE AND LOCAL INCOME TAXES PAID BY PARTNERSHIPS AND S CORPORATIONS TAKEN INTO ACCOUNT SEPARATELY BY PARTNERS AND SHAREHOLDERS.—

(1) IN GENERAL.—Section 702(a)(6) is amended to read as follows:

''(6)(A) taxes, described in section 901, paid or accrued to foreign countries,

''(B) taxes, described in section 901, paid or accrued to possessions of the United States,

''(C) specified taxes (within the meaning of section 275(b)), other than taxes described in subparagraph (B), and

''(D) taxes described in section 275(b)(2),''.

(2) TREATMENT OF SUBSTITUTE PAYMENTS.—Section 702 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

''(d) TREATMENT OF SUBSTITUTE PAYMENTS.—Any substitute payment (as defined in section 275(b)(5)) shall be taken into account under subsection (a)(6)(C) and not under any other paragraph of subsection (a).''.

(3) DISALLOWANCE OF DEDUCTION TO PARTNERSHIPS.—Section 703(a)(2)(B) is amended to read as follows:

''(B) any deduction under this chapter with respect to taxes or payments described in section 702(a)(6),''.

(4) S CORPORATIONS.—For corresponding provisions related to S corporations which apply by reason of the amendments made by paragraphs (1) through (3), see sections 1366(a)(1) and 1363(b)(2) of the Internal Revenue Code of 1986.

(5) ALLOWABLE SALT DEDUCTIONS TAKEN INTO ACCOUNT FOR PURPOSES OF LIMITATION ON

PARTNERSHIP LOSSES.—Section 704(d)(3) is amended by striking subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting before subparagraph (C) (as so redesignated) the following new subparagraphs:

''(A) IN GENERAL.—In determining the amount of any loss under paragraph (1), there shall be taken into account—

''(i) the partner's distributive share of amounts described in paragraphs (4) and (6)(A) of section 702(a),

''(ii) if the taxpayer chooses to take to any extent the benefits of section 901, the partner's distributive share of amounts described in section 702(a)(6)(B), and

''(iii) the amount by which the deductions allowed under this chapter (determined without regard to this subsection) to the partner would decrease if the partner's distributive share of amounts described in section 702(a)(6)(C) were not taken into account.

''(B) TREATMENT OF POSSESSION TAXES IN EVENT PARTNER DOES NOT ELECT THE FOREIGN TAX CREDIT.—In the case of a tax-

payer not described in subparagraph (A)(ii), subparagraph (A)(iii) shall be applied by substituting 'subparagraphs (B) and (C) of section 702(a)(6)' for 'section 702(a)(6)(C)'.".

(6) CONFORMING AMENDMENT.—Section 56(b)(1)(A)(ii) is amended by inserting "or for any substitute payment (as defined in section 275(b)(5))" before the period at the end.

(c) ADDITION TO TAX FOR STATE AND LOCAL TAX ALLOCATION MISMATCH.—

(1) IN GENERAL.—Part I of subchapter A of chapter 68 is amended by adding at the end the following new section:

"SEC. 6659. STATE AND LOCAL TAX ALLOCATION MISMATCH.

"(a) IN GENERAL.—In the case of any covered individual, there shall be added to the tax imposed under section 1 for the taxable year an amount equal to the product of—

"(1) the highest rate of tax in effect under such section for such taxable year, multiplied by

"(2) the sum of the State and local tax allocation mismatches for such taxable year with respect to each partnership specified tax payment with re-

spect to which such individual is a covered individual.

''(b) COVERED INDIVIDUAL.—For purposes of this section, the term 'covered individual' means, with respect to any partnership specified tax payment, any individual (or estate or trust) who—

''(1) is entitled (directly or indirectly) to one or more specified tax benefits with respect to such payment, and

''(2) takes into account (directly or indirectly) any item of income, gain, deduction, loss, or credit of the partnership which made such payment.

''(c) STATE AND LOCAL TAX ALLOCATION MISMATCH.—For purposes of this section—

''(1) IN GENERAL.—The term 'State and local tax allocation mismatch' means, with respect to any partnership specified tax payment, the excess (if any) of—

''(A) the aggregate dollar value of the specified tax benefits of the covered individual with respect to such payment, over

''(B) the amount of such payment taken into account by such individual under section 702(a) (without regard to sections 275(b) and 704(d)).

''(2) TAXABLE YEAR OF INDIVIDUAL IN WHICH MISMATCH TAKEN INTO ACCOUNT.—In the case of any partnership specified tax payment paid, incurred, or accrued in any taxable year of the partnership, the State and local tax allocation mismatch determined under paragraph (1) with respect to such payment shall be taken into account under subsection (a) by the covered individual for the taxable year of such individual in which such individual takes into account the items referred to in subsection (b)(2) which are determined with respect to such partnership taxable year.

''(d) DETERMINATION OF DOLLAR VALUE OF SPECIFIED TAX BENEFITS.—

''(1) IN GENERAL.—Except in the case of a covered individual who elects the application of paragraph (3) for any taxable year, the dollar value of any specified tax benefit shall be the sum of—

''(A) the aggregate increase in tax liability (and reduction in credit or refund) for taxes described in section 275(b)(3)(A) for the taxable year and all prior taxable years that would result if such specified tax benefit were not taken into account with respect to such taxes, plus

''(B) the deemed value of any carryforward of such specified tax benefit (including any tax attribute derived from such benefit) to any subsequent taxable year.

''(2) DEEMED VALUE OF CARRYFORWARDS.—For purposes of paragraph (1), the deemed value of any carryforward is—

''(A) in the case of a credit or refund, the amount of such credit or refund,

''(B) in the case of a deduction or exclusion, the product of—

''(i) the highest rate of tax which may be imposed on individuals under the tax referred to in subsection (e)(3)(B) with respect to the specified tax benefit, multiplied by

''(ii) the amount of such deduction or exclusion, and

''(C) in any other case, an amount determined in such manner as the Secretary may provide consistent with the principles of subparagraphs (A) and (B).

''(3) ELECTION OF SIMPLIFIED METHOD.—In the case of a covered individual who elects the application of this paragraph for any taxable year, the

dollar value of any specified tax benefit shall be determined under the assumptions described in section 275(b)(5)(B).

''(e) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) PARTNERSHIP SPECIFIED TAX PAYMENT.—The term 'partnership specified tax payment' means any specified tax paid, incurred, or accrued by a partnership.

''(2) SPECIFIED TAX.—The term 'specified tax' has the meaning given such term by section 275(b)(3).

''(3) SPECIFIED TAX BENEFIT.—The term 'specified tax benefit' means any benefit which—

''(A) is determined with respect to a partnership specified tax payment, and

''(B) is allowed against, or determined by reference to, a tax described in section 275(b)(3)(A).

''(f) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance preventing avoidance of the addition to tax prescribed by this section through part-

nership allocations that achieve similar tax reductions as a State and local tax allocation mismatch.''.

(2) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 68 is amended by adding at the end the following new item:

''Sec. 6659. State and local tax allocation mismatch.''.

(d) LIMITATION ON CAPITALIZATION OF SPECIFIED TAXES.—Section 275, as amended by the preceding provisions of this section, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) LIMITATIONS ON CAPITALIZATION OF SPECIFIED TAXES.—Notwithstanding any other provision of this chapter, in the case of an individual, specified taxes (as defined in subsection (b)) shall not be treated as chargeable to capital account.''.

(e) REPORTING BY PARTNERSHIPS AND S CORPORATIONS WITH RESPECT TO SPECIFIED SERVICE TRADE OR BUSINESS INCOME.—

(1) PARTNERSHIPS.—Section 6031 is amended by adding at the end the following new subsection:

''(g) SPECIFIED SERVICE TRADE OR BUSINESS INCOME.—Returns required under subsection (a), and copies required to be furnished under subsection (b), shall include a statement of whether or not the partnership had

any gross receipts (within the meaning of section 448(c)) from a trade or business described in subsection 199A(d)(2).''.

(2) S CORPORATIONS.—Section 6037 is amended by adding at the end the following new subsection:

''(d) SPECIFIED SERVICE TRADE OR BUSINESS INCOME.—Returns required under subsection (a), and copies required to be furnished under subsection (b), shall include a statement of whether or not the S corporation had any gross receipts (within the meaning of section 448(c)) from a trade or business described in subsection 199A(d)(2).''.

(f) TEMPORARY INCREASE FOR 2025.—

(1) IN GENERAL.—Section 164(b)(6) is amended by striking ''$10,000 ($5,000 in the case of a married individual filing a separate return)'' and inserting ''applicable limitation amount''.

(2) APPLICABLE LIMITATION AMOUNT.—Section 164(b) is amended by adding at the end the following new paragraph:

''(7) APPLICABLE LIMITATION AMOUNT.—

''(A) IN GENERAL.—For purposes of paragraph (6), the term 'applicable limitation amount' means—

''(i) $20,000, in the case of a married individual filing a separate return, and

''(ii) $40,000, in the case of any other taxpayer.

''(B) PHASEDOWN BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(i) IN GENERAL.—Except as provided in clause (ii), the $20,000 amount in subparagraph (A)(i) and the $40,000 amount in subparagraph (A)(ii) shall each be reduced by 30 percent of the excess (if any) of the taxpayer's modified adjusted gross income over—

''(I) $250,000, in the case of a married individual filing a separate return, and

''(II) $500,000, in the case of any other taxpayer.

''(ii) LIMITATION ON REDUCTION.—The reduction under clause (i) shall not result in—

''(I) the dollar amount in effect under subparagraph (A)(i) being less than $5,000, or

''(II) the dollar amount in effect under subparagraph (A)(ii) being less than $10,000.

''(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'modified adjusted gross income' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.''.

(3) REPEAL AFTER 2025.—Section 164(b), as amended by paragraphs (1) and (2), is amended by striking paragraphs (6) and (7).

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2025.

(2) TEMPORARY INCREASE FOR 2025.—The amendments made by paragraphs (1) and (2) of subsection (f) shall apply to taxable years beginning after December 31, 2024.

SEC. 112019. EXCESSIVE EMPLOYEE REMUNERATION FROM CONTROLLED GROUP MEMBERS AND ALLOCATION OF DEDUCTION.

(a) APPLICATION OF AGGREGATION RULES.—Section 162(m) is amended by adding at the end the following new paragraph:

''(7) REMUNERATION FROM CONTROLLED GROUP MEMBERS.—

''(A) IN GENERAL.—In the case of any publicly held corporation which is a member of a controlled group—

''(i) paragraph (1) shall be applied by substituting 'specified covered employee' for 'covered employee', and

''(ii) if any person which is a member of such controlled group (other than such publicly held corporation) provides applicable employee remuneration to an individual who is a specified covered employee of such controlled group and the aggregate amount described in subparagraph (B)(ii) with respect to such specified covered employee exceeds $1,000,000—

''(I) paragraph (1) shall apply to such person with respect to such remuneration, and

''(II) paragraph (1) shall apply to such publicly held corporation and to each such related person by substituting 'the allocable limitation amount' for '$1,000,000'.

''(B) ALLOCABLE LIMITATION AMOUNT.—For purposes of this paragraph, the term 'allocable limitation amount' means, with respect to any member of the controlled group referred to in subparagraph (A) with respect to any specified covered employee of such controlled group, the amount which bears the same ratio to $1,000,000 as—

''(i) the amount of applicable employee remuneration provided by such member with respect to such specified covered employee, bears to

''(ii) the aggregate amount of applicable employee remuneration provided by all such members with respect to such specified covered employee.

''(C) SPECIFIED COVERED EMPLOYEE.—For purposes of this paragraph, the term 'specified covered employee' means, with respect to any controlled group—

''(i) any employee described in subparagraph (A), (B), or (D) of paragraph (3), with respect to the publicly held corporation which is a member of such controlled group, and

''(ii) any employee who would be described in subparagraph (C) of paragraph (3) if such subparagraph were applied by taking into account the employees of all members of the controlled group.

''(D) CONTROLLED GROUP.—For purposes of this paragraph, the term 'controlled group' means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 112020. EXPANDING APPLICATION OF TAX ON EXCESS COMPENSATION WITHIN TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Section 4960(c)(2) is amended to read as follows:

''(2) COVERED EMPLOYEE.—For purposes of this section, the term 'covered employee' means any

employee (including any former employee) of an applicable tax-exempt organization.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2025.

SEC. 112021. MODIFICATION OF EXCISE TAX ON INVESTMENT INCOME OF CERTAIN PRIVATE COLLEGES AND UNIVERSITIES.

(a) IN GENERAL.—Section 4968 is amended to read as follows:

''SEC. 4968. EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.

''(a) TAX IMPOSED.—There is hereby imposed on each applicable educational institution for the taxable year a tax equal to the applicable percentage of the net investment income of such institution for the taxable year.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section, the term 'applicable percentage' means—

''(1) 1.4 percent in the case of an institution with a student adjusted endowment in excess of $500,000, and not in excess of $750,000,

''(2) 7 percent in the case of an institution with a student adjusted endowment in excess of $750,000, and not in excess of $1,250,000,

''(3) 14 percent in the case of an institution with a student adjusted endowment in excess of $1,250,000, and not in excess of $2,000,000, and

''(4) 21 percent in the case of an institution with a student adjusted endowment in excess of $2,000,000.

''(c) APPLICABLE EDUCATIONAL INSTITUTION.—For purposes of this subchapter—

''(1) IN GENERAL.—The term 'applicable educational institution' means an eligible educational institution (as defined in section 25A(f)(2))—

''(A) which had at least 500 tuition-paying students during the preceding taxable year,

''(B) more than 50 percent of the tuition-paying students of which are located in the United States,

''(C) which is not—

''(i) described in the first sentence of section 511(a)(2)(B) (relating to State colleges and universities), or

''(ii) a qualified religious institution, and

''(D) the student adjusted endowment of which is at least $500,000.

''(2) QUALIFIED RELIGIOUS INSTITUTION.—For purposes of this subsection, the term 'qualified religious institution' means any institution—

''(A) established after July 4, 1776,

''(B) that was established by or in association with and has continuously maintained an affiliation with an organization described in section 170(b)(1)(A)(i), and

''(C) which maintains a published institutional mission that is approved by the governing body of such institution and that includes, refers to, or is predicated upon religious tenets, beliefs, or teachings.

''(d) STUDENT ADJUSTED ENDOWMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'student adjusted endowment' means, with respect to any institution for any taxable year—

''(A) the aggregate fair market value of the assets of such institution (determined as of the end of the preceding taxable year), other than those assets which are used directly in carrying out the institution's exempt purpose, divided by

''(B) the number of eligible students of such institution.

''(2) ELIGIBLE STUDENT.—For purposes of this subsection, the term 'eligible student' means a student of the institution that meets the student eligibility requirements under section 484(a)(5) of the Higher Education Act of 1965.

''(e) DETERMINATION OF NUMBER OF STUDENTS.—For purposes of subsections (c)(1) and (d), the number of students of an institution (including for purposes of determining the number of students at a particular location) shall be based on the daily average number of full-time students attending such institution (with part-time students taken into account on a full-time student equivalent basis).

''(f) NET INVESTMENT INCOME.—For purposes of this section—

''(1) IN GENERAL.—Net investment income shall be determined under rules similar to the rules of section 4940(c).

''(2) OVERRIDE OF CERTAIN REGULATORY EXCEPTIONS.—

''(A) STUDENT LOAN INTEREST.—Net investment income shall be determined by taking into account any interest income from a student

loan made by the applicable educational institution (or any related organization) as gross investment income.

''(B) FEDERALLY-SUBSIDIZED ROYALTY INCOME.—

''(i) IN GENERAL.—Net investment income shall be determined by taking into account any Federally-subsidized royalty income as gross investment income.

''(ii) FEDERALLY-SUBSIDIZED ROYALTY INCOME.—For purposes of this subparagraph—

''(I) IN GENERAL.—The term 'Federally-subsidized royalty income' means any otherwise-regulatory-exempt royalty income if any Federal funds were used in the research, development, or creation of the patent, copyright, or other intellectual or intangible property from which such royalty income is derived.

''(II) OTHERWISE-REGULATORY-EXEMPT ROYALTY INCOME.—For purposes of this subparagraph, the term 'otherwise-regulatory-exempt royalty

income' means royalty income which (but for this subparagraph) would not be taken into account as gross investment income by reason of being derived from patents, copyrights, or other intellectual or intangible property which resulted from the work of students or faculty members in their capacities as such with the applicable educational institution.

''(III) FEDERAL FUNDS.—The term 'Federal funds' includes any grant made by, and any payment made under any contract with, any Federal agency to the applicable educational institution, any related organization, or any student or faculty member referred to in subclause (II).

''(g) ASSETS AND NET INVESTMENT INCOME OF RELATED ORGANIZATIONS.—

''(1) IN GENERAL.—For purposes of subsections (d) and (f), assets and net investment income of any related organization with respect to an educational institution shall be treated as assets and

net investment income, respectively, of the educational institution, except that—

''(A) no such amount shall be taken into account with respect to more than 1 educational institution, and

''(B) unless such organization is controlled by such institution or is described in section 509(a)(3) with respect to such institution for the taxable year, assets and net investment income which are not intended or available for the use or benefit of the educational institution shall not be taken into account.

''(2) RELATED ORGANIZATION.—For purposes of this subsection, the term 'related organization' means, with respect to an educational institution, any organization which—

''(A) controls, or is controlled by, such institution,

''(B) is controlled by 1 or more persons which also control such institution, or

''(C) is a supported organization (as defined in section 509(f)(3)), or an organization described in section 509(a)(3), during the taxable year with respect to such institution.

''(h) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary to prevent avoidance of the tax under this section, including regulations or other guidance to prevent avoidance of such tax through the restructuring of endowment funds or other arrangements designed to reduce or eliminate the value of net investment income or assets subject to the tax imposed by this section.''.

(b) REQUIREMENT TO REPORT CERTAIN INFORMATION WITH RESPECT TO APPLICATION OF EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.—Section 6033 is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

''(o) REQUIREMENT TO REPORT CERTAIN INFORMATION WITH RESPECT TO EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.—Each applicable educational institution described in section 4968(c) which is subject to the requirements of subsection (a) shall include on the return required under subsection (a)—

''(1) the number of eligible students taken into account under section 4968(c)(1)(D), and

''(2) the number of students of such institution (determined after application of section 4968(e)).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 112022. INCREASE IN RATE OF TAX ON NET INVESTMENT INCOME OF CERTAIN PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Section 4940(a) is amended by striking ''1.39 percent'' and inserting ''the applicable percentage''.

(b) APPLICABLE PERCENTAGE.—Section 4940(a) is amended—

(1) by striking ''There is hereby'' and inserting the following:

''(1) IMPOSITION OF TAX.—There is hereby'', and

(2) by adding at the end the following new paragraphs:

''(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means, with respect to any taxable year—

''(A) in the case of a private foundation with assets of less than $50,000,000, 1.39 percent,

''(B) in the case of a private foundation with assets of at least $50,000,000, and less than $250,000,000, 2.78 percent,

''(C) in the case of a private foundation with assets of at least $250,000,000, and less than $5,000,000,000, 5 percent, and

''(D) in the case of a private foundation with assets of at least $5,000,000,000, 10 percent.

''(3) ASSETS.—For purposes of this subsection, the assets of any private foundation shall be determined with respect to any taxable year as being the aggregate fair market value of all assets of such private foundation, as determined as of the close of such taxable year. The preceding sentence shall be applied without reduction for any liabilities.

''(4) AGGREGATION.—

''(A) IN GENERAL.—For purposes of this subsection and subsection (c), assets and net investment income of any related organization with respect to a private foundation shall be treated as assets and net investment income, respectively, of the private foundation, except that—

''(i) no such amount shall be taken into account with respect to more than 1 private foundation, and

''(ii) unless such organization is controlled by such private foundation, assets and net investment income which are not intended or available for the use or benefit of the private foundation shall not be taken into account.

''(B) RELATED ORGANIZATION.—For purposes of this paragraph, the term 'related organization' means, with respect to a private foundation, any organization which—

''(i) controls, or is controlled by, such private foundation, or

''(ii) is controlled by 1 or more persons which also control such private foundation.''.

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

SEC. 112023. CERTAIN PURCHASES OF EMPLOYEE-OWNED STOCK DISREGARDED FOR PURPOSES OF FOUNDATION TAX ON EXCESS BUSINESS HOLDINGS.

(a) IN GENERAL.—Section 4943(c)(4)(A) is amended by adding at the end the following new clauses:

''(v) For purposes of clause (i), subparagraph (D), and paragraph (2), any voting stock which—

''(I) is not readily tradable on an established securities market,

''(II) is purchased by the business enterprise on or after January 1, 2020, from an employee stock ownership plan (as defined in section 4975(e)(7)) in which employees of such business enterprise participate, in connection with a distribution from such plan, and

''(III) is held by the business enterprise as treasury stock, cancelled, or retired,

shall be treated as outstanding voting stock, but only to the extent so treating such stock would not result in permitted holdings exceeding 49 percent (determined without regard to this clause). The preceding sentence shall not apply

with respect to the purchase of stock from a plan during the 10-year period beginning on the date the plan is established.

''(vi) Section 4943(c)(4)(A)(ii) shall not apply with respect to any decrease in the percentage of holdings in a business enterprise by reason of the application of clause (v).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act and to purchases by a business enterprise of voting stock in taxable years beginning after December 31, 2019.

SEC. 112024. UNRELATED BUSINESS TAXABLE INCOME INCREASED BY AMOUNT OF CERTAIN FRINGE BENEFIT EXPENSES FOR WHICH DEDUCTION IS DISALLOWED.

