

110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4839

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## AN ACT

To amend the Internal Revenue Code of 1986 to make technical corrections, and for other purposes.

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

1 **SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE;**  
 2 **TABLE OF CONTENTS.**

3 (a) **SHORT TITLE.**—This Act may be cited as the  
 4 “Tax Technical Corrections Act of 2007”.

5 (b) **AMENDMENT OF 1986 CODE.**—Except as other-  
 6 wise expressly provided, whenever in this Act an amend-  
 7 ment or repeal is expressed in terms of an amendment  
 8 to, or repeal of, a section or other provision, the reference  
 9 shall be considered to be made to a section or other provi-  
 10 sion of the Internal Revenue Code of 1986.

11 (c) **TABLE OF CONTENTS.**—The table of contents of  
 12 this Act is as follows:

- Sec. 1. Short title; amendment of 1986 Code; table of contents.
- Sec. 2. Amendment related to the Tax Relief and Health Care Act of 2006.
- Sec. 3. Amendments related to title XII of the Pension Protection Act of 2006.
- Sec. 4. Amendments related to the Tax Increase Prevention and Reconciliation Act of 2005.
- Sec. 5. Amendments related to the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users.
- Sec. 6. Amendments related to the Energy Policy Act of 2005.
- Sec. 7. Amendments related to the American Jobs Creation Act of 2004.
- Sec. 8. Amendments related to the Economic Growth and Tax Relief Reconciliation Act of 2001.
- Sec. 9. Amendments related to the Tax Relief Extension Act of 1999.
- Sec. 10. Amendment related to the Internal Revenue Service Restructuring and Reform Act of 1998.
- Sec. 11. Clerical corrections.

13 **SEC. 2. AMENDMENT RELATED TO THE TAX RELIEF AND**  
 14 **HEALTH CARE ACT OF 2006.**

15 (a) **AMENDMENT RELATED TO SECTION 402 OF DI-**  
 16 **VISION A OF THE ACT.**—Subparagraph (A) of section  
 17 53(e)(2) is amended to read as follows:



1 paragraph (2)(A) for purposes of determining the inclu-  
2 sion of such distribution under section 72” and inserting  
3 “all amounts in all individual retirement plans of the indi-  
4 vidual were distributed during such taxable year and all  
5 such plans were treated as 1 contract for purposes of de-  
6 termining under section 72 the aggregate amount which  
7 would have been so includible”.

8 (b) AMENDMENT RELATED TO SECTION 1203 OF  
9 THE ACT.—Subsection (d) of section 1366 is amended by  
10 adding at the end the following new paragraph:

11 “(4) APPLICATION OF LIMITATION ON CHARI-  
12 TABLE CONTRIBUTIONS.—In the case of any chari-  
13 table contribution of property to which the second  
14 sentence of section 1367(a)(2) applies, paragraph  
15 (1) shall not apply to the extent of the excess (if  
16 any) of—

17 “(A) the shareholder’s pro rata share of  
18 such contribution, over

19 “(B) the shareholder’s pro rata share of  
20 the adjusted basis of such property.”.

21 (c) AMENDMENT RELATED TO SECTION 1215 OF  
22 THE ACT.—Subclause (I) of section 170(e)(7)(D)(i) is  
23 amended by striking “related” and inserting “substantial  
24 and related”.

1 (d) AMENDMENTS RELATED TO SECTION 1218 OF  
2 THE ACT.—

3 (1) Section 2055 is amended by striking sub-  
4 section (g) and by redesignating subsection (h) as  
5 subsection (g).

6 (2) Subsection (e) of section 2522 is amend-  
7 ed—

8 (A) by striking paragraphs (2) and (4),

9 (B) by redesignating paragraph (3) as  
10 paragraph (2), and

11 (C) by adding at the end of paragraph (2),  
12 as so redesignated, the following new subpara-  
13 graph:

14 “(C) INITIAL FRACTIONAL CONTRIBU-  
15 TION.—For purposes of this paragraph, the  
16 term ‘initial fractional contribution’ means,  
17 with respect to any donor, the first gift of an  
18 undivided portion of the donor’s entire interest  
19 in any tangible personal property for which a  
20 deduction is allowed under subsection (a) or  
21 (b).”.

22 (e) AMENDMENTS RELATED TO SECTION 1219 OF  
23 THE ACT.—

24 (1) Paragraph (2) of section 6695A(a) is  
25 amended by inserting “a substantial estate or gift

1 tax valuation understatement (within the meaning of  
2 section 6662(g)),” before “or a gross valuation  
3 misstatement”.

4 (2) Paragraph (1) of section 6696(d) is amend-  
5 ed by striking “or under section 6695” and inserting  
6 “, section 6695, or 6695A”.

7 (f) AMENDMENT RELATED TO SECTION 1221 OF THE  
8 ACT.—Subparagraph (A) of section 4940(c)(4) is amend-  
9 ed to read as follows:

10 “(A) There shall not be taken into account  
11 any gain or loss from the sale or other disposi-  
12 tion of property to the extent that such gain or  
13 loss is taken into account for purposes of com-  
14 puting the tax imposed by section 511.”.

15 (g) AMENDMENT RELATED TO SECTION 1225 OF  
16 THE ACT.—

17 (1) Subsection (b) of section 6104 is amend-  
18 ed—

19 (A) by striking “INFORMATION” in the  
20 heading, and

21 (B) by adding at the end the following:

22 “Any annual return which is filed under section  
23 6011 by an organization described in section  
24 501(c)(3) and which relates to any tax imposed  
25 by section 511 (relating to imposition of tax on

1 unrelated business income of charitable, etc.,  
2 organizations) shall be treated for purposes of  
3 this subsection in the same manner as if fur-  
4 nished under section 6033.”.

5 (2) Clause (ii) of section 6104(d)(1)(A) is  
6 amended to read as follows:

7 “(ii) any annual return which is filed  
8 under section 6011 by an organization de-  
9 scribed in section 501(c)(3) and which re-  
10 lates to any tax imposed by section 511  
11 (relating to imposition of tax on unrelated  
12 business income of charitable, etc., organi-  
13 zations),”.

14 (3) Paragraph (2) of section 6104(d) is amend-  
15 ed by striking “section 6033” and inserting “section  
16 6011 or 6033”.

17 (h) AMENDMENT RELATED TO SECTION 1231 OF  
18 THE ACT.—Subsection (b) of section 4962 is amended by  
19 striking “or D” and inserting “D, or G”.

20 (i) AMENDMENT RELATED TO SECTION 1242 OF THE  
21 ACT.—

22 (1) Subclause (II) of section 4958(c)(3)(A)(i) is  
23 amended by striking “paragraph (1), (2), or (4) of  
24 section 509(a)” and inserting “subparagraph  
25 (C)(ii)”.

1           (2) Clause (ii) of section 4958(c)(3)(C) is  
2 amended to read as follows:

3                   “(ii) EXCEPTION.—Such term shall  
4 not include—

5                           “(I) any organization described  
6 in paragraph (1), (2), or (4) of section  
7 509(a), and

8                           “(II) any organization which is  
9 treated as described in such para-  
10 graph (2) by reason of the last sen-  
11 tence of section 509(a) and which is a  
12 supported organization (as defined in  
13 section 509(f)(3)) of the organization  
14 to which subparagraph (A) applies.”.

15       (j) EFFECTIVE DATE.—The amendments made by  
16 this section shall take effect as if included in the provisions  
17 of the Pension Protection Act of 2006 to which they re-  
18 late.

19 **SEC. 4. AMENDMENTS RELATED TO THE TAX INCREASE**  
20 **PREVENTION AND RECONCILIATION ACT OF**  
21 **2005.**

22       (a) AMENDMENTS RELATED TO SECTION 103 OF  
23 THE ACT.—Paragraph (6) of section 954(c) is amended  
24 by redesignating subparagraph (B) as subparagraph (C)

1 and inserting after subparagraph (A) the following new  
2 subparagraph:

3           “(B) EXCEPTION.—Subparagraph (A)  
4 shall not apply in the case of any interest, rent,  
5 or royalty to the extent such interest, rent, or  
6 royalty creates (or increases) a deficit which  
7 under section 952(c) may reduce the subpart F  
8 income of the payor or another controlled for-  
9 eign corporation.”.

10       (b) AMENDMENTS RELATED TO SECTION 202 OF  
11 THE ACT.—

12           (1) Subparagraph (A) of section 355(b)(2) is  
13 amended to read as follows:

14           “(A) it is engaged in the active conduct of  
15 a trade or business,”.

16           (2) Paragraph (3) of section 355(b) is amended  
17 to read as follows:

18           “(3) SPECIAL RULES FOR DETERMINING AC-  
19 TIVE CONDUCT IN THE CASE OF AFFILIATED  
20 GROUPS.—

21           “(A) IN GENERAL.—For purposes of deter-  
22 mining whether a corporation meets the re-  
23 quirements of paragraph (2)(A), all members of  
24 such corporation’s separate affiliated group  
25 shall be treated as one corporation.

1           “(B) SEPARATE AFFILIATED GROUP.—For  
2 purposes of this paragraph, the term ‘separate  
3 affiliated group’ means, with respect to any cor-  
4 poration, the affiliated group which would be  
5 determined under section 1504(a) if such cor-  
6 poration were the common parent and section  
7 1504(b) did not apply.

8           “(C) TREATMENT OF TRADE OR BUSINESS  
9 CONDUCTED BY ACQUIRED MEMBER.—If a cor-  
10 poration became a member of a separate affili-  
11 ated group as a result of one or more trans-  
12 actions in which gain or loss was recognized in  
13 whole or in part, any trade or business con-  
14 ducted by such corporation (at the time that  
15 such corporation became such a member) shall  
16 be treated for purposes of paragraph (2) as ac-  
17 quired in a transaction in which gain or loss  
18 was recognized in whole or in part.

19           “(D) REGULATIONS.—The Secretary shall  
20 prescribe such regulations as are necessary or  
21 appropriate to carry out the purposes of this  
22 paragraph, including regulations which provide  
23 for the proper application of subparagraphs  
24 (B), (C), and (D) of paragraph (2), and modify  
25 the application of subsection (a)(3)(B), in con-

1           nection with the application of this para-  
2           graph.”.

3           (3) The Internal Revenue Code of 1986 shall be  
4           applied and administered as if the amendments  
5           made by section 202 of the Tax Increase Prevention  
6           and Reconciliation Act of 2005 and by section 410  
7           of division A of the Tax Relief and Health Care Act  
8           of 2006 had never been enacted.

9           (c) AMENDMENT RELATED TO SECTION 515 OF THE  
10          ACT.—Subsection (f) of section 911 is amended to read  
11          as follows:

12          “(f) DETERMINATION OF TAX LIABILITY.—

13                 “(1) IN GENERAL.—If, for any taxable year,  
14                 any amount is excluded from gross income of a tax-  
15                 payer under subsection (a), then, notwithstanding  
16                 sections 1 and 55—

17                         “(A) if such taxpayer has taxable income  
18                         for such taxable year, the tax imposed by sec-  
19                         tion 1 for such taxable year shall be equal to  
20                         the excess (if any) of—

21                                 “(i) the tax which would be imposed  
22                                 by section 1 for such taxable year if the  
23                                 taxpayer’s taxable income were increased  
24                                 by the amount excluded under subsection  
25                                 (a) for such taxable year, over

1           “(ii) the tax which would be imposed  
2           by section 1 for such taxable year if the  
3           taxpayer’s taxable income were equal to  
4           the amount excluded under subsection (a)  
5           for such taxable year, and

6           “(B) if such taxpayer has a taxable excess  
7           (as defined in section 55(b)(1)(A)(ii)) for such  
8           taxable year, the amount determined under the  
9           first sentence of section 55(b)(1)(A)(i) for such  
10          taxable year shall be equal to the excess (if any)  
11          of—

12           “(i) the amount which would be deter-  
13          mined under such sentence for such tax-  
14          able year (subject to the limitation of sec-  
15          tion 55(b)(3)) if the taxpayer’s taxable ex-  
16          cess (as so defined) were increased by the  
17          amount excluded under subsection (a) for  
18          such taxable year, over

19           “(ii) the amount which would be de-  
20          termined under such sentence for such tax-  
21          able year if the taxpayer’s taxable excess  
22          (as so defined) were equal to the amount  
23          excluded under subsection (a) for such tax-  
24          able year.

25           “(2) SPECIAL RULES.—

1           “(A) REGULAR TAX.—In applying section  
2 1(h) for purposes of determining the tax under  
3 paragraph (1)(A)(i) for any taxable year in  
4 which, without regard to this subsection, the  
5 taxpayer’s net capital gain exceeds taxable in-  
6 come (hereafter in this subparagraph referred  
7 to as the capital gain excess)—

8           “(i) the taxpayer’s net capital gain  
9 (determined without regard to section  
10 1(h)(11)) shall be reduced (but not below  
11 zero) by such capital gain excess,

12           “(ii) the taxpayer’s qualified dividend  
13 income shall be reduced by so much of  
14 such capital gain excess as exceeds the tax-  
15 payer’s net capital gain (determined with-  
16 out regard to section 1(h)(11) and the re-  
17 duction under clause (i)), and

18           “(iii) adjusted net capital gain,  
19 unrecaptured section 1250 gain, and 28-  
20 percent rate gain shall each be determined  
21 after increasing the amount described in  
22 section 1(h)(4)(B) by such capital gain ex-  
23 cess.

24           “(B) ALTERNATIVE MINIMUM TAX.—In  
25 applying section 55(b)(3) for purposes of deter-

1 mining the tax under paragraph (1)(B)(i) for  
2 any taxable year in which, without regard to  
3 this subsection, the taxpayer's net capital gain  
4 exceeds the taxable excess (as defined in section  
5 55(b)(1)(A)(ii))—

6 “(i) the rules of subparagraph (A)  
7 shall apply, except that such subparagraph  
8 shall be applied by substituting ‘the tax-  
9 able excess (as defined in section  
10 55(b)(1)(A)(ii))’ for ‘taxable income’, and

11 “(ii) the reference in section  
12 55(b)(3)(B) to the excess described in sec-  
13 tion 1(h)(1)(B) shall be treated as a ref-  
14 erence to such excess as determined under  
15 the rules of subparagraph (A) for purposes  
16 of determining the tax under paragraph  
17 (1)(A)(i).

18 “(C) DEFINITIONS.—Terms used in this  
19 paragraph which are also used in section 1(h)  
20 shall have the respective meanings given such  
21 terms by section 1(h), except that in applying  
22 subparagraph (B) the adjustments under part  
23 VI of subchapter A shall be taken into ac-  
24 count.”.

25 (d) EFFECTIVE DATE.—

1           (1) IN GENERAL.—Except as otherwise pro-  
2           vided in this subsection, the amendments made by  
3           this section shall take effect as if included in the  
4           provisions of the Tax Increase Prevention and Rec-  
5           onciliation Act of 2005 to which they relate.

6           (2) MODIFICATION OF ACTIVE BUSINESS DEFINI-  
7           TION UNDER SECTION 355.—

8           (A) IN GENERAL.—Except as otherwise  
9           provided in this paragraph, the amendments  
10          made by subsection (b) shall apply to distribu-  
11          tions made after May 17, 2006.

12          (B) TRANSITION RULE.—The amendments  
13          made by subsection (b) shall not apply to any  
14          distribution pursuant to a transaction which  
15          is—

16               (i) made pursuant to an agreement  
17               which was binding on May 17, 2006, and  
18               at all times thereafter,

19               (ii) described in a ruling request sub-  
20               mitted to the Internal Revenue Service on  
21               or before such date, or

22               (iii) described on or before such date  
23               in a public announcement or in a filing  
24               with the Securities and Exchange Commis-  
25               sion.

1           (C) ELECTION OUT OF TRANSITION  
2           RULE.—Subparagraph (B) shall not apply if  
3           the distributing corporation elects not to have  
4           such subparagraph apply to distributions of  
5           such corporation. Any such election, once made,  
6           shall be irrevocable.

7           (D) SPECIAL RULE FOR CERTAIN PRE-EN-  
8           ACTMENT DISTRIBUTIONS.—For purposes of  
9           determining the continued qualification under  
10          section 355(b)(2)(A) of the Internal Revenue  
11          Code of 1986 of distributions made on or before  
12          May 17, 2006, as a result of an acquisition, dis-  
13          position, or other restructuring after such date,  
14          such distribution shall be treated as made on  
15          the date of such acquisition, disposition, or re-  
16          structuring for purposes of applying subpara-  
17          graphs (A) through (C) of this paragraph. The  
18          preceding sentence shall only apply with respect  
19          to the corporation that undertakes such acquisi-  
20          tion, disposition, or other restructuring, and  
21          only if such application results in continued  
22          qualification under section 355(b)(2)(A) of such  
23          Code.

24          (3) AMENDMENT RELATED TO SECTION 515 OF  
25          THE ACT.—The amendment made by subsection (c)

1 shall apply to taxable years beginning after Decem-  
2 ber 31, 2006.

3 **SEC. 5. AMENDMENTS RELATED TO THE SAFE, ACCOUNT-**  
4 **ABLE, FLEXIBLE, EFFICIENT TRANSPOR-**  
5 **TATION EQUITY ACT: A LEGACY FOR USERS.**

6 (a) AMENDMENTS RELATED TO SECTION 11113 OF  
7 THE ACT.—

8 (1) Paragraph (3) of section 6427(i) is amend-  
9 ed—

10 (A) by inserting “or under subsection  
11 (e)(2) by any person with respect to an alter-  
12 native fuel (as defined in section 6426(d)(2))”  
13 after “section 6426” in subparagraph (A),

14 (B) by inserting “or (e)(2)” after “sub-  
15 section (e)(1)” in subparagraphs (A)(i) and  
16 (B), and

17 (C) by striking “ALCOHOL FUEL AND BIO-  
18 DIESEL MIXTURE CREDIT” and inserting “MIX-  
19 TURE CREDITS AND THE ALTERNATIVE FUEL  
20 CREDIT” in the heading thereof.

21 (2) Subparagraph (F) of section 6426(d)(2) is  
22 amended by striking “hydrocarbons” and inserting  
23 “fuel”.

24 (3) Section 6426 is amended by adding at the  
25 end the following new subsection:



1 during the taxable year at a location shall not  
2 exceed—”.

3           (2) Subsection (c) of section 30C is amended to  
4 read as follows:

5           “(c) QUALIFIED ALTERNATIVE FUEL VEHICLE RE-  
6 FUELING PROPERTY.—For purposes of this section, the  
7 term ‘qualified alternative fuel vehicle refueling property’  
8 has the same meaning as the term ‘qualified clean-fuel ve-  
9 hicle refueling property’ would have under section 179A  
10 if—

11           “(1) paragraph (1) of section 179A(d) did not  
12 apply to property installed on property which is used  
13 as the principal residence (within the meaning of  
14 section 121) of the taxpayer, and

15           “(2) only the following were treated as clean-  
16 burning fuels for purposes of section 179A(d):

17           “(A) Any fuel at least 85 percent of the  
18 volume of which consists of one or more of the  
19 following: ethanol, natural gas, compressed nat-  
20 ural gas, liquified natural gas, liquefied petro-  
21 leum gas, or hydrogen.

22           “(B) Any mixture—

23           “(i) which consists of two or more of  
24 the following: biodiesel (as defined in sec-

1           tion 40A(d)(1)), diesel fuel (as defined in  
2           section 4083(a)(3)), or kerosene, and

3                   “(ii) at least 20 percent of the volume  
4           of which consists of biodiesel (as so de-  
5           fined) determined without regard to any  
6           kerosene in such mixture.”.

7           (c) AMENDMENTS RELATED TO SECTION 1351 OF  
8 THE ACT.—

9           (1) Paragraph (3) of section 41(a) is amended  
10          by inserting “for energy research” before the period  
11          at the end.

12          (2) Paragraph (6) of section 41(f) is amended  
13          by adding at the end the following new subpara-  
14          graph:

15                   “(E) ENERGY RESEARCH.—The term ‘en-  
16          ergy research’ does not include any research  
17          which is not qualified research.”.

18          (d) AMENDMENTS RELATED TO SECTION 1362 OF  
19 THE ACT.—

20          (1)(A) Paragraph (1) of section 4041(d) is  
21          amended by adding at the end the following new  
22          sentence: “No tax shall be imposed under the pre-  
23          ceding sentence on the sale or use of any liquid if  
24          tax was imposed with respect to such liquid under

1 section 4081 at the Leaking Underground Storage  
2 Tank Trust Fund financing rate.”.

3 (B) Paragraph (3) of section 4042(b) is amend-  
4 ed to read as follows:

5 “(3) EXCEPTION FOR FUEL ON WHICH LEAK-  
6 ING UNDERGROUND STORAGE TANK TRUST FUND FI-  
7 NANCING RATE SEPARATELY IMPOSED.—The Leak-  
8 ing Underground Storage Tank Trust Fund financ-  
9 ing rate under paragraph (2)(B) shall not apply to  
10 the use of any fuel if tax was imposed with respect  
11 to such fuel under section 4041(d) or 4081 at the  
12 Leaking Underground Storage Tank Trust Fund fi-  
13 nancing rate.”.

14 (C) Notwithstanding section 6430 of the Inter-  
15 nal Revenue Code of 1986, a refund, credit, or pay-  
16 ment may be made under subchapter B of chapter  
17 65 of such Code for taxes imposed with respect to  
18 any liquid after September 30, 2005, and before the  
19 date of the enactment of this Act under section  
20 4041(d)(1) or 4042 of such Code at the Leaking  
21 Underground Storage Tank Trust Fund financing  
22 rate to the extent that tax was imposed with respect  
23 to such liquid under section 4081 at the Leaking  
24 Underground Storage Tank Trust Fund financing  
25 rate.

1           (2)(A) Paragraph (5) of section 4041(d) is  
2 amended—

3           (i) by striking “(other than with respect to  
4 any sale for export under paragraph (3) there-  
5 of)”, and

6           (ii) by adding at the end the following new  
7 sentence: “The preceding sentence shall not  
8 apply with respect to subsection (g)(3) and so  
9 much of subsection (g)(1) as relates to vessels  
10 (within the meaning of section 4221(d)(3)) em-  
11 ployed in foreign trade or trade between the  
12 United States and any of its possessions.”.

13       (B) Section 4082 is amended—

14           (i) by striking “(other than such tax at the  
15 Leaking Underground Storage Tank Trust  
16 Fund financing rate imposed in all cases other  
17 than for export)” in subsection (a), and

18           (ii) by redesignating subsections (f) and  
19 (g) as subsections (g) and (h), respectively, and  
20 by inserting after subsection (e) the following  
21 new subsection:

22       “(f) EXCEPTION FOR LEAKING UNDERGROUND  
23 STORAGE TANK TRUST FUND FINANCING RATE.—

24           “(1) IN GENERAL.—Subsection (a) shall not  
25 apply to the tax imposed under section 4081 at the

1 Leaking Underground Storage Tank Trust Fund fi-  
2 nancing rate.

3 “(2) EXCEPTION FOR EXPORT, ETC.—Para-  
4 graph (1) shall not apply with respect to any fuel if  
5 the Secretary determines that such fuel is destined  
6 for export or for use by the purchaser as supplies for  
7 vessels (within the meaning of section 4221(d)(3))  
8 employed in foreign trade or trade between the  
9 United States and any of its possessions.”.

10 (C) Subsection (e) of section 4082 is amend-  
11 ed—

12 (i) by striking “an aircraft, the rate of tax  
13 under section 4081(a)(2)(A)(iii) shall be zero.”  
14 and inserting “an aircraft—

15 “(1) the rate of tax under section  
16 4081(a)(2)(A)(iii) shall be zero, and

17 “(2) if such aircraft is employed in foreign  
18 trade or trade between the United States and any of  
19 its possessions, the increase in such rate under sec-  
20 tion 4081(a)(2)(B) shall be zero.”; and

21 (ii) by moving the last sentence flush with  
22 the margin of such subsection (following the  
23 paragraph (2) added by clause (i)).

24 (D) Section 6430 is amended to read as follows:

1 **“SEC. 6430. TREATMENT OF TAX IMPOSED AT LEAKING UN-**  
2 **DERGROUND STORAGE TANK TRUST FUND**  
3 **FINANCING RATE.**

4 “No refunds, credits, or payments shall be made  
5 under this subchapter for any tax imposed at the Leaking  
6 Underground Storage Tank Trust Fund financing rate,  
7 except in the case of fuels—

8 “(1) which are exempt from tax under section  
9 4081(a) by reason of section 4082(f)(2),

10 “(2) which are exempt from tax under section  
11 4041(d) by reason of the last sentence of paragraph  
12 (5) thereof, or

13 “(3) with respect to which the rate increase  
14 under section 4081(a)(2)(B) is zero by reason of  
15 section 4082(e)(2).”.

16 (3) Paragraph (5) of section 4041(d) is amend-  
17 ed by inserting “(b)(1)(A),” after “subsections”.

18 (e) EFFECTIVE DATE.—

19 (1) IN GENERAL.—Except as otherwise pro-  
20 vided in this subsection, the amendments made by  
21 this section shall take effect as if included in the  
22 provisions of the Energy Policy Act of 2005 to which  
23 they relate.

24 (2) NONAPPLICATION OF EXEMPTION FOR OFF-  
25 HIGHWAY BUSINESS USE.—The amendment made by

1 subsection (d)(3) shall apply to fuel sold for use or  
2 used after the date of the enactment of this Act.

3 (3) AMENDMENT MADE BY THE SAFETEA-  
4 LU.—The amendment made by subsection  
5 (d)(2)(C)(ii) shall take effect as if included in sec-  
6 tion 11161 of the SAFETEA-LU.

7 **SEC. 7. AMENDMENTS RELATED TO THE AMERICAN JOBS**  
8 **CREATION ACT OF 2004.**

9 (a) AMENDMENTS RELATED TO SECTION 339 OF  
10 THE ACT.—

11 (1)(A) Section 45H is amended by striking sub-  
12 section (d) and by redesignating subsections (e), (f),  
13 and (g) as subsections (d), (e), and (f), respectively.

14 (B) Subsection (d) of section 280C is amended  
15 to read as follows:

16 “(d) CREDIT FOR LOW SULFUR DIESEL FUEL PRO-  
17 Duction.—The deductions otherwise allowed under this  
18 chapter for the taxable year shall be reduced by the  
19 amount of the credit determined for the taxable year  
20 under section 45H(a).”.

21 (C) Subsection (a) of section 1016 is amended  
22 by striking paragraph (31) and by redesignating  
23 paragraphs (32) through (37) as paragraphs (31)  
24 through (36), respectively.

1           (2)(A) Section 45H, as amended by paragraph  
2           (1), is amended by adding at the end the following  
3           new subsection:

4           “(g) ELECTION TO NOT TAKE CREDIT.—No credit  
5           shall be determined under subsection (a) for the taxable  
6           year if the taxpayer elects not to have subsection (a) apply  
7           to such taxable year.”.

8           (B) Subsection (m) of section 6501 is amended  
9           by inserting “45H(g),” after “45C(d)(4),”.

10          (3)(A) Subsections (b)(1)(A), (c)(2), (e)(1), and  
11          (e)(2) of section 45H (as amended by paragraph  
12          (1)) and section 179B(a) are each amended by strik-  
13          ing “qualified capital costs” and inserting “qualified  
14          costs”.

15          (B) The heading of paragraph (2) of section  
16          45H(c) is amended by striking “CAPITAL”.

17          (C) Subsection (a) of section 179B is amended  
18          by inserting “and which are properly chargeable to  
19          capital account” before the period at the end.

20          (b) AMENDMENTS RELATED TO SECTION 710 OF  
21          THE ACT.—

22          (1) Clause (ii) of section 45(c)(3)(A) is amend-  
23          ed by striking “which is segregated from other waste  
24          materials and”.

1           (2) Subparagraph (B) of section 45(d)(2) is  
2           amended by inserting “and” at the end of clause (i),  
3           by striking clause (ii), and by redesignating clause  
4           (iii) as clause (ii).

5           (c) AMENDMENTS RELATED TO SECTION 848 OF  
6 THE ACT.—

7           (1) Paragraph (2) of section 470(c) is amended  
8           to read as follows:

9           “(2) TAX-EXEMPT USE PROPERTY.—

10           “(A) IN GENERAL.—The term ‘tax-exempt  
11           use property’ has the meaning given to such  
12           term by section 168(h), except that such section  
13           shall be applied—

14           “(i) without regard to paragraphs  
15           (1)(C) and (3) thereof, and

16           “(ii) as if section 197 intangible prop-  
17           erty (as defined in section 197), and prop-  
18           erty described in paragraph (1)(B) or (2)  
19           of section 167(f), were tangible property.

20           “(B) EXCEPTION FOR PARTNERSHIPS.—

21           Such term shall not include any property which  
22           would (but for this subparagraph) be tax-ex-  
23           empt use property solely by reason of section  
24           168(h)(6).

1           “(C) CROSS REFERENCE.—For treatment  
2           of partnerships as leases to which section  
3           168(h) applies, see section 7701(e).”.

4           (2) Subparagraph (A) of section 470(d)(1) is  
5           amended by striking “(at any time during the lease  
6           term)” and inserting “(at all times during the lease  
7           term)”.

8           (d) AMENDMENTS RELATED TO SECTION 888 OF  
9           THE ACT.—

10           (1) Subparagraph (A) of section 1092(a)(2) is  
11           amended by striking “and” at the end of clause (ii),  
12           by redesignating clause (iii) as clause (iv), and by in-  
13           serting after clause (ii) the following new clause:

14                   “(iii) if the application of clause (ii)  
15                   does not result in an increase in the basis  
16                   of any offsetting position in the identified  
17                   straddle, the basis of each of the offsetting  
18                   positions in the identified straddle shall be  
19                   increased in a manner which—

20                           “(I) is reasonable, consistent  
21                           with the purposes of this paragraph,  
22                           and consistently applied by the tax-  
23                           payer, and

24                           “(II) results in an aggregate in-  
25                           crease in the basis of such offsetting

1 positions which is equal to the loss de-  
2 scribed in clause (ii), and”.

3 (2)(A) Subparagraph (B) of section 1092(a)(2)  
4 is amended by adding at the end the following flush  
5 sentence:

6 “A straddle shall be treated as clearly identified  
7 for purposes of clause (i) only if such identifica-  
8 tion includes an identification of the positions  
9 in the straddle which are offsetting with respect  
10 other positions in the straddle.”.

11 (B) Subparagraph (A) of section 1092(a)(2) is  
12 amended—

13 (i) by striking “identified positions” in  
14 clause (i) and inserting “positions”,

15 (ii) by striking “identified position” in  
16 clause (ii) and inserting “position”, and

17 (iii) by striking “identified offsetting posi-  
18 tions” in clause (ii) and inserting “offsetting  
19 positions”.

20 (C) Subparagraph (B) of section 1092(a)(3) is  
21 amended by striking “identified offsetting position”  
22 and inserting “offsetting position”.

23 (3) Paragraph (2) of section 1092(a) is amend-  
24 ed by redesignating subparagraph (C) as subpara-

1 graph (D) and inserting after subparagraph (B) the  
2 following new subparagraph:

3 “(C) APPLICATION TO LIABILITIES AND  
4 OBLIGATIONS.—Except as otherwise provided  
5 by the Secretary, rules similar to the rules of  
6 clauses (ii) and (iii) of subparagraph (A) shall  
7 apply for purposes of this paragraph with re-  
8 spect to any position which is, or has been, a  
9 liability or obligation.”.

10 (4) Subparagraph (D) of section 1092(a)(2), as  
11 redesignated by paragraph (3), is amended by in-  
12 sserting “the rules for the application of this section  
13 to a position which is or has been a liability or obli-  
14 gation, methods of loss allocation which satisfy the  
15 requirements of subparagraph (A)(iii),” before “and  
16 the ordering rules”.

17 (e) EFFECTIVE DATE.—

18 (1) IN GENERAL.—Except as otherwise pro-  
19 vided in this subsection, the amendments made by  
20 this section shall take effect as if included in the  
21 provisions of the American Jobs Creation Act of  
22 2004 to which they relate.

23 (2) IDENTIFICATION REQUIREMENT OF AMEND-  
24 MENT RELATED TO SECTION 888 OF THE AMERICAN  
25 JOBS CREATION ACT OF 2004.—The amendment

1 made by subsection (d)(2)(A) shall apply to strad-  
2 dles acquired after the date of the enactment of this  
3 Act.

4 **SEC. 8. AMENDMENTS RELATED TO THE ECONOMIC**  
5 **GROWTH AND TAX RELIEF RECONCILIATION**  
6 **ACT OF 2001.**

7 (a) AMENDMENTS RELATED TO SECTION 617 OF  
8 THE ACT.—

9 (1) Subclause (II) of section 402(g)(7)(A)(ii) is  
10 amended by striking “for prior taxable years” and  
11 inserting “permitted for prior taxable years by rea-  
12 son of this paragraph”.

13 (2) Subparagraph (A) of section 3121(v)(1) is  
14 amended by inserting “or consisting of designated  
15 Roth contributions (as defined in section 402A(c))”  
16 before the comma at the end.

17 (b) EFFECTIVE DATE.—The amendments made by  
18 this section shall take effect as if included in the provisions  
19 of the Economic Growth and Tax Relief Reconciliation Act  
20 of 2001 to which they relate.

21 **SEC. 9. AMENDMENTS RELATED TO THE TAX RELIEF EX-**  
22 **TENSION ACT OF 1999.**

23 (a) AMENDMENT RELATED TO SECTION 507 OF THE  
24 ACT.—Clause (i) of section 45(e)(7)(A) is amended by

1 striking “placed in service by the taxpayer” and inserting  
2 “originally placed in service”.

3 (b) AMENDMENT RELATED TO SECTION 542 OF THE  
4 ACT.—Clause (ii) of section 856(d)(9)(D) is amended to  
5 read as follows:

6 “(ii) LODGING FACILITY.—The term  
7 ‘lodging facility’ means a—  
8 (I) hotel,  
9 (II) motel, or  
10 (III) other establishment more  
11 than one-half of the dwelling units in  
12 which are used on a transient basis.”.

13 (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall take effect as if included in the provisions  
15 of the Tax Relief Extension Act of 1999 to which they  
16 relate.

17 **SEC. 10. AMENDMENT RELATED TO THE INTERNAL REV-**  
18 **ENUE SERVICE RESTRUCTURING AND RE-**  
19 **FORM ACT OF 1998.**

20 (a) AMENDMENT RELATED TO SECTION 3509 OF  
21 THE ACT.—Paragraph (3) of section 6110(i) is amended  
22 by inserting “and related background file documents”  
23 after “Chief Counsel advice” in the matter preceding sub-  
24 paragraph (A).

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall take effect as if included in the provision  
3 of the Internal Revenue Service Restructuring and Reform  
4 Act of 1998 to which it relates.

5 **SEC. 11. CLERICAL CORRECTIONS.**

6 (a) IN GENERAL.—

7 (1) Paragraph (5) of section 21(e) is amended  
8 by striking “section 152(e)(3)(A)” in the flush mat-  
9 ter after subparagraph (B) and inserting “section  
10 152(e)(4)(A)”.

11 (2) Paragraph (3) of section 25C(e) is amended  
12 by striking “section 3280” and inserting “part  
13 3280”.

14 (3) Paragraph (2) of section 26(b) is amended  
15 by redesignating subparagraphs (S) and (T) as sub-  
16 paragraphs (U) and (V), respectively, and by insert-  
17 ing after subparagraph (R) the following new sub-  
18 paragraphs:

19 “(S) sections 106(e)(3)(A)(ii),  
20 223(b)(8)(B)(i)(II), and 408(d)(9)(D)(i)(II)  
21 (relating to certain failures to maintain high de-  
22 ductible health plan coverage),

23 “(T) section 170(o)(3)(B) (relating to re-  
24 capture of certain deductions for fractional  
25 gifts),”.

1 (4) Subsection (a) of section 34 is amended—

2 (A) in paragraph (1), by striking “with re-  
3 spect to gasoline used during the taxable year  
4 on a farm for farming purposes”,

5 (B) in paragraph (2), by striking “with re-  
6 spect to gasoline used during the taxable year

7 (A) otherwise than as a fuel in a highway vehi-  
8 cle or (B) in vehicles while engaged in fur-  
9 nishing certain public passenger land transpor-  
10 tation service”, and

11 (C) in paragraph (3), by striking “with re-  
12 spect to fuels used for nontaxable purposes or  
13 resold during the taxable year”.

14 (5) Paragraph (2) of section 35(d) is amend-  
15 ed—

16 (A) by striking “paragraph (2) or (4) of”,  
17 and

18 (B) by striking “(within the meaning of  
19 section 152(e)(1))” and inserting “(as defined  
20 in section 152(e)(4)(A))”.

21 (6) Subsection (b) of section 38 is amended—

22 (A) by striking “and” each place it ap-  
23 pears at the end of any paragraph,

24 (B) by striking “plus” each place it ap-  
25 pears at the end of any paragraph, and

1 (C) by inserting “plus” at the end of para-  
2 graph (30).

3 (7) Paragraphs (2) and (3) of section 45L(c)  
4 are each amended by striking “section 3280” and  
5 inserting “part 3280”.

6 (8) Subsection (c) of section 48 is amended by  
7 striking “subsection” in the text preceding para-  
8 graph (1) and inserting “section”.

9 (9) Paragraphs (1)(B) and (2)(B) of section  
10 48(c) are each amended by striking “paragraph (1)”  
11 and inserting “subsection (a)”.

12 (10) Clause (ii) of section 48A(d)(4)(B) is  
13 amended by striking “subsection” both places it ap-  
14 pears.

15 (11)(A) Paragraph (9) of section 121(d) is  
16 amended by adding at the end the following new  
17 subparagraph:

18 “(E) TERMINATION WITH RESPECT TO EM-  
19 PLOYEES OF INTELLIGENCE COMMUNITY.—  
20 Clause (iii) of subparagraph (A) shall not apply  
21 with respect to any sale or exchange after De-  
22 cember 31, 2010.”.

23 (B) Subsection (e) of section 417 of division A  
24 of the Tax Relief and Health Care Act of 2006 is  
25 amended by striking “and before January 1, 2011”.

1           (12) The last sentence of section 125(b)(2) is  
2 amended by striking “last sentence” and inserting  
3 “second sentence”.

4           (13) Subclause (II) of section 167(g)(8)(C)(ii)  
5 is amended by striking “section 263A(j)(2)” and in-  
6 serting “section 263A(i)(2)”.

7           (14)(A) Clause (vii) of section 170(b)(1)(A) is  
8 amended by striking “subparagraph (E)” and insert-  
9 ing “subparagraph (F)”.

10          (B) Clause (ii) of section 170(e)(1)(B) is  
11 amended by striking “subsection (b)(1)(E)” and in-  
12 serting “subsection (b)(1)(F)”.

13          (C) Clause (i) of section 1400S(a)(2)(A) is  
14 amended by striking “subparagraph (F)” and insert-  
15 ing “subparagraph (G)”.

16          (D) Subparagraph (A) of section 4942(i)(1) is  
17 amended by striking “section 170(b)(1)(E)(ii)” and  
18 inserting “section 170(b)(1)(F)(ii)”.

19          (15) Subclause (II) of section 170(e)(1)(B)(i) is  
20 amended by inserting “, but without regard to  
21 clause (ii) thereof” after “paragraph (7)(C)”.

22          (16)(A) Subparagraph (A) of section 170(o)(1)  
23 and subparagraph (A) of section 2522(e)(1) are  
24 each amended by striking “all interest in the prop-

1 erty is” and inserting “all interests in the property  
2 are”.

3 (B) Section 170(o)(3)(A)(i), and section  
4 2522(e)(2)(A)(i) (as redesignated by section  
5 3(d)(2)), are each amended—

6 (i) by striking “interest” and inserting “in-  
7 terests”, and

8 (ii) by striking “before” and inserting “on  
9 or before”.

10 (17)(A) Subparagraph (C) of section 852(b)(4)  
11 is amended to read as follows:

12 “(C) DETERMINATION OF HOLDING PERI-  
13 ODS.—For purposes of this paragraph, in deter-  
14 mining the period for which the taxpayer has  
15 held any share of stock—

16 “(i) the rules of paragraphs (3) and  
17 (4) of section 246(c) shall apply, and

18 “(ii) there shall not be taken into ac-  
19 count any day which is more than 6  
20 months after the date on which such share  
21 becomes ex-dividend.”.

22 (B) Subparagraph (B) of section 857(b)(8) is  
23 amended to read as follows:

24 “(B) DETERMINATION OF HOLDING PERI-  
25 ODS.—For purposes of this paragraph, in deter-

1 mining the period for which the taxpayer has  
2 held any share of stock or beneficial interest—

3 “(i) the rules of paragraphs (3) and  
4 (4) of section 246(c) shall apply, and

5 “(ii) there shall not be taken into ac-  
6 count any day which is more than 6  
7 months after the date on which such share  
8 or interest becomes ex-dividend.”.

9 (18) Paragraph (2) of section 856(l) is amend-  
10 ed by striking the last sentence and inserting the fol-  
11 lowing: “For purposes of subparagraph (B), securi-  
12 ties described in subsection (m)(2)(A) shall not be  
13 taken into account.”.

14 (19) Subparagraph (F) of section 954(c)(1) is  
15 amended to read as follows:

16 “(F) INCOME FROM NOTIONAL PRINCIPAL  
17 CONTRACTