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II

110TH CONGRESS
2D SESSION

S. 2886

To amend the Internal Revenue Code of 1986 to amend certain expiring
provisions.

IN THE SENATE OF THE UNITED STATES

APRIL 17, 2008

Mr. BAUCUS (for himself, Mr. GRASSLEY, Mr. SALAZAR, Mr. SCHUMER, Ms. STABENOW, Mr. SMITH, Mr. CRAPO, Mr. ROCKEFELLER, Mr. KYL, and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to amend
certain expiring provisions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE;**

4 **TABLE OF CONTENTS.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Alternative Minimum Tax and Extenders Tax Relief Act
7 of 2008”.

8 (b) AMENDMENT OF 1986 CODE.—Except as other-
9 wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment
 2 to, or repeal of, a section or other provision, the reference
 3 shall be considered to be made to a section or other provi-
 4 sion of the Internal Revenue Code of 1986.

5 (c) TABLE OF CONTENTS.—The table of contents of
 6 this Act is as follows:

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—ALTERNATIVE MINIMUM TAX RELIEF

Sec. 101. Extension of alternative minimum tax relief for nonrefundable personal credits.

Sec. 102. Extension of increased alternative minimum tax exemption amount.

TITLE II—INDIVIDUAL TAX PROVISIONS

Sec. 201. Election to include combat pay as earned income for purposes of the earned income credit.

Sec. 202. Distributions from retirement plans to individuals called to active duty.

Sec. 203. Deduction for State and local sales taxes.

Sec. 204. Deduction of qualified tuition and related expenses.

Sec. 205. Deduction for certain expenses of elementary and secondary school teachers.

Sec. 206. Modification of mortgage revenue bonds for veterans.

Sec. 207. Tax-free distributions from individual retirement plans for charitable purposes.

Sec. 208. Treatment of certain dividends of regulated investment companies.

Sec. 209. Stock in RIC for purposes of determining estates of nonresidents not citizens.

Sec. 210. Qualified investment entities.

Sec. 211. Qualified conservation contributions.

TITLE III—BUSINESS TAX PROVISIONS

Sec. 301. Extension and modification of research credit.

Sec. 302. New markets tax credit.

Sec. 303. Subpart F exception for active financing income.

Sec. 304. Extension of look-thru rule for related controlled foreign corporations.

Sec. 305. Extension of 15-year straight-line cost recovery for qualified leasehold improvements and qualified restaurant improvements.

Sec. 306. Enhanced charitable deduction for contributions of food inventory.

Sec. 307. Extension of enhanced charitable deduction for contributions of book inventory.

Sec. 308. Modification of tax treatment of certain payments to controlling exempt organizations.

Sec. 309. Basis adjustment to stock of S corporations making charitable contributions of property.

- Sec. 310. Increase in limit on cover over of rum excise tax to Puerto Rico and the Virgin Islands.
- Sec. 311. Parity in the application of certain limits to mental health benefits.
- Sec. 312. Extension of economic development credit for American Samoa.
- Sec. 313. Extension of mine rescue team training credit.
- Sec. 314. Extension of election to expense advanced mine safety equipment.
- Sec. 315. Extension of expensing rules for qualified film and television productions.
- Sec. 316. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
- Sec. 317. Extension of qualified zone academy bonds.
- Sec. 318. Indian employment credit.
- Sec. 319. Accelerated depreciation for business property on Indian reservation.
- Sec. 320. Railroad track maintenance.
- Sec. 321. Seven-year cost recovery period for motorsports racing track facility.
- Sec. 322. Expensing of environmental remediation costs.
- Sec. 323. Extension of work opportunity tax credit for Hurricane Katrina employees.

TITLE IV—EXTENSIONS OF ENERGY PROVISIONS

- Sec. 401. Extension of credit for energy efficient appliances.
- Sec. 402. Extension of credit for nonbusiness energy property.
- Sec. 403. Extension of credit for residential energy efficient property.
- Sec. 404. Extension of renewable electricity, refined coal, and Indian coal production credit.
- Sec. 405. Extension of new energy efficient home credit.
- Sec. 406. Extension of energy credit.
- Sec. 407. Extension and modification of credit for clean renewable energy bonds.
- Sec. 408. Extension of energy efficient commercial buildings deduction.

TITLE V—TAX ADMINISTRATION

- Sec. 501. Permanent authority for undercover operations.
- Sec. 502. Permanent disclosures of certain tax return information.
- Sec. 503. Disclosure of information relating to terrorist activities.

1 **TITLE I—ALTERNATIVE**
 2 **MINIMUM TAX RELIEF**
 3 **SEC. 101. EXTENSION OF ALTERNATIVE MINIMUM TAX RE-**
 4 **LIEF FOR NONREFUNDABLE PERSONAL**
 5 **CREDITS.**

6 (a) IN GENERAL.—Paragraph (2) of section 26(a)
 7 (relating to special rule for taxable years 2000 through
 8 2007) is amended—

1 (1) by striking “or 2007” and inserting “2007,
2 or 2008”, and

3 (2) by striking “2007” in the heading thereof
4 and inserting “2008”.

5 (b) **EFFECTIVE DATE.**—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2007.

8 **SEC. 102. EXTENSION OF INCREASED ALTERNATIVE MIN-**
9 **IMUM TAX EXEMPTION AMOUNT.**

10 (a) **IN GENERAL.**—Paragraph (1) of section 55(d)
11 (relating to exemption amount) is amended—

12 (1) by striking “(\$66,250 in the case of taxable
13 years beginning in 2007)” in subparagraph (A) and
14 inserting “(\$69,950 in the case of taxable years be-
15 ginning in 2008)”, and

16 (2) by striking “(\$44,350 in the case of taxable
17 years beginning in 2007)” in subparagraph (B) and
18 inserting “(\$46,200 in the case of taxable years be-
19 ginning in 2008)”.

20 (b) **EFFECTIVE DATE.**—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2007.

1 **TITLE II—INDIVIDUAL TAX**
2 **PROVISIONS**

3 **SEC. 201. ELECTION TO INCLUDE COMBAT PAY AS EARNED**
4 **INCOME FOR PURPOSES OF THE EARNED IN-**
5 **COME CREDIT.**

6 (a) IN GENERAL.—Subclause (II) of section
7 32(c)(2)(B)(vi) (defining earned income) is amended by
8 striking “January 1, 2008” and inserting “January 1,
9 2010”.

10 (b) CONFORMING AMENDMENT.—Paragraph (4) of
11 section 6428, as amended by the Economic Stimulus Act
12 of 2008, is amended to read as follows:

13 “(4) EARNED INCOME.—The term ‘earned in-
14 come’ has the meaning set forth in section 32(c)(2)
15 except that such term shall not include net earnings
16 from self-employment which are not taken into ac-
17 count in computing taxable income.”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years ending after De-
20 cember 31, 2007.

21 **SEC. 202. DISTRIBUTIONS FROM RETIREMENT PLANS TO**
22 **INDIVIDUALS CALLED TO ACTIVE DUTY.**

23 (a) IN GENERAL.—Clause (iv) of section 72(t)(2)(G)
24 is amended by striking “December 31, 2007” and insert-
25 ing “January 1, 2010”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to individuals ordered or called to
3 active duty on or after December 31, 2007.

4 **SEC. 203. DEDUCTION FOR STATE AND LOCAL SALES**
5 **TAXES.**

6 (a) IN GENERAL.—Subparagraph (I) of section
7 164(b)(5) is amended by striking “January 1, 2008” and
8 inserting “January 1, 2010”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to taxable years beginning after
11 December 31, 2007.

12 **SEC. 204. DEDUCTION OF QUALIFIED TUITION AND RE-**
13 **LATED EXPENSES.**

14 (a) IN GENERAL.—Subsection (e) of section 222 (re-
15 lating to termination) is amended by striking “December
16 31, 2007” and inserting “December 31, 2009”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to taxable years beginning after
19 December 31, 2007.

20 **SEC. 205. DEDUCTION FOR CERTAIN EXPENSES OF ELE-**
21 **MENTARY AND SECONDARY SCHOOL TEACH-**
22 **ERS.**

23 (a) IN GENERAL.—Subparagraph (D) of section
24 62(a)(2) (relating to certain expenses of elementary and

1 secondary school teachers) is amended by striking “or
2 2007” and inserting “2007, 2008, or 2009”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall apply to taxable years beginning after
5 December 31, 2007.

6 **SEC. 206. MODIFICATION OF MORTGAGE REVENUE BONDS**
7 **FOR VETERANS.**

8 (a) QUALIFIED MORTGAGE BONDS USED TO FI-
9 NANCE RESIDENCES FOR VETERANS WITHOUT REGARD
10 TO FIRST-TIME HOMEBUYER REQUIREMENT.—Subpara-
11 graph (D) of section 143(d)(2) (relating to exceptions) is
12 amended by inserting “and after the date of the enactment
13 of the Alternative Minimum Tax and Extenders Tax Relief
14 Act of 2008 and before January 1, 2010” after “January
15 1, 2008”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to bonds issued after the date of
18 the enactment of this Act.

19 **SEC. 207. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RE-**
20 **TIREMENT PLANS FOR CHARITABLE PUR-**
21 **POSES.**

22 (a) IN GENERAL.—Subparagraph (F) of section
23 408(d)(8) (relating to termination) is amended by striking
24 “December 31, 2007” and inserting “December 31,
25 2009”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to distributions made in taxable
3 years beginning after December 31, 2007.

4 **SEC. 208. TREATMENT OF CERTAIN DIVIDENDS OF REGU-**
5 **LATED INVESTMENT COMPANIES.**

6 (a) INTEREST-RELATED DIVIDENDS.—Subpara-
7 graph (C) of section 871(k)(1) (defining interest-related
8 dividend) is amended by striking “December 31, 2007”
9 and inserting “December 31, 2009”.

10 (b) SHORT-TERM CAPITAL GAIN DIVIDENDS.—Sub-
11 paragraph (C) of section 871(k)(2) (defining short-term
12 capital gain dividend) is amended by striking “December
13 31, 2007” and inserting “December 31, 2009”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to dividends with respect to taxable
16 years of regulated investment companies beginning after
17 December 31, 2007.

18 **SEC. 209. STOCK IN RIC FOR PURPOSES OF DETERMINING**
19 **ESTATES OF NONRESIDENTS NOT CITIZENS.**

20 (a) IN GENERAL.—Paragraph (3) of section 2105(d)
21 (relating to stock in a RIC) is amended by striking “De-
22 cember 31, 2007” and inserting “December 31, 2009”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 this section shall apply to decedents dying after December
25 31, 2007.

1 **SEC. 210. QUALIFIED INVESTMENT ENTITIES.**

2 (a) IN GENERAL.—Clause (ii) of section
3 897(h)(4)(A) (relating to termination) is amended by
4 striking “December 31, 2007” and inserting “December
5 31, 2009”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 subsection (a) shall take effect on January 1, 2008.

8 **SEC. 211. QUALIFIED CONSERVATION CONTRIBUTIONS.**

9 (a) IN GENERAL.—Clause (vi) of section
10 170(b)(1)(E) (relating to termination) is amended by
11 striking “December 31, 2007” and inserting “December
12 31, 2009”.

13 (b) CONTRIBUTIONS BY CORPORATE FARMERS AND
14 RANCHERS.—Clause (iii) of section 170(b)(2)(B) (relating
15 to termination) is amended by striking “December 31,
16 2007” and inserting “December 31, 2009”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to contributions made in taxable
19 years beginning after December 31, 2007.

20 **TITLE III—BUSINESS TAX**
21 **PROVISIONS**

22 **SEC. 301. EXTENSION AND MODIFICATION OF RESEARCH**
23 **CREDIT.**

24 (a) EXTENSION.—Section 41(h) (relating to termi-
25 nation) is amended—

1 (1) by striking “December 31, 2007” and in-
2 serting “December 31, 2009” in paragraph (1)(B),
3 (2) by redesignating paragraph (2) as para-
4 graph (3), and
5 (3) by inserting after paragraph (1) the fol-
6 lowing new paragraph:

7 “(2) TERMINATION OF ALTERNATIVE INCRE-
8 MENTAL CREDIT.—No election under subsection
9 (c)(4) shall apply to amounts paid or incurred after
10 December 31, 2007.”.

11 (b) MODIFICATION OF ALTERNATIVE SIMPLIFIED
12 CREDIT.—Paragraph (5)(A) of section 41(c) (relating to
13 election of alternative simplified credit) is amended to read
14 as follows:

15 “(A) IN GENERAL.—

16 “(i) CALCULATION OF CREDIT.—At
17 the election of the taxpayer, the credit de-
18 termined under subsection (a)(1) shall be
19 equal to the applicable percentage (as de-
20 fined in clause (ii)) of so much of the
21 qualified research expenses for the taxable
22 year as exceeds 50 percent of the average
23 qualified research expenses for the 3 tax-
24 able years preceding the taxable year for
25 which the credit is being determined.

1 “(ii) APPLICABLE PERCENTAGE.—For
2 purposes of the calculation under clause
3 (i), the applicable percentage is—

4 “(I) 14 percent, in the case of
5 taxable years ending before January
6 1, 2009, and

7 “(II) 16 percent, in the case of
8 taxable years beginning after Decem-
9 ber 31, 2008.”.

10 (c) CONFORMING AMENDMENT.—Subparagraph (D)
11 of section 45C(b)(1) (relating to special rule) is amended
12 by striking “December 31, 2007” and inserting “Decem-
13 ber 31, 2009”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to amounts paid or incurred after
16 December 31, 2007.

17 **SEC. 302. NEW MARKETS TAX CREDIT.**

18 Subparagraph (D) of section 45D(f)(1) (relating to
19 national limitation on amount of investments designated)
20 is amended by striking “and 2008” and inserting “2008,
21 and 2009”.

22 **SEC. 303. SUBPART F EXCEPTION FOR ACTIVE FINANCING**
23 **INCOME.**

24 (a) EXEMPT INSURANCE INCOME.—Paragraph (10)
25 of section 953(e) (relating to application) is amended—

1 (1) by striking “January 1, 2009” and insert-
2 ing “January 1, 2010”, and

3 (2) by striking “December 31, 2008” and in-
4 serting “December 31, 2009”.

5 (b) EXCEPTION TO TREATMENT AS FOREIGN PER-
6 SONAL HOLDING COMPANY INCOME.—Paragraph (9) of
7 section 954(h) (relating to application) is amended by
8 striking “January 1, 2009” and inserting “January 1,
9 2010”.

10 **SEC. 304. EXTENSION OF LOOK-THRU RULE FOR RELATED**
11 **CONTROLLED FOREIGN CORPORATIONS.**

12 (a) IN GENERAL.—Subparagraph (B) of section
13 954(c)(6) (relating to application) is amended by striking
14 “January 1, 2009” and inserting “January 1, 2010”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to taxable years of foreign corpora-
17 tions beginning after December 31, 2007, and to taxable
18 years of United States shareholders with or within which
19 such taxable years of foreign corporations end.

20 **SEC. 305. EXTENSION OF 15-YEAR STRAIGHT-LINE COST RE-**
21 **COVERY FOR QUALIFIED LEASEHOLD IM-**
22 **PROVEMENTS AND QUALIFIED RESTAURANT**
23 **IMPROVEMENTS.**

24 (a) IN GENERAL.—Clauses (iv) and (v) of section
25 168(e)(3)(E) (relating to 15-year property) are each

1 amended by striking “January 1, 2008” and inserting
2 “January 1, 2010”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to property placed in service after
5 December 31, 2007.

6 **SEC. 306. ENHANCED CHARITABLE DEDUCTION FOR CON-**
7 **TRIBUTIONS OF FOOD INVENTORY.**

8 (a) IN GENERAL.—Clause (iv) of section
9 170(e)(3)(C) (relating to termination) is amended by
10 striking “December 31, 2007” and inserting “December
11 31, 2009”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to contributions made after De-
14 cember 31, 2007.

15 **SEC. 307. EXTENSION OF ENHANCED CHARITABLE DEDUC-**
16 **TION FOR CONTRIBUTIONS OF BOOK INVEN-**
17 **TORY.**

18 (a) EXTENSION.—Clause (iv) of section 170(e)(3)(D)
19 (relating to termination) is amended by striking “Decem-
20 ber 31, 2007” and inserting “December 31, 2009”.

21 (b) CLERICAL AMENDMENT.—Clause (iii) of section
22 170(e)(3)(D) (relating to certification by donee) is amend-
23 ed by inserting “of books” after “to any contribution”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to contributions made after De-
3 cember 31, 2007.

4 **SEC. 308. MODIFICATION OF TAX TREATMENT OF CERTAIN**
5 **PAYMENTS TO CONTROLLING EXEMPT ORGA-**
6 **NIZATIONS.**

7 (a) IN GENERAL.—Clause (iv) of section
8 512(b)(13)(E) (relating to termination) is amended by
9 striking “December 31, 2007” and inserting “December
10 31, 2009”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to payments received or accrued
13 after December 31, 2007.

14 **SEC. 309. BASIS ADJUSTMENT TO STOCK OF S CORPORA-**
15 **TIONS MAKING CHARITABLE CONTRIBU-**
16 **TIONS OF PROPERTY.**

17 (a) IN GENERAL.—The last sentence of section
18 1367(a)(2) (relating to decreases in basis) is amended by
19 striking “December 31, 2007” and inserting “December
20 31, 2009”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply to contributions made in taxable
23 years beginning after December 31, 2007.

1 **SEC. 310. INCREASE IN LIMIT ON COVER OVER OF RUM EX-**
2 **CISE TAX TO PUERTO RICO AND THE VIRGIN**
3 **ISLANDS.**

4 (a) IN GENERAL.—Paragraph (1) of section 7652(f)
5 is amended by striking “January 1, 2008” and inserting
6 “January 1, 2010”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to distilled spirits brought into the
9 United States after December 31, 2007.

10 **SEC. 311. PARITY IN THE APPLICATION OF CERTAIN LIMITS**
11 **TO MENTAL HEALTH BENEFITS.**

12 (a) IN GENERAL.—Subsection (f) of section 9812 (re-
13 lating to application of section) is amended—

14 (1) by striking “and” at the end of paragraph

15 (2),

16 (2) by striking the period at the end of para-
17 graph (3) and inserting “, and before the date of the
18 enactment of the Alternative Minimum Tax and Ex-
19 tenders Tax Relief Act of 2008, and”, and

20 (3) by adding at the end the following new
21 paragraph:

22 “(4) after December 31, 2009.”.

23 (b) AMENDMENT TO THE EMPLOYEE RETIREMENT
24 INCOME SECURITY ACT OF 1974.—Section 712(f) of the
25 Employee Retirement Income Security Act of 1974 (29
26 U.S.C. 1185a(f)) is amended by inserting “, and before

1 the date of the enactment of the Alternative Minimum Tax
 2 and Extenders Tax Relief Act of 2008, and after Decem-
 3 ber 31, 2009” after “December 31, 2007”.

4 (c) AMENDMENT TO THE PUBLIC HEALTH SERVICE
 5 ACT.—Section 2705(f) of the Public Health Service Act
 6 (42 U.S.C. 300gg–5(f)) is amended by inserting “, and
 7 before the date of the enactment of the Alternative Min-
 8 imum Tax and Extenders Tax Relief Act of 2008, and
 9 after December 31, 2009” after “December 31, 2007”.

10 (d) EFFECTIVE DATE.—The amendments made by
 11 this section shall apply to benefits for services furnished
 12 on or after the date of the enactment of this Act.

13 **SEC. 312. EXTENSION OF ECONOMIC DEVELOPMENT CRED-**
 14 **IT FOR AMERICAN SAMOA.**

15 (a) IN GENERAL.—Subsection (d) of section 119 of
 16 division A of the Tax Relief and Health Care Act of 2006
 17 is amended—

18 (1) by striking “first two taxable years” and in-
 19 serting “first 4 taxable years”, and

20 (2) by striking “January 1, 2008” and insert-
 21 ing “January 1, 2010”.

22 (b) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to taxable years beginning after
 24 December 31, 2007.

1 **SEC. 313. EXTENSION OF MINE RESCUE TEAM TRAINING**
2 **CREDIT.**

3 Section 45N(e) (relating to termination) is amended
4 by striking “December 31, 2008” and inserting “Decem-
5 ber 31, 2009”.

6 **SEC. 314. EXTENSION OF ELECTION TO EXPENSE AD-**
7 **VANCED MINE SAFETY EQUIPMENT.**

8 Section 179E(g) (relating to termination) is amended
9 by striking “December 31, 2008” and inserting “Decem-
10 ber 31, 2009”.

11 **SEC. 315. EXTENSION OF EXPENSING RULES FOR QUALI-**
12 **FIED FILM AND TELEVISION PRODUCTIONS.**

13 Section 181(f) (relating to termination) is amended
14 by striking “December 31, 2008” and inserting “Decem-
15 ber 31, 2009”.

16 **SEC. 316. DEDUCTION ALLOWABLE WITH RESPECT TO IN-**
17 **COME ATTRIBUTABLE TO DOMESTIC PRO-**
18 **DUCTION ACTIVITIES IN PUERTO RICO.**

19 (a) IN GENERAL.—Subparagraph (C) of section
20 199(d)(8) (relating to termination) is amended—

21 (1) by striking “first 2 taxable years” and in-
22 serting “first 4 taxable years”, and

23 (2) by striking “January 1, 2008” and insert-
24 ing “January 1, 2010”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2007.

4 **SEC. 317. EXTENSION OF QUALIFIED ZONE ACADEMY**
5 **BONDS.**

6 (a) IN GENERAL.—Paragraph (1) of section
7 1397E(e) is amended by striking “and 2007” and insert-
8 ing “2007, 2008, and 2009”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to obligations issued after the date
11 of the enactment of this Act.

12 **SEC. 318. INDIAN EMPLOYMENT CREDIT.**

13 (a) IN GENERAL.—Subsection (f) of section 45A (re-
14 lating to termination) is amended by striking “December
15 31, 2007” and inserting “December 31, 2009”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to taxable years beginning after
18 December 31, 2007.

19 **SEC. 319. ACCELERATED DEPRECIATION FOR BUSINESS**
20 **PROPERTY ON INDIAN RESERVATION.**

21 (a) IN GENERAL.—Paragraph (8) of section 168(j)
22 (relating to termination) is amended by striking “Decem-
23 ber 31, 2007” and inserting “December 31, 2009”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to property placed in service after
3 December 31, 2007.

4 **SEC. 320. RAILROAD TRACK MAINTENANCE.**

5 (a) IN GENERAL.—Subsection (f) of section 45G (re-
6 lating to application of section) is amended by striking
7 “January 1, 2008” and inserting “January 1, 2010”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to expenditures paid or incurred
10 during taxable years beginning after December 31, 2007.

11 **SEC. 321. SEVEN-YEAR COST RECOVERY PERIOD FOR MO-**
12 **TOSPORTS RACING TRACK FACILITY.**

13 (a) IN GENERAL.—Subparagraph (D) of section
14 168(i)(15) (relating to termination) is amended to read
15 as follows:

16 “(D) APPLICATION OF PARAGRAPH.—Such
17 term shall apply to property placed in service
18 after the date of the enactment of the Alter-
19 native Minimum Tax and Extenders Tax Relief
20 Act of 2008 and before January 1, 2010.”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply to property placed in service after
23 the date of the enactment of this Act.

1 **SEC. 322. EXPENSING OF ENVIRONMENTAL REMEDIATION**
 2 **COSTS.**

3 (a) IN GENERAL.—Subsection (h) of section 198 (re-
 4 lating to termination) is amended by striking “December
 5 31, 2007” and inserting “December 31, 2009”.

6 (b) EFFECTIVE DATE.—The amendment made by
 7 this section shall apply to expenditures paid or incurred
 8 after December 31, 2007.

9 **SEC. 323. EXTENSION OF WORK OPPORTUNITY TAX CREDIT**
 10 **FOR HURRICANE KATRINA EMPLOYEES.**

11 (a) IN GENERAL.—Paragraph (1) of section 201(b)
 12 of the Katrina Emergency Tax Relief Act of 2005 is
 13 amended by striking “2-year” and inserting “4-year”.

14 (b) EFFECTIVE DATE.—The amendment made by
 15 subsection (a) shall apply to individuals hired after August
 16 27, 2007.

17 **TITLE IV—EXTENSIONS OF**
 18 **ENERGY PROVISIONS**

19 **SEC. 401. EXTENSION OF CREDIT FOR ENERGY EFFICIENT**
 20 **APPLIANCES.**

21 (a) IN GENERAL.—Subsection (b) of section 45M (re-
 22 lating to applicable amount) is amended by striking “cal-
 23 endar year 2006 or 2007” each place it appears in para-
 24 graphs (1)(A)(i), (1)(B)(i), (1)(C)(ii)(I), and
 25 (1)(C)(iii)(I), and inserting “calendar year 2006, 2007,
 26 2008, or 2009”.

1 (b) RESTART OF CREDIT LIMITATION.—Paragraph
2 (1) of section 45M(e) (relating to aggregate credit amount
3 allowed) is amended by inserting “beginning after Decem-
4 ber 31, 2007” after “for all prior taxable years”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to appliances produced after De-
7 cember 31, 2007.

8 **SEC. 402. EXTENSION OF CREDIT FOR NONBUSINESS EN-**
9 **ERGY PROPERTY.**

10 (a) IN GENERAL.—Section 25C(g) (relating to termi-
11 nation) is amended by striking “December 31, 2007” and
12 inserting “December 31, 2009”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to property placed in service after
15 December 31, 2007.

16 **SEC. 403. EXTENSION OF CREDIT FOR RESIDENTIAL EN-**
17 **ERGY EFFICIENT PROPERTY.**

18 Section 25D(g) (relating to termination) is amended
19 by striking “December 31, 2008” and inserting “Decem-
20 ber 31, 2009”.

21 **SEC. 404. EXTENSION OF RENEWABLE ELECTRICITY, RE-**
22 **FINED COAL, AND INDIAN COAL PRODUCTION**
23 **CREDIT.**

24 Section 45(d) (relating to qualified facilities) is
25 amended by striking “January 1, 2009” each place it ap-

1 pears in paragraphs (1), (2), (3), (4), (5), (6), (7), (8),
2 (9), and (10) and inserting “January 1, 2010”.

3 **SEC. 405. EXTENSION OF NEW ENERGY EFFICIENT HOME**
4 **CREDIT.**

5 Subsection (g) of section 45L (relating to termi-
6 nation) is amended by striking “December 31, 2008” and
7 inserting “December 31, 2009”.

8 **SEC. 406. EXTENSION OF ENERGY CREDIT.**

9 (a) SOLAR ENERGY PROPERTY.—Paragraphs
10 (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) (relating to
11 energy credit) are each amended by striking “January 1,
12 2009” and inserting “January 1, 2010”.

13 (b) FUEL CELL PROPERTY.—Subparagraph (E) of
14 section 48(c)(1) (relating to qualified fuel cell property)
15 is amended by striking “December 31, 2008” and insert-
16 ing “December 31, 2009”.

17 (c) MICROTURBINE PROPERTY.—Subparagraph (E)
18 of section 48(c)(2) (relating to qualified microturbine
19 property) is amended by striking “December 31, 2008”
20 and inserting “December 31, 2009”.

21 **SEC. 407. EXTENSION AND MODIFICATION OF CREDIT FOR**
22 **CLEAN RENEWABLE ENERGY BONDS.**

23 (a) EXTENSION.—Section 54(m) (relating to termi-
24 nation) is amended by striking “December 31, 2008” and
25 inserting “December 31, 2009”.

1 (b) INCREASE IN NATIONAL LIMITATION.—Section
2 54(f) (relating to limitation on amount of bonds des-
3 ignated) is amended—

4 (1) by striking “\$1,200,000,000” in paragraph
5 (1) and inserting “\$1,600,000,000”, and

6 (2) by striking “\$750,000,000” in paragraph
7 (2) and inserting “\$1,000,000,000”.

8 (c) MODIFICATION OF RATABLE PRINCIPAL AMORTI-
9 ZATION REQUIREMENT.—

10 (1) IN GENERAL.—Paragraph (5) of section
11 54(l) is amended to read as follows:

12 “(5) RATABLE PRINCIPAL AMORTIZATION RE-
13 QUIRED.—A bond shall not be treated as a clean re-
14 newable energy bond unless it is part of an issue
15 which provides for an equal amount of principal to
16 be paid by the qualified issuer during each 12-month
17 period that the issue is outstanding (other than the
18 first 12-month period).”.

19 (2) TECHNICAL AMENDMENT.—The third sen-
20 tence of section 54(e)(2) is amended by striking
21 “subsection (l)(6)” and inserting “subsection (l)(5)”.

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

1 **SEC. 408. EXTENSION OF ENERGY EFFICIENT COMMERCIAL**
 2 **BUILDINGS DEDUCTION.**

3 Section 179D(h) (relating to termination) is amended
 4 by striking “December 31, 2008” and inserting “Decem-
 5 ber 31, 2009”.

6 **TITLE V—TAX ADMINISTRATION**

7 **SEC. 501. PERMANENT AUTHORITY FOR UNDERCOVER OP-**
 8 **ERATIONS.**

9 (a) **IN GENERAL.**—Section 7608(c) (relating to rules
 10 relating to undercover operations) is amended by striking
 11 paragraph (6).

12 (b) **EFFECTIVE DATE.**—The amendment made by
 13 this section shall apply to operations conducted after the
 14 date of the enactment of this Act.

15 **SEC. 502. PERMANENT DISCLOSURES OF CERTAIN TAX RE-**
 16 **TURN INFORMATION.**

17 (a) **DISCLOSURES TO FACILITATE COMBINED EM-**
 18 **PLOYMENT TAX REPORTING.**—

19 (1) **IN GENERAL.**—Section 6103(d)(5) (relating
 20 to disclosure for combined employment tax report-
 21 ing) is amended—

22 (A) by striking “REPORTING” in the head-
 23 ing thereof and all that follows through “The
 24 Secretary” in subparagraph (A) and inserting
 25 “REPORTING.—The Secretary”, and

26 (B) by striking subparagraph (B).

1 (2) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to disclosures after the
3 date of the enactment of this Act.

4 (b) DISCLOSURES RELATING TO CERTAIN PROGRAMS
5 ADMINISTERED BY THE DEPARTMENT OF VETERANS AF-
6 FAIRS.—

7 (1) IN GENERAL.—Section 6103(l)(7)(D) (relat-
8 ing to programs to which rule applies) is amended
9 by striking the last sentence.

10 (2) TECHNICAL AMENDMENT.—Section
11 6103(l)(7)(D)(viii)(III) is amended by striking “sec-
12 tions 1710(a)(1)(I), 1710(a)(2), 1710(b), and
13 1712(a)(2)(B)” and inserting “sections
14 1710(a)(2)(G), 1710(a)(3), and 1710(b)”.

15 **SEC. 503. DISCLOSURE OF INFORMATION RELATING TO**
16 **TERRORIST ACTIVITIES.**

17 (a) DISCLOSURE OF RETURN INFORMATION TO AP-
18 PRISE APPROPRIATE OFFICIALS OF TERRORIST ACTIVI-
19 TIES.—Clause (iv) of section 6103(i)(3)(C) (relating to
20 termination) is amended by striking “December 31, 2007”
21 and inserting “December 31, 2009”.

22 (b) DISCLOSURE UPON REQUEST OF INFORMATION
23 RELATING TO TERRORIST ACTIVITIES.—Subparagraph
24 (E) of section 6103(i)(7) (relating to termination) is

1 amended by striking “December 31, 2007” and inserting
2 “December 31, 2009”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to disclosures after the date of the
5 enactment of this Act.

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