(a) IN GENERAL.—Section 512(a) is amended by adding at the end the following new paragraph:

''(7) INCREASE IN UNRELATED BUSINESS TAXABLE INCOME BY DISALLOWED FRINGE.—

''(A) IN GENERAL.—Unrelated business taxable income of an organization shall be increased by any amount—

''(i) which is paid or incurred by such organization for any qualified transpor-

tation fringe (as defined in section 132(f)) or any parking facility used in connection with qualified parking (as defined in section 132(f)(5)(C)),

''(ii) which is not directly connected with an unrelated trade or business which is regularly carried on by the organization, and

''(iii) for which a deduction is not allowable under this chapter by reason of section 274.

''(B) EXCEPTION FOR CHURCH ORGANIZATIONS.—Subparagraph (A) shall not apply to—

''(i) any organization to which section 6033(a)(1) does not apply by reason of clause (i) or (iii) of section 6033(a)(3)(A), and

''(ii) any church-affiliated organization described in section 501(c) which is not required to file an annual return under section 6033(a)(1) by reason of section 6033(a)(3)(B).

''(C) TREATMENT AS INCOME FROM SEPARATE TRADE OR BUSINESS.—For purposes of paragraph (6), any increase under subpara-

graph (A) shall be treated as unrelated business taxable income with respect to an unrelated trade or business separate from any other unrelated trade or business of the organization.

''(D) REGULATIONS.— The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance providing for the appropriate allocation of costs with respect to facilities used for parking.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2025.

SEC. 112025. EXCLUSION OF RESEARCH INCOME LIMITED TO PUBLICLY AVAILABLE RESEARCH.

(a) IN GENERAL.—Section 512(b)(9) is amended by striking ''from research'' and inserting ''from such research''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts received or accrued after December 31, 2025.

SEC. 112026. LIMITATION ON EXCESS BUSINESS LOSSES OF NONCORPORATE TAXPAYERS.

(a) RULE MADE PERMANENT.—Section 461(l)(1) is amended by striking ''and before January 1, 2029,'' each place it appears.

(b) EXCESS BUSINESS LOSS DETERMINED ON A CUMULATIVE BASIS WITH RESPECT TO PERIODS AFTER 2024.—Section 461(l)(2) is amended to read as follows:

''(2) DISALLOWED LOSS CARRYOVER.—Any loss disallowed under paragraph (1) for any taxable year shall be treated for purposes of this title as a loss attributable to a trade or business of the taxpayer (other than a trade or business described in the last sentence of paragraph (3)(A)) arising in the subsequent taxable year. To the extent provided by the Secretary, for purposes of applying section 1341 and subtitle F, a loss treated as arising under the preceding sentence shall be treated (to the extent not inconsistent with the purposes of this subsection) in a manner similar to the manner in which net operating losses are treated for purposes of such provisions.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to losses arising (or treated as arising under section 461(l)(2) of the Internal Revenue Code

of 1986, as amended by this section) in taxable years beginning after December 31, 2024.

SEC. 112027. 1-PERCENT FLOOR ON DEDUCTION OF CHARITABLE CONTRIBUTIONS MADE BY CORPORATIONS.

(a) IN GENERAL.—Section 170(b)(2)(A) is amended to read as follows:

"(A) IN GENERAL.—Any charitable contribution (other than any contribution to which subparagraph (B) or subparagraph (C) applies or any contribution for which a deduction is not allowable under this section without regard to this paragraph) shall be allowed as a deduction under this subsection (a) only to the extent that the aggregate of such contributions—

"(i) exceeds 1 percent of the taxpayer's taxable income, and

"(ii) does not exceed 10 percent of the taxpayer's taxable income.".

(b) APPLICATION OF CARRYFORWARD.—Section 170(d)(2) is amended to read as follows:

"(2) CORPORATIONS.—

"(A) IN GENERAL.—Any charitable contribution taken into account under subsection (b)(2)(A) for any taxable year which is not al-

lowed as a deduction by reason of clause (ii) thereof shall be taken into account as a charitable contribution for the succeeding taxable year, except that, for purposes of determining under this subparagraph whether such contribution is allowed in such succeeding taxable year, contributions in such succeeding taxable year (determined without regard to this paragraph) shall be taken into account under subsection (b)(2)(A) before any contribution taken into account by reason of this paragraph.

''(B) 5-YEAR CARRYFORWARD.—No charitable contribution may be carried forward under subparagraph (A) to any taxable year following the fifth taxable year after the taxable year in which the charitable contribution was first taken into account. For purposes of the preceding sentence, contributions shall be treated as allowed on a first-in first-out basis.

''(C) CONTRIBUTIONS DISALLOWED BY 1-PERCENT FLOOR CARRIED FORWARD ONLY FROM YEARS IN WHICH 10 PERCENT LIMITATION IS EXCEEDED.—In the case of any taxable year from which a charitable contribution is carried forward under subparagraph (A) (deter-

mined without regard this subparagraph), subparagraph (A) shall be applied by substituting 'clause (i) or (ii)' for 'clause (ii)'.

''(D) SPECIAL RULE FOR NET OPERATING LOSS CARRYOVERS.—The amount of charitable contributions carried forward under subparagraph (A) shall be reduced to the extent that such carryfoward would (but for this subparagraph) reduce taxable income (as computed for purposes of the second sentence of section 172(b)(2)) and increase a net operating loss carryover under section 172 to a succeeding taxable year.''.

(c) CONFORMING AMENDMENTS.—Subparagraph (B)(ii) and (C)(ii) of section 170(b)(2) are each amended by inserting ''other than subparagraph (C) thereof'' after ''subsection (d)(2)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 112028. ENFORCEMENT OF REMEDIES AGAINST UNFAIR FOREIGN TAXES.

(a) IN GENERAL.—Subpart D of part II of subchapter N of chapter 1 is amended by adding at the end the following new section:

"SEC. 899. ENFORCEMENT OF REMEDIES AGAINST UNFAIR FOREIGN TAXES.

"(a) INCREASED RATES OF TAX ON FOREIGN PERSONS OF DISCRIMINATORY FOREIGN COUNTRIES.—

"(1) TAXES OTHER THAN WITHHOLDING TAXES.—

"(A) IN GENERAL.—In the case of any applicable person, each specified rate of tax (or any rate of tax applicable in lieu of such statutory rate) shall be increased by the applicable number of percentage points.

"(B) SPECIFIED RATE OF TAX.—For purposes of this paragraph, the term 'specified rate of tax' means—

"(i) the rates of tax specified in paragraphs (1) and (2) of section 871(a),

"(ii) in the case of any applicable person to which section 871(b) applies, each rate of tax in effect under section 1,

"(iii) the rate of tax specified in section 881(a),

"(iv) in the case of any applicable person to which section 882(a) applies, the rate of tax specified in section 11(b),

"(v) the rate of tax specified in section 884(a), and

''(vi) the rate of tax specified in section 4948(a).

''(C) APPLICATION OF INCREASED RATES TO EFFECTIVELY CONNECTED INCOME OF NONRESIDENT ALIEN INDIVIDUALS LIMITED TO GAINS ON UNITED STATES REAL PROPERTY INTERESTS.—In the case of any individual to whom subparagraph (A) applies, the tax imposed under section 1 on such individual (after application of subparagraph (A)) shall be reduced (but not below zero) by the excess of—

''(i) the tax which would be imposed under such section (after application of subparagraph (A)) if FIRPTA items were not taken into account, over

''(ii) the tax which would be imposed under such section if FIRPTA items were not taken into account, and subparagraph (A) did not apply.

For purposes of this clause, the term 'FIRPTA items' means gains and losses taken into account under section 871(b)(1) by reason of section 897(a)(1)(A).

''(D) APPLICATION OF INCREASED RATES TO CERTAIN FOREIGN GOVERNMENTS.—In the

case of any applicable person described in subsection (b)(1)(A), section 892(a) shall not apply.

''(2) MODIFICATION OF BASE EROSION AND ANTI-ABUSE TAX.—In the case of any corporation described in subsection (b)(1)(E) (applied by substituting 'corporation' for 'foreign corporation')—

''(A) such corporation shall be treated as described in subparagraphs (B) and (C) of section 59A(e)(1) for purposes of determining whether such corporation is an applicable taxpayer,

''(B) section 59A(b)(1) shall be applied by—

''(i) substituting '12.5 percent' for '10.1 percent' in subparagraph (A), and

''(ii) by treating the amount described in section 59A(b)(1)(B)(ii) as being zero,

''(C) subsections (c)(2)(B), (c)(4)(B)(ii), and (d)(5) of section 59A shall not apply, and

''(D) if any amount (other than the purchase price of depreciable or amortizable property or inventory) would have been a base erosion payment described in section 59A(d)(1) but for the fact that the taxpayer capitalizes

the amount, then solely for purposes of calculating the taxpayer's base erosion payments (within the meaning of section 59A(d)) and base erosion tax benefits (within the meaning of section 59A(c)(2)), such amount shall be treated as if it had been deducted rather than capitalized.

''(3) WITHHOLDING TAXES.—

''(A) IN GENERAL.—In the case of any payment to an applicable person, each rate of tax specified in section 1441(a) or 1442(a) (or any rate of tax applicable in lieu of such statutory rate) shall be increased by the applicable number of percentage points. The preceding sentence shall not apply to the 14 percent rate of tax specified in section 1441(a).

''(B) DISPOSITION OF UNITED STATES REAL PROPERTY INTERESTS.—In the case of any disposition of a United States real property interest (as defined in section 897(c)) by an applicable person, the rate of tax specified in section 1445(a) (or any rate of tax applicable in lieu of such statutory rate) shall be increased by the applicable number of percentage points.

''(C) OTHER DISPOSITIONS AND DISTRIBUTIONS RELATED TO UNITED STATES REAL PROPERTY INTERESTS.—In the case of any disposition or distribution described in any paragraph of section 1445(e), each rate of tax in such paragraph (or any rate of tax applicable in lieu of such statutory rate) shall be increased by the applicable number of percentage points if—

''(i) in the case of section 1445(e)(1), the foreign person referred to in subparagraph (A) or (B) of such section is an applicable person,

''(ii) in the case of section 1445(e)(2), the foreign corporation referred to in such section is an applicable person,

''(iii) in the case of section 1445(e)(3), the foreign shareholder referred to in such section is an applicable person,

''(iv) in the case of section 1445(e)(4), the foreign person referred to in such section is an applicable person,

''(v) in the case of section 1445(e)(5), the Secretary issues regulations or other guidance providing for such increase, and

''(vi) in the case of section 1445(e)(6), the nonresident alien individual or foreign corporation referred to in such section is an applicable person.

''(4) APPLICABLE NUMBER OF PERCENTAGE POINTS.—For purposes of this paragraph—

''(A) IN GENERAL.—The term 'applicable number of percentage points' means, with respect to any discriminatory foreign country—

''(i) with respect to the 1-year period beginning on the applicable date with respect to such foreign country, 5 percentage points, and

''(ii) with respect to any period after the 1-year period to which clause (i) applies, the sum of —

''(I) 5 percentage points, plus

''(II) an additional 5 percentage points for each annual anniversary of such applicable date which has occurred before the beginning of such period.

''(B) CAP ON INCREASE.—Notwithstanding subparagraph (A), the increase in any rate under paragraph (1) or (3) shall not result in such rate exceeding the amount of the statutory rate (determined without regard to any rate applicable in lieu of such statutory rate) increased by 20 percentage points.

''(C) APPLICABLE DATE.—For purposes of this section, the term 'applicable date' means, with respect to any discriminatory foreign country, the first day of the first calendar year beginning on or after the latest of—

''(i) 90 days after the date of enactment of this section,

''(ii) 180 days after the date of enactment of the unfair foreign tax that causes such country to be treated as a discriminatory foreign country, or

''(iii) the first date that an unfair foreign tax of such country begins to apply.

''(D) APPLICATION TO TAXABLE YEARS.—For purposes of paragraph (1), the applicable number of percentage points is the applicable number of percentage points in effect for the discriminatory foreign country during the tax-

payer's taxable year. If more than one applicable number of percentage points is in effect for the discriminatory foreign country during the taxpayer's taxable year, the applicable number of percentage points shall be determined by using a weighted average rate based on each applicable number of percentage points in effect during such taxable year and the number of days during which it was in effect. For purposes of the prior sentence, the applicable number of percentage points in effect for the discriminatory foreign country for the period before the applicable date is treated as zero, and, if the taxpayer ceases to be an applicable person during its taxable year, the applicable number of percentage points in effect for the discriminatory foreign country for the period after the taxpayer ceased to be an applicable person is treated as zero.

''(E) APPLICATION TO WITHHOLDING TAXES.—For purposes of paragraph (3), the applicable number of percentage points shall be determined with respect to the date of the payment or disposition, as the case may be.

''(F) MULTIPLE DISCRIMINATORY FOREIGN COUNTRIES.—For purposes of paragraphs (1) and (3), if, on any day, the taxpayer is an applicable person with respect to more than one discriminatory foreign country, the highest applicable number of percentage points in effect shall apply.

''(G) INCREASE NOT APPLICABLE TO NON-DISCRIMINATORY FOREIGN COUNTRIES.—In the case of any foreign country which is not a discriminatory foreign country, the applicable number of percentage points is zero.

''(5) YEARS TO WHICH APPLICABLE.—

''(A) TAXABLE YEAR.—In the case of any person, paragraphs (1) and (2) shall apply to each taxable year beginning—

''(i) after the later of—

''(I) 90 days after the date of enactment of this section,

''(II) 180 days after the date of enactment of the unfair foreign tax that causes such country to be treated as a discriminatory foreign country, or

''(III) the first date that an unfair foreign tax of such country begins to apply, and

''(ii) before the last date on which the discriminatory foreign country imposes an unfair foreign tax.

''(B) WITHHOLDING.—In the case of any person, paragraph (3) shall apply to each calendar year beginning during the period that such person is an applicable person.

''(C) SAFE HARBOR FOR WITHHOLDING.—Paragraph (3) shall not apply—

''(i) in the case of any applicable person to which clause (ii) does not apply, if the discriminatory foreign country with respect to which such person is an applicable person is not listed by the Secretary as a discriminatory foreign country, and

''(ii) in the case of any applicable person described in subparagraph (E) or (F) of subsection (b)(1), if the discriminatory foreign country with respect to which such person is an applicable person (and such country's applicable date) has been listed in such guidance for less than 90 days.

''(D) TEMPORARY SAFE HARBOR FOR WITHHOLDING AGENTS.—No penalties or interest shall be imposed with respect to failures, before January 1, 2027, to deduct or withhold any amounts by reason of paragraph (3) if the person required to deduct or withhold such amounts demonstrates to the satisfaction of the Secretary that such person made best efforts to comply with paragraph (3) in a timely manner.

''(b) APPLICABLE PERSON.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided by the Secretary, the term 'applicable person' means—

''(A) any government (within the meaning of section 892) of any discriminatory foreign country,

''(B) any individual (other than a citizen or resident of the United States) who is tax resident of a discriminatory foreign country,

''(C) any foreign corporation (other than a United States-owned foreign corporation, as defined in section 904(h)(6)) which is a tax resident of a discriminatory foreign country,

''(D) any private foundation (within the meaning of section 4948) created or organized in a discriminatory foreign country,

''(E) any foreign corporation (other than a publicly held corporation) if more than 50 percent of—

''(i) the total combined voting power of all classes of stock of such corporation entitled to vote, or

''(ii) the total value of the stock of such corporation,

is owned (within the meaning of section 958(a)) by persons described in this paragraph,

''(F) any trust the majority of the beneficial interests of which are held (directly or indirectly) by persons described in this paragraph, and

''(G) foreign partnerships, branches, and any other entity identified with respect to a discriminatory foreign country by the Secretary for purposes of this subsection.

''(2) CONTINUATION OF TREATMENT DURING CERTAIN PERIODS.—For purposes of this section, if a person would cease to be an applicable person for a period of less than one year, such person shall con-

tinue to be treated as an applicable person during such period.

''(c) UNFAIR FOREIGN TAX.—For purposes of this section—

''(1) IN GENERAL.—The term 'unfair foreign tax' means an undertaxed profits rule (UTPR), digital services tax, diverted profits tax, and, to the extent provided by the Secretary, an extraterritorial tax, discriminatory tax, or any other tax enacted with a public or stated purpose indicating the tax will be economically borne, directly or indirectly, disproportionately by United States persons. Such term shall not include any tax which neither applies to—

''(A) any United States person (including a trade or business of a United States person), nor

''(B) any foreign corporation (including a trade or business of such foreign corporation) if the foreign corporation is a controlled foreign corporation and more than 50 percent of the total combined voting power of all classes of stock of such corporation entitled to vote, or the total value of the stock of such corporation) is owned (within the meaning of section 958(a)) by United States persons.

''(2) EXTRATERRITORIAL TAX.—The term 'extraterritorial tax' means any tax imposed by a foreign country on a corporation (including any trade or business of such corporation) which is determined by reference to any income or profits received by any person (including any trade or business of any person) by reason of such person being connected to such corporation through any chain of ownership, determined without regard to the ownership interests of any individual, and other than by reason of such corporation having a direct or indirect ownership interest in such person.

''(3) DISCRIMINATORY TAX.—The term 'discriminatory tax' means any tax imposed by a foreign country if—

''(A) such tax applies more than incidentally to items of income that would not be considered to be from sources, or effectively connected to a trade or business, within the foreign country under the rules of part I of this subchapter if such part were applied by treating such foreign country as though it were the United States,

''(B) such tax is imposed on a base other than net income and is not computed by permitting recovery of costs and expenses,

''(C) such tax is exclusively or predominantly applicable, in practice or by its terms, to nonresident individuals and foreign corporations or partnerships (as determined under rules similar to paragraphs (4) and (5) of section 7701(a) by treating the foreign country as though it were the United States) because of the application of revenue thresholds, exemptions or exclusions for taxpayers subject to such foreign country's corporate income tax, or restrictions of scope that ensure that substantially all residents (other than foreign corporations and partnerships (as so determined)) supplying comparable goods or services are excluded from the application of such tax, or

''(D) such tax is not treated as an income tax under the laws of such foreign country or is otherwise treated by such foreign country as outside the scope of any agreements that are in force between such foreign country and one or more other jurisdictions for the avoidance of double taxation with respect to taxes on income.

''(4) EXCEPTIONS.—Except as otherwise provided by the Secretary, the terms 'extraterritorial tax' and 'discriminatory tax' shall not include any generally applicable tax which constitutes—

''(A) an income tax generally imposed on the income of citizens or residents of the foreign country, even if the computation of income includes payments that would be foreign source income under part I of this subchapter,

''(B) an income tax which would be an unfair foreign tax (determined without regard to this subparagraph) solely because it is imposed on the income of nonresidents attributable to a trade or business in such foreign country,

''(C) an income tax which would be an unfair foreign tax (determined without regard to this subparagraph) solely because it is imposed on citizens or residents of such foreign country by reference to the income of a corporate subsidiary of such person,

''(D) a withholding tax, or other gross basis tax, on any amount described in section 871(a)(1) or 881(a), other than any withholding tax, or other gross basis tax, imposed

with respect to services performed by persons other than individuals,

''(E) a value added tax, goods and services tax, sales tax, or other similar tax on consumption,

''(F) a tax imposed with respect to transactions on a per-unit or per-transaction basis rather than on an ad valorem basis,

''(G) a tax on real or personal property, an estate tax, a gift tax, other similar tax,

''(H) a tax which would not be an extraterritorial tax or discriminatory tax (determined without regard to this subparagraph) except by reason of consolidation or loss sharing rules that generally apply only with respect to income of tax residents of the foreign country, or

''(I) any other tax identified by the Secretary for purposes of this paragraph.

''(d) OTHER DEFINITIONS.—For purposes of this section—

''(1) DISCRIMINATORY FOREIGN COUNTRY.—The term 'discriminatory foreign country' means any foreign country which has one or more unfair foreign taxes.

''(2) FOREIGN COUNTRY.—The term 'foreign country' means a foreign country (or political subdivision thereof) or a dependent territory or possession of a foreign country. Such term does not include any possession of the United States.

''(3) TAX.—The term 'tax' includes any increase in tax whether effectuated by an increase in the rate or base of a tax, by a denial of deductions or credits, or otherwise.

''(e) REGULATIONS AND OTHER GUIDANCE.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which—

''(1) provide for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including the application of this section (including subsections (b)(1)(E) and (c)(2)(A)(ii)) with respect to branches, partnerships, and other entities (whether or not otherwise disregarded for purposes of this chapter),

''(2) list the discriminatory foreign countries (and each such country's applicable date) in guidance, and update such guidance on a quarterly basis,

''(3) provide notice to Congress with respect to changes to the list under paragraph (2),

''(4) exercise the authority to provide exceptions under subsections (b)(1), (c)(4), and

''(5) prevent the application of subsection (a)(2)(D) from resulting in double counting of amounts for purposes of section 59A(c)(4)(A)(ii).''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart D of part II of subchapter N of chapter 1 is amended by adding at the end the following new item:

''Sec. 899. Enforcement of remedies against unfair foreign taxes.''.

SEC. 112029. MODIFICATION OF TREATMENT OF SILENCERS.

(a) IN GENERAL.—Section 5845(a) is amended by striking ''(7) any silencer'' and all that follows through ''; and (8)'' and inserting ''and (7)''.

(b) TRANSFER TAX.—Section 5811(a) is amended to read as follows:

''(a) RATE.—There shall be levied, collected, and paid on firearms transferred a tax at the rate of—

''(1) $5 for each firearm transferred in the case of a weapon classified as any other weapon under section 5845(e),

''(2) $0 for each firearm transferred in the case of a silencer (as defined in section 921 of title 18, United States Code), and

''(3) $200 for any other firearm transferred.''.

(c) MAKING TAX.—Section 5821(a) is amended to read as follows:

''(a) RATE.—There shall be levied, collected, and paid upon the making of a firearm a tax at the rate of—

''(1) $0 for each silencer (as defined in section 921 of title 18, United States Code) made, and

''(2) $200 for any other firearm made.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning more than 90 days after the date of the enactment of this Act.

SEC. 112030. MODIFICATIONS TO DE MINIMIS ENTRY PRIVILEGE FOR COMMERCIAL SHIPMENTS.

(a) CIVIL PENALTY.—

(1) ADDITIONAL PENALTY IMPOSED.—Section 321 of the Tariff Act of 1930 (19 U.S.C. 1321) is amended by adding at the end the following new subsection:

''(c) Any person who enters, introduces, facilitates, or attempts to introduce an article into the United States using the privilege of this section, the importation of which violates any other provision of United States customs law, shall be assessed, in addition to any other penalty permitted by law, a civil penalty of up to $5,000 for the first

violation and up to $10,000 for each subsequent violation.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect 30 days after the date of the enactment of this Act.

(b) REPEAL OF COMMERCIAL SHIPMENT EXCEPTION.—

(1) REPEAL.—Section 321(a)(2)(B) of such Act (19 U.S.C. 1321(a)(2)(B)) is amended by striking ''of this Act, or'' and all that follows through ''subdivision (2); and'' and inserting ''of this Act; and''.

(2) CONFORMING REPEAL.—Subsection (c) of such section 321, as added by subsection (a) of this section, is repealed.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on July 1, 2027.

SEC. 112031. LIMITATION ON DRAWBACK OF TAXES PAID WITH RESPECT TO SUBSTITUTED MERCHANDISE.

Effective for claims filed on or after July 1, 2026, for purposes of drawback of internal revenue tax imposed under chapter 52 of the Internal Revenue Code of 1986, the amount of drawback granted under such Code, or the Tariff Act of 1930, on the export or destruction of substituted merchandise may not exceed the amount of taxes

paid (and not returned by refund, credit, or drawback) on the substituted merchandise.

SEC. 112032. TREATMENT OF PAYMENTS FROM PARTNERSHIPS TO PARTNERS FOR PROPERTY OR SERVICES.

(a) IN GENERAL.—Section 707(a)(2) is amended by striking ''Under regulations prescribed'' and inserting ''Except as provided''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to services performed, and property transferred, after the date of the enactment of this Act.

(c) RULE OF CONSTRUCTION.—Nothing in this section, or the amendments made by this section, shall be construed to create any inference with respect to the proper treatment under section 707(a) of the Internal Revenue Code of 1986 with respect to payments from a partnership to a partner for services performed, or property transferred, on or before the date of the enactment of this Act.

PART 2—REMOVING TAXPAYER BENEFITS FOR ILLEGAL IMMIGRANTS

SEC. 112101. PERMITTING PREMIUM TAX CREDIT ONLY FOR CERTAIN INDIVIDUALS.

(a) IN GENERAL.—Section 36B(e)(1) is amended by inserting ''or, in the case of aliens who are lawfully

present, are not eligible aliens'' after ''individuals who are not lawfully present''.

(b) ELIGIBLE ALIENS.—Section 36B(e)(2) is amended—

(1) by striking ''For purposes of this section, an individual'' and inserting the following: ''For purposes of this section—

''(A) IN GENERAL.—An individual'', and

(2) by adding at the end the following new subparagraph:

''(B) ELIGIBLE ALIENS.—An individual who is an alien and lawfully present shall be treated as an eligible alien if and only if such individual is, and is reasonably expected to be for the entire period of enrollment for which the credit under this section is being claimed—

''(i) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.),

''(ii) an alien who—

''(I) is a citizen or national of the Republic of Cuba,

''(II) is the beneficiary of an approved petition under section 203(a)

of the Immigration and Nationality Act (8 U.S.C. 1153(a)),

''(III) meets all eligibility requirements for an immigrant visa but for whom such a visa is not immediately available,

''(IV) is not otherwise inadmissible under section 212(a) of such Act (8 U.S.C. 1182(a)), and

''(V) is physically present in the United States pursuant to a grant of parole in furtherance of the commitment of the United States to the minimum level of annual legal migration of Cuban nationals to the United States specified in the U.S.-Cuba Joint Communiqué on Migration, done at New York September 9, 1994, and reaffirmed in the Cuba-United States: Joint Statement on Normalization of Migration, Building on the Agreement of September 9, 1994, done at New York May 2, 1995, or

''(iii) an individual who lawfully resides in the United States in accordance

with a Compact of Free Association referred to in section 402(b)(2)(G) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(G)).''.

(c) CONFORMING AMENDMENTS.—

(1) VERIFICATION OF INFORMATION.—Section 1411 of the Patient Protection and Affordable Care Act (42 U.S.C. 18081) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''and section 36B(e) of the Internal Revenue Code of 1986''; and

(ii) in paragraph (2)—

(I) in subparagraph (A), by striking ''and'' at the end;

(II) in subparagraph (B), by adding ''and'' at the end; and

(III) by adding at the end the following new subparagraph:

''(C) in the case such individual is an alien lawfully present in the United States, whether such individual is an eligible alien (within the meaning of section 36B(e)(2) of such Code);'';

(B) in subsection (b)(3), by adding at the end the following new subparagraph:

''(D) IMMIGRATION STATUS.—In the case the individual's eligibility is based on an attestation of the enrollee's immigration status, an attestation that such individual is an eligible alien (within the meaning of 36B(e)(2) of the Internal Revenue Code of 1986).''; and

(C) in subsection (c)(2)(B)(ii), by adding at the end the following new subclause:

''(III) In the case of an individual described in clause (i)(I) with respect to whom a premium tax credit or reduced cost-sharing under section 36B of the Internal Revenue Code of 1986 or section 1402 is being claimed, the attestation that the individual is an eligible alien (within the meaning of section 36B(e)(2) of such Code).''.

(2) ADVANCE DETERMINATIONS.—Section 1412(d) of the Patient Protection and Affordable Care Act (42 U.S.C. 18082(d)) is amended by inserting before the period at the end the following: ''or, in the case of aliens who are lawfully present,

are not eligible aliens (within the meaning of section 36B(e)(2) of the Internal Revenue Code of 1986)''.

(3) COST-SHARING REDUCTIONS.—Section 1402(e) of the Patient Protection and Affordable Care Act (42 U.S.C. 18071(e)) is amended—

(A) in the header, by inserting ''OR NOT ELIGIBLE ALIENS'' after ''INDIVIDUALS NOT LAWFULLY PRESENT'';

(B) in paragraph (1), in the matter preceding subparagraph (A), by inserting ''or, in the case of an alien who is lawfully present, is not an eligible alien (within the meaning of section 36B(e)(2) of the Internal Revenue Code of 1986)'' after ''not lawfully present''; and

(C) by amending paragraph (2) to read as follows:

''(2) ELIGIBLE ALIENS.—For purposes of this section, an individual shall be treated as an eligible alien (within the meaning of section 36B(e)(2) of the Internal Revenue Code of 1986) if, and only if, the individual is, and for the entire period of enrollment for which the cost-sharing reduction under this section is being claimed is reasonably expected to be, such an alien.''.

(4) BASIC HEALTH PROGRAMS.—Section 1331(e)(1) of the Patient Protection and Affordable Care Act (42 U.S.C. 18051(e)(1)) is amended by inserting before the period at the end the following: ''or, in the case of an alien who is lawfully present, an individual who is not an eligible alien (as defined in section 36B(e)(2) of the Internal Revenue Code of 1986''.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to plan years beginning on or after January 1, 2027.

(d) CLERICAL AMENDMENTS.—

(1) The heading for section 36B(e) is amended by inserting ''AND NOT ELIGIBLE ALIENS'' after ''INDIVIDUALS NOT LAWFULLY PRESENT''.

(2) The heading for section 36B(e)(2) is amended by inserting ''; ELIGIBLE ALIENS'' after ''LAWFULLY PRESENT''.

(e) REQUIREMENT TO MAINTAIN MINIMUM ESSENTIAL COVERAGE.—Section 5000A(d)(3) is amended by striking ''an alien lawfully present in the United States'' and inserting ''an eligible alien (within the meaning of section 36B(e)(2))''.

(f) REGULATIONS.—The Secretary of the Treasury and the Secretary of Health and Human Services may

each prescribe such rules and other guidance as may be necessary or appropriate to carry out the amendments made by this section.

(g) EFFECTIVE DATE.—The amendments made by this section (other than the amendments made by subsection (c)) shall apply to taxable years beginning after December 31, 2026.

SEC. 112102. DISALLOWING PREMIUM TAX CREDIT DURING PERIODS OF MEDICAID INELIGIBILITY DUE TO ALIEN STATUS.

(a) IN GENERAL.—Section 36B(c)(1) is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 36B(g)(4)(A) is amended by striking ''subsection (c)(1)(C)'' and inserting ''subsection (c)(1)(B)''.

(2) Section 1331(e)(1)(B) of the Patient Protection and Affordable Care Act (42 U.S.C. 18051(e)(1)(B)) is amended by striking '', or, in the case of'' and all that follows through ''such alien status''.

(3) Section 1402(b) of such Act (42 U.S.C. 18071(b)) is amended by striking the second sentence.

(c) REGULATIONS.—The Secretary of the Treasury and the Secretary of Health and Human Services may each prescribe such rules and other guidance as may be necessary or appropriate to carry out the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 112103. LIMITING MEDICARE COVERAGE OF CERTAIN INDIVIDUALS.

Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by adding at the end the following new section:

"SEC. 1899C. LIMITING MEDICARE COVERAGE OF CERTAIN INDIVIDUALS.

''(a) IN GENERAL.—Subject to subsection (b), an individual may be entitled to, or enrolled for, benefits under this title only if the individual is—

''(1) a citizen or national of the United States;

''(2) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act;

''(3) an alien who—

''(A) is a citizen or national of the Republic of Cuba;

''(B) is the beneficiary of an approved petition under section 203(a) of the Immigration and Nationality Act;

''(C) meets all eligibility requirements for an immigrant visa but for whom such a visa is not immediately available;

''(D) is not otherwise inadmissible under section 212(a) of such Act; and

''(E) is physically present in the United States pursuant to a grant of parole in furtherance of the commitment of the United States to the minimum level of annual legal migration of Cuban nationals to the United States specified in the U.S.-Cuba Joint Communiqué on Migration, done at New York September 9, 1994, and reaffirmed in the Cuba-United States: Joint Statement on Normalization of Migration, Building on the Agreement of September 9, 1994, done at New York May 2, 1995; or

''(4) an individual who lawfully resides in the United States in accordance with a Compact of Free Association referred to in section 402(b)(2)(G) of

the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

''(b) APPLICATION TO INDIVIDUALS CURRENTLY ENTITLED TO OR ENROLLED FOR BENEFITS.—

''(1) IN GENERAL.—In the case of an individual who is entitled to, or enrolled for, benefits under this title as of the date of the enactment of this section, subsection (a) shall apply beginning on the date that is 1 year after such date of enactment.

''(2) REVIEW BY COMMISSIONER OF SOCIAL SECURITY.—

''(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this section, the Commissioner of Social Security shall complete a review of individuals entitled to, or enrolled for, benefits under this title as of such date of enactment for purposes of identifying individuals not described in any of paragraphs (1) through (4) of subsection (a).

''(B) NOTICE.—The Commissioner of Social Security shall notify each individual identified under the review conducted under subparagraph (A) that such individual's entitlement to, or enrollment for, benefits under this title will be terminated as of the date that is 1 year after

the date of the enactment of this section. Such notification shall be made as soon as practicable after such identification and in a manner designed to ensure such individual's comprehension of such notification.''.

SEC. 112104. EXCISE TAX ON REMITTANCE TRANSFERS.

(a) IN GENERAL.—Chapter 36 is amended by inserting after subchapter B the following new subchapter:

''Subchapter C—Remittance Transfers

''Sec. 4475. Imposition of tax.

''SEC. 4475. IMPOSITION OF TAX.

''(a) IN GENERAL.—There is hereby imposed on any remittance transfer a tax equal to 3.5 percent of the amount of such transfer.

''(b) PAYMENT OF TAX.—

''(1) IN GENERAL.—The tax imposed by this section with respect to any remittance transfer shall be paid by the sender with respect to such transfer.

''(2) COLLECTION.—The remittance transfer provider with respect to any remittance transfer shall collect the amount of the tax imposed under subsection (a) with respect to such transfer from the sender and remit such tax quarterly to the Secretary at such time and in such manner as provided by the Secretary.

''(3) SECONDARY LIABILITY.—Where any tax imposed by subsection (a) is not paid at the time the transfer is made, then to the extent that such tax is not collected, such tax shall be paid by the remittance transfer provider.

''(c) EXCEPTION FOR REMITTANCE TRANSFERS SENT BY CITIZENS AND NATIONALS OF THE UNITED STATES THROUGH CERTAIN PROVIDERS.—

''(1) IN GENERAL.—Subsection (a) shall not apply to any remittance transfer with respect to which the remittance transfer provider is a qualified remittance transfer provider and the sender is a verified United States sender.

''(2) QUALIFIED REMITTANCE TRANSFER PROVIDER.—For purposes of this subsection, the term 'qualified remittance transfer provider' means any remittance transfer provider which enters into a written agreement with the Secretary pursuant to which such provider agrees to verify the status of senders as citizens or nationals of the United States in such manner, and in accordance with such procedures, as the Secretary may specify.

''(3) VERIFIED UNITED STATES SENDER.—For purposes of this subsection, the term 'verified United States sender' means any sender who is verified by

a qualified remittance transfer provider as being a citizen or national of the United States pursuant to an agreement described in paragraph (2).

''(d) DEFINITIONS.—For purposes of this section, the terms 'remittance transfer', 'remittance transfer provider', 'designated recipient', and 'sender' shall each have the respective meanings given such terms by section 920(g) of the Electronic Fund Transfer Act (15 U.S.C. 1693o-1; relating to ''Remittance Transfers'').

''(e) APPLICATION OF ANTI-CONDUIT RULES.—For purposes of section 7701(l) with respect to any multiple-party arrangements involving the sender, a remittance transfer shall be treated as a financing transaction.''.

(b) REFUNDABLE INCOME TAX CREDIT ALLOWED TO CITIZENS AND NATIONALS OF THE UNITED STATES FOR EXCISE TAX ON REMITTANCE TRANSFERS.—Subpart C of part IV of subchapter A of chapter 1 is amended by inserting after section 36B the following new section:

''SEC. 36C. CREDIT FOR EXCISE TAX ON REMITTANCE TRANSFERS OF CITIZENS AND NATIONALS OF THE UNITED STATES.

''(a) IN GENERAL.—In the case of any individual, there shall be allowed as a credit against the tax imposed by this subtitle for any taxable year an amount equal to

the aggregate amount of taxes paid by such individual under section 4475 during such taxable year.

''(b) SOCIAL SECURITY NUMBER REQUIREMENT.—

''(1) IN GENERAL.—No credit shall be allowed under this section unless the taxpayer includes on the return of tax for the taxable year—

''(A) the individual's social security number, and

''(B) if the individual is married, the social security number of such individuals's spouse.

''(2) SOCIAL SECURITY NUMBER.—For purposes of this subsection, the term 'social security number' has the meaning given such term in section 24(h)(7).

''(3) MARRIED INDIVIDUALS.—Rules similar to the rules of section 32(d) shall apply to this section.

''(c) SUBSTANTIATION REQUIREMENTS.—No credit shall be allowed under this section unless the taxpayer demonstrates to the satisfaction of the Secretary that the tax under section 4475 with respect to which such credit is determined—

''(1) was paid by the taxpayer, and

''(2) is with respect to a remittance transfer with respect to which the taxpayer provided to the

remittance transfer provider the certification and information referred to in section 6050BB(a)(2).

''(d) DEFINITIONS.—Any term used in this section which is also used in section 4475 shall have the meaning given such term in section 4475.

''(e) APPLICATION OF ANTI-CONDUIT RULES.—For rules providing for the application of the anti-conduit rules of section 7701(l) to remittance transfers, see section 4475(e).''.

(c) REPORTING BY REMITTANCE TRANSFER PROVIDERS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61, as amended by the preceding provisions of this Act, is amended by adding at the end the following new section:

''SEC. 6050BB. RETURNS RELATING TO REMITTANCE TRANSFERS.

''(a) IN GENERAL.—Each remittance transfer provider shall make a return at such time as the Secretary may provide setting forth—

''(1) in the case of a qualified remittance transfer provider with respect to remittance transfers to which section 4475(a) does not apply by reason of section 4475(c), the aggregate number and value of such transfers,

''(2) in the case of any remittance transfer not described in paragraph (1) and with respect to which the sender certifies to the remittance transfer provider an intent to claim the credit under section 36C and provides the information described in paragraph (1)—

''(A) the name, address, and social security number of the sender,

''(B) the amount of tax paid by the sender under section 4475(b)(1), and

''(C) the amount of tax remitted by the remittance transfer provider under section 4475(b)(2), and

''(3) in the case of any remittance transfer not included under paragraph (1) or (2)—

''(A) the aggregate amount of tax paid under section 4475(b)(1) with respect to such transfers, and

''(B) the aggregate amount of tax remitted under section 4475(b)(2) with respect to such transfers.

''(b) STATEMENT TO BE FURNISHED TO NAMED PERSONS.—Every person required to make a return under subsection (a) shall furnish, at such time as the Secretary

may provide, to each person whose name is required to be set forth in such return a written statement showing—

''(1) the name and address of the information contact of the required reporting person, and

''(2) the information described in subsection (a)(2) which relates to such person.

''(c) DEFINITIONS.—Any term used in this section which is also used in section 4475 shall have the meaning given such term in such section.''.

(2) PENALTIES.—Section 6724(d), as amended by the preceding provisions of this Act, is amended—

(A) in paragraph (1)(B), by striking ''or'' at the end of clause (xxviii), by striking ''and'' at the end of clause (xxix) and inserting ''or'', and by adding at the end the following new clause:

''(xxx) section 6050BB(a) (relating to returns relating to remittance transfers), and'', and

(B) in paragraph (2), by striking ''or'' at the end of subparagraph (NN), by striking the period at the end of subparagraph (OO) and inserting '', or'', and by inserting after subparagraph (OO) the following new subparagraph:

''(PP) section 6050BB(b) (relating to statements relating to remittance transfers).''.

(d) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A) is amended by inserting ''36C,'' after ''36B,''.

(2) Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended by striking ''and'' at the end of subparagraph (Z), by the striking the period at the end of subparagraph (AA) and inserting '', and'', and by inserting after subparagraph (AA) the following new subparagraph:

''(BB) an omission of a correct social security number under section 36C(b) to be included on a return.''.

(3) Section 1324(b)(2) of title 31, United States Code, is amended by inserting ''36C,'' after ''36B,''.

(4) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 36B the following new item:

''Sec. 36C. Credit for excise tax on remittance transfers of citizens and nationals of the United States.''.

(5) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new item:

"Sec. 6050BB. Returns relating to remittance transfers.".

(6) The table of subchapters for chapter 36 is amended by inserting after the item relating to subchapter B the following new item:

"SUBCHAPTER C—REMITTANCE TRANSFERS".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to transfers made after December 31, 2025.

(2) TAX CREDIT.—The amendments made by subsection (b), and paragraphs (1) through (4) of subsection (d), shall apply to taxable years ending after December 31, 2025.

SEC. 112105. SOCIAL SECURITY NUMBER REQUIREMENT FOR AMERICAN OPPORTUNITY AND LIFETIME LEARNING CREDITS.

(a) SOCIAL SECURITY NUMBER OF TAXPAYER REQUIRED.—Section 25A(g)(1) is amended to read as follows:

"(1) IDENTIFICATION REQUIREMENT.—

"(A) SOCIAL SECURITY NUMBER REQUIREMENT.—No credit shall be allowed under sub-

section (a) to a taxpayer unless the taxpayer includes on the return of tax for the taxable year—

''(i) such individual's social security number,

''(ii) if the individual is married, the social security number of such individual's spouse, and

''(iii) in the case of a credit with respect to the qualified tuition and related expenses of an individual other than the taxpayer or the taxpayer's spouse, the name and social security number of such individual.

''(B) INSTITUTION.—No American Opportunity Tax Credit shall be allowed under this section unless the taxpayer includes the employer identification number of any institution to which the taxpayer paid qualified tuition and related expenses taken into account under this section on the return of tax for the taxable year.

''(C) SOCIAL SECURITY NUMBER DEFINED.—For purposes of this paragraph, the

term 'social security number' shall have the meaning given such term in section 24(h)(7).''.

(b) RULES RELATED TO MARRIED INDIVIDUALS.—Section 25A(g)(6) is amended to read as follows:

''(6) RULES RELATED TO MARRIED INDIVIDUALS.—Rules similar to the rules of section 32(d) shall apply to this section.''.

(c) OMISSION TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2)(J) is amended by striking ''TIN'' and inserting ''social security number or employer identification number''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

PART 3—PREVENTING FRAUD, WASTE, AND ABUSE

SEC. 112201. REQUIRING EXCHANGE VERIFICATION OF ELIGIBILITY FOR HEALTH PLAN.

(a) IN GENERAL.—Section 36B(c) is amended by adding at the end the following new paragraphs:

''(5) EXCHANGE ENROLLMENT VERIFICATION REQUIREMENT.—

''(A) IN GENERAL.—The term 'coverage month' shall not include, with respect to any individual covered by a qualified health plan en-

rolled in through an Exchange, any month beginning before the Exchange verifies, using applicable enrollment information that shall be provided or verified by the applicant, such individual's eligibility—

''(i) to enroll in the plan through the Exchange,

''(ii) for any advance payment under section 1412 of the Patient Protection and Affordable Care Act of the credit allowed under this section, and

''(iii) for any reduced cost-sharing under section 1402 of such Act.

''(B) APPLICABLE ENROLLMENT INFORMATION.—For purposes of subparagraph (A), applicable enrollment information shall at least include affirmation of the following information (to the extent relevant in determining eligibility described in subparagraph (A)):

''(i) Income.

''(ii) Any immigration status.

''(iii) Any health coverage status or eligibility for coverage.

''(iv) Place of residence.

''(v) Family size.

''(vi) Such other information as may be determined by the Secretary (in consultation with the Secretary of Health and Human Services) as necessary to the verification prescribed under subparagraph (A).

''(C) VERIFICATION OF PAST MONTHS.—In the case of a month that begins before verification prescribed by subparagraph (A), such month shall be treated as a coverage month if, and only if, the Exchange verifies for such month (using applicable enrollment information that shall be provided or verified by the applicant) such individual's eligibility to have so enrolled, for any such advance payment, and for any such reduced cost-sharing.

''(D) EXCHANGE PARTICIPATION; COORDINATION WITH OTHER PROCEDURES FOR DETERMINING ELIGIBILITY.—An individual shall not, solely by reason of failing to meet the requirements of this paragraph with respect to a month, be treated for such month as ineligible to enroll in a qualified health plan through an Exchange.

''(6) EXCHANGE COMPLIANCE WITH FILING REQUIREMENTS.—The term 'coverage month' shall not include, with respect to any individual covered by a qualified health plan enrolled in through an Exchange, any month for which the Exchange does not meet the requirements of section 155.305(f)(4) of title 45, Code of Federal Regulations (as published in the Federal Register on March 19, 2025 (90 FR 12942)), with respect to the individual.''.

(b) PRE-ENROLLMENT VERIFICATION PROCESS REQUIRED.—Section 36B(c)(3)(A) is amended—

(1) by striking ''HEALTH PLAN.—The term'' and inserting the following: ''HEALTH PLAN.—

''(i) IN GENERAL.—The term'', and

(2) by adding at the end the following new clause:

''(ii) PRE-ENROLLMENT VERIFICATION PROCESS REQUIRED.—Such term shall not include any plan enrolled in through an Exchange, unless such Exchange provides a process for pre-enrollment verification through which any applicant may, beginning not later than August 1, verify with the Exchange the applicant's eligibility for enrollment in such plan for plan years be-

ginning in the subsequent year, for any advance payment of the credit allowed under this section, and for reduced cost-sharing under section 1402 of the Patient Protection and Affordable Care Act.''.

(c) REGULATIONS.—The Secretary of the Treasury and the Secretary of Health and Human Services may each prescribe such rules and other guidance as may be necessary or appropriate to carry out the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2027.

SEC. 112202. DISALLOWING PREMIUM TAX CREDIT IN CASE OF CERTAIN COVERAGE ENROLLED IN DURING SPECIAL ENROLLMENT PERIOD.

(a) IN GENERAL.—Section 36B(c)(3)(A), as amended by the preceding provisions of this Act, is amended by adding at the end the following new clause:

''(iii) EXCEPTION IN CASE OF CERTAIN SPECIAL ENROLLMENT PERIODS.—Such term shall not include any plan enrolled in during a special enrollment period provided for by an Exchange—

''(I) on the basis of the relationship of the individual's expected household income to such a percentage of the poverty line (or such other amount) as is prescribed by the Secretary of Health and Human Services for purposes of such period, and

''(II) not in connection with the occurrence of an event or change in circumstances specified by the Secretary of Health and Human Services for such purposes.''.

(b) REGULATIONS.—The Secretary of Treasury and the Secretary of Health and Human Services shall prescribe such rules (including interim final and temporary regulations) and other guidance as may be necessary to carry out the purposes of the amendments made by this section.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plans enrolled in during calendar months beginning after the third calendar month ending after the date of the enactment of this Act.

SEC. 112203. ELIMINATING LIMITATION ON RECAPTURE OF ADVANCE PAYMENT OF PREMIUM TAX CREDIT.

(a) IN GENERAL.—Section 36B(f)(2) is amended by striking subparagraph (B).

(b) CONFORMING AMENDMENTS.—

(1) Section 36B(f)(2) is amended by striking ''ADVANCE PAYMENTS.—'' and all that follows through ''If the advance payments'' and inserting the following: ''ADVANCE PAYMENTS.—If the advance payments''.

(2) Section 35(g)(12)(B)(ii) is amended by striking ''then section 36B(f)(2)(B) shall be applied by substituting the amount determined under clause (i) for the amount determined under section 36B(f)(2)(A)'' and inserting ''then the amount determined under clause (i) shall be substituted for the amount determined under section 36B(f)(2)''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 112204. IMPLEMENTING ARTIFICIAL INTELLIGENCE TOOLS FOR PURPOSES OF REDUCING AND RECOUPING IMPROPER PAYMENTS UNDER MEDICARE.

(a) IN GENERAL.—Part E of title XVIII of the Social Security Act (42 U.S.C. 1395x et seq.), as amended by the preceding provisions of this Act, is amended by adding at the end the following new section:

"SEC. 1899D. IMPLEMENTING ARTIFICIAL INTELLIGENCE TOOLS FOR PURPOSES OF REDUCING AND RECOUPING IMPROPER PAYMENTS.

''(a) IN GENERAL.—Not later than January 1, 2027, the Secretary shall implement such artificial intelligence tools determined appropriate by the Secretary for purposes of—

''(1) reducing improper payments made under parts A and B; and

''(2) identifying any such improper payments so made.

''(b) CONTRACTS.—The Secretary shall seek to contract with a vendor of artificial intelligence tools and with data scientists for purposes of implementing the artificial intelligence tools required under subsection (a).

''(c) RECOUPMENT.—The Secretary shall, to the extent practicable, recoup payments identified using the artificial intelligence tools implemented under subsection (a).

''(d) REPORT.—Not later than January 1, 2029, and not less frequently than annually thereafter, the Secretary shall report to Congress on the implementation of artificial intelligence tools under subsection (a) and the recoupment of improper payments under subsection (c). Such report shall include—

''(1) a description of any opportunities for further reducing rates of improper payments described in subsection (a)(1) or further increasing rates of recoupment of such payments;

''(2) the total dollar amount of improper payments recouped in the most recent year for which data is available; and

''(3) in the case that the Secretary fails to reduce the rate of improper payments by 50 percent in such most recent year as compared to the year prior to such most recent year, a description of the reasons for such failure.''.

(b) IMPLEMENTATION FUNDING.—

(1) FEDERAL HOSPITAL INSURANCE TRUST FUND.—The Secretary of Health and Human Services shall provide for the transfer from the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) to the Centers for Medicare & Medicaid Serv-

ices Program Management Account of $12,500,000 for fiscal year 2025 for purposes of carrying out the amendment made by this section, to remain available until expended.

(2) FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND.—The Secretary of Health and Human Services shall provide for the transfer, from the Federal Supplementary Medical Insurance Trust Fund established under section 1841 of the Social Security Act (42 U.S.C. 1395t) to the Centers for Medicare & Medicaid Services Program Management Account of $12,500,000 for fiscal year 2025 for purposes of carrying out the amendment made by this section, to remain available until expended.

SEC. 112205. EARNED INCOME TAX CREDIT REFORMS.

(a) EARNED INCOME TAX CREDIT CERTIFICATION PROGRAM.—

(1) ESTABLISHMENT OF PROGRAM.—

(A) IN GENERAL.—Chapter 77 is amended by adding at the end the following new section:

"SEC. 7531. EARNED INCOME TAX CREDIT CERTIFICATION PROGRAM.

''(a) IN GENERAL.—To avoid duplicative and other erroneous claims under section 32 with respect to a child

of the taxpayer, for taxable years beginning after December 31, 2027, the Secretary shall establish a program under which, on the taxpayer's application with respect to the child, the Secretary shall issue an EITC certificate for purposes of section 32 establishing such child's status as a qualifying child only of the taxpayer for a taxable year.

''(b) APPLICATION REQUIREMENTS.—

''(1) IN GENERAL.—The Secretary shall not issue to a taxpayer an EITC certificate with respect to a child for a taxable year unless the taxpayer applies under the program with respect to the child and provides such information and supporting documentation as the Secretary shall by regulation prescribe as necessary to establish such child as a qualifying child only of the taxpayer for the taxable year.

''(2) TIME AND MANNER OF APPLICATION.—Such application shall be made, and such information and supporting documentation shall be provided—

''(A) in such manner as may be provided by the Secretary for purposes of this section (including establishing an on-line portal), and

''(B) not later than the due date for the return of tax for the taxable year or (if later) when the return is filed.

''(3) COMPETING CLAIMS.—In the case of more than 1 taxpayer making an application with respect to a child under the program for a taxable year beginning during a calendar year, the Secretary shall not issue an EITC certificate to any such taxpayer with respect to such child for such a taxable year unless the Secretary can establish such child, based on information and supporting documentation provided under paragraph (1), as the qualifying child only of one such taxpayer for such a taxable year.

''(c) TREATMENT OF CREDIT WITHOUT CERTIFICATION UNDER PROGRAM.—For taxable years beginning after December 31, 2027—

''(1) IN GENERAL.—In the case of a taxpayer who takes into account as a qualifying child under section 32 a child for whom an EITC certificate has not been issued for the taxable year to the taxpayer—

''(A) the Secretary shall not credit the portion of any overpayment for such taxable year that is attributable to the taxpayer taking into account such child as a qualifying child, unless

the taxpayer obtains, not later than the due date for the return for the taxable year, an EITC certificate with respect to such child for such taxable year, and

''(B) if the taxpayer fails to so obtain an EITC certificate, such failure shall be treated—

''(i) as an omission of information required by section 32 with respect to such child, and

''(ii) as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

''(2) TERMINATION OF CERTIFICATION.—In the case of a taxpayer who for a taxable year takes into account as a qualifying child under section 32 a child for whom an EITC certificate is terminated for such taxable year, such termination shall be treated in the same manner as a failure to obtain an EITC certificate under paragraph (1)(B).

''(d) TRANSITION RULES FOR TAXABLE YEARS BEGINNING BEFORE 2028.—

''(1) IN GENERAL.—If for any taxable year beginning after December 31, 2023, and before January 1, 2027, more than 1 taxpayer makes a claim for credit under section 32 taking into account the

same child as a qualifying child, then the Secretary shall send notice to each such taxpayer (by certified or registered mail to the last known address of the taxpayer) detailing the resultant treatment of such taxpayers under paragraph (2) with respect to such child for any subsequent taxable years beginning before 2028.

''(2) SUBSEQUENT TAXABLE YEARS BEGINNING BEFORE 2028.—In the case of a child with respect to whom paragraph (1) applied by reason of claims for credit for a taxable year, for any subsequent taxable years beginning before January 1, 2028—

''(A) subject to subparagraph (B), the Secretary shall not credit the portion of any overpayment for the taxable year that is attributable to a taxpayer taking into account such child as a qualifying child under section 32 until the 15th day of October following the end of the taxable year, and

''(B) if more than one taxpayer makes a claim for such credit for the taxable year taking into account such child as a qualifying child, so taking such child into account shall be treated—

''(i) as an omission of information required by section 32 with respect to such child, and

''(ii) as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

''(e) QUALIFYING CHILD.—For purposes of this section, the term 'qualifying child' has the meaning given such term under section 32(c)(3).

''(f) REBUTTAL OF TREATMENT.—Treatment under subsection (c) or (d)(2)(B) as having omitted information required by section 32 may be rebutted by providing such information and supporting documentation as satisfactorily demonstrates the child is a qualifying child of the taxpayer for the taxable year.

''(g) RESTRICTIONS ON TAXPAYERS WHO IMPROPERLY USE PROGRAM.—

''(1) IN GENERAL.—A taxpayer shall not be permitted to apply for an EITC certificate under the program for any taxable year in the disallowance period.

''(2) DISALLOWANCE PERIOD.—For purposes of paragraph (1), the disallowance period is—

''(A) the period of 10 taxable years after the most recent taxable year for which there

was a penalty imposed under 6720D on the taxpayer (but only if such penalty has been imposed on such taxpayer more than once, at least one instance of which was due to fraud under section 6720D(b)),

''(B) the period of 2 taxable years after the most recent taxable year for which there was a penalty imposed under 6720D on the taxpayer (but only if such penalty has been imposed on such taxpayer more than once due to reckless or intentional disregard of rules and regulations (but not imposed due to fraud)), and

''(C) any disallowance period with respect to the taxpayer under section 32(k)(1).

''(h) REGULATIONS.—The Secretary shall prescribe such rules as may be necessary or appropriate to carry out the program and purposes of this section, including—

''(1) a process for establishing alternating taxable year treatment of a child as a qualifying child under a custodial arrangement,

''(2) notwithstanding subsection (d)(2), a process for—

''(A) establishing the status of a child as a qualifying child of the taxpayer under section

32 for taxable years to which such subsection applies, and

''(B) allowing credit or refunds attributable to such status,

''(3) a simplified process for re-certifying a child as a qualifying child only of the taxpayer for a taxable year, and

''(4) a process for terminating EITC certificates in the case of competing claims with respect to a child or in cases in which issuance of the certificate is determined by the Secretary to be erroneous.''.

(B) CONFORMING AMENDMENT.—Section 32 amended by adding at the end the following new subsection:

''(o) EITC CERTIFICATE WITH RESPECT TO QUALIFYING CHILDREN.—For rules relating to EITC certificates with respect to qualifying children and duplicate claims for the credit allowed under this section, see section 7531.''.

(C) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7531. Earned income tax credit certification program.''.

(2) PENALTIES FOR IMPROPER USE OF EITC CERTIFICATE PROGRAM.—

(A) IN GENERAL.—Part I of subchapter B of chapter 68 is amended by adding at the end the following new section:

"SEC. 6720D. PENALTIES WITH RESPECT TO EITC CERTIFICATE PROGRAM.

''(a) RECKLESS OR INTENTIONAL DISREGARD.—If—

''(1) any person makes a material misstatement or inaccurate representation in an application under section 7531 for an EITC certificate, and

''(2) such misstatement or representation was due to reckless or intentional disregard of rules and regulations (but not due to fraud),

such person shall pay a penalty of $100 for each EITC certificate with respect to which such misstatement or representation was made.

''(b) FRAUD.—If a misstatement or representation described in subsection (a)(1) is due to fraud on the part of the person making such misstatement or representation, in addition to any criminal penalty, such person shall pay a penalty of $500 for each EITC certificate with respect to which such a misstatement or representation was made.''.

(B) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter

68 is amended by adding at the end the following new item:

"Sec. 6720D. Penalties with respect to EITC certificate program.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2024.

(b) TASK FORCE TO DESIGN A PRIVATE DATA BOUNCING SYSTEM FOR IMPROVEMENTS TO THE EARNED INCOME TAX CREDIT.—Out of any money in the Treasury not otherwise appropriated, there is hereby appropriated $10,000,000 for the fiscal year ending on September 30, 2026, for necessary expenses of the Department of the Treasury, to establish, within 90 days following the date of the enactment of this Act, a task force to provide to the Secretary of the Treasury a report on the following with respect to the administration of the earned income tax credit:

(1) Recommendations for improvement of the integrity of such administration.

(2) The potential use of third-party payroll and consumption datasets to verify income.

(3) The integration of automated databases to allow horizontal verification to reduce improper payments, fraud, and abuse.

(c) INCREASED EARNED INCOME TAX CREDIT FOR PURPLE HEART RECIPIENTS WHOSE SOCIAL SECURITY

DISABILITY BENEFITS ARE TERMINATED BY REASON OF WORK ACTIVITY.—

(1) IN GENERAL.—Section 32, as amended by the preceding provisions of this Act, is amended by adding at the end the following new subsection:

''(p) INCREASE IN CREDIT FOR PURPLE HEART RECIPIENTS WHOSE SOCIAL SECURITY DISABILITY BENEFITS ARE TERMINATED BY REASON OF WORK ACTIVITY.—

''(1) IN GENERAL.—In the case of a specified Purple Heart recipient, the credit otherwise determined under subsection (a) for the taxable year shall be increased (whether or not such specified Purple Heart recipient is an eligible individual) by the sum of the SSDI benefit substitution amounts with respect to qualified benefit termination months during such taxable year.

''(2) SPECIFIED PURPLE HEART RECIPIENT.—For purposes of this subsection, the term 'specified Purple Heart recipient' means any individual—

''(A) who received the Purple Heart,

''(B) who received disability insurance benefit payments under section 223(a) of the Social Security Act, and

"(C) with respect to whom such disability insurance benefit payments ceased to be payable by reason of section 223(e)(1) of such Act.

"(3) QUALIFIED BENEFIT TERMINATION MONTH.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified benefit termination month' means, with respect to any specified Purple Heart recipient, each month during the 12-month period beginning with the first month with respect to which disability insurance benefit payments described in paragraph (2)(B) ceased to be payable as described in paragraph (2)(C).

"(B) EXCEPTION FOR MONTHS FOR WHICH BENEFITS ARE REINSTATED, ETC.—Such term shall not include any month if the specified Purple Heart recipient receives any benefit payment under section 223(a) of the Social Security Act with respect to such month.

"(4) SSDI BENEFIT SUBSTITUTION AMOUNT.—For purposes of this subsection, the term 'SSDI benefit substitution amount' means, with respect to any specified Purple Heart recipient for any qualified benefit termination month, an amount equal to the disability insurance benefit payment received by

such recipient under section 223(a) of the Social Security Act for the month immediately preceding the 12-month period described in paragraph (3)(A).

''(5) CERTAIN EITC LIMITATIONS NOT APPLICABLE.—Subsections (a)(2), (d), (e), (f), and (i) shall not apply with respect to the increase under paragraph (1).''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

(d) SOCIAL SECURITY NUMBER DEFINED.—

(1) IN GENERAL.—Section 32(m) is amended by striking ''issued to an individual'' and all that follows and inserting ''(as defined section 24(h)(7))''.

(2) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 112206. TASK FORCE ON THE TERMINATION OF DIRECT FILE.

(a) TERMINATION OF DIRECT FILE.—As soon as practicable, and not later than 30 days after the date of the enactment of this Act, the Secretary of the Treasury shall ensure that the Internal Revenue Service Direct File program has been terminated.

(b) APPROPRIATION FOR TASK FORCE TO DESIGN A BETTER PUBLIC-PRIVATE PARTNERSHIP BETWEEN THE IRS AND PRIVATE SECTOR TAX PREPARATION SERVICES TO PROVIDE FOR FREE TAX FILING TO REPLACE THE EXISTING ''FREE FILE'' PROGRAM AND ANY ''DIRECT EFILE'' TAX RETURN SYSTEM.—Out of any money in the Treasury not otherwise appropriated, there is hereby appropriated for the fiscal year ending September 30, 2026, for necessary expenses of the Department of the Treasury to deliver to Congress, within 90 days following the date of the enactment of this Act, a report on (1) the cost of a new public-private partnership to provide for free tax filing for up to 70 percent of all taxpayers calculated by adjusted gross income to replace free file and any IRS-run direct file programs; (2) taxpayer opinions and preferences regarding a taxpayer-funded, government-run service or a free service provided by the private sector; (3) assessment of the feasibility of a new approach, how to make the options consistent and simple for taxpayers across all participating providers, how to provide features to address taxpayer needs; and (4) the cost (including options for differential coverage based on taxpayer adjusted gross income and return complexity) of developing and running a free direct efile tax return system, including

costs to build and administer each release, $15,000,000, to remain available until September 30, 2026.

SEC. 112207. INCREASE IN PENALTIES FOR UNAUTHORIZED DISCLOSURES OF TAXPAYER INFORMATION.

(a) IN GENERAL.—Paragraphs (1), (2), (3), (4), and (5) of section 7213(a) are each amended by striking ''$5,000, or imprisonment of not more than 5 years'' and inserting ''$250,000, or imprisonment of not more than 10 years''.

(b) DISCLOSURES OF RETURN INFORMATION OF MULTIPLE TAXPAYERS TREATED AS MULTIPLE VIOLATIONS.—Section 7213(a) is amended by adding at the end the following new paragraph:

''(6) DISCLOSURES OF RETURN INFORMATION OF MULTIPLE TAXPAYERS TREATED AS MULTIPLE VIOLATIONS.—For purposes of this subsection, a separate violation occurs with respect to each taxpayer whose return or return information is disclosed in violation of this subsection.''.

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

SEC. 112208. RESTRICTION ON REGULATION OF CONTINGENCY FEES WITH RESPECT TO TAX RETURNS, ETC.

The Secretary of the Treasury may not regulate, prohibit, or restrict the use of a contingent fee in connection with tax returns, claims for refund, or documents in connection with tax returns or claims for refund prepared on behalf of a taxpayer.

Subtitle D—Increase in Debt Limit

SEC. 113001. MODIFICATION OF LIMITATION ON THE PUBLIC DEBT.

The limitation under section 3101(b) of title 31, United States Code, as most recently increased by section 401(b) of Public Law 118–5 (31 U.S.C. 3101 note), is increased by $4,000,000,000,000.

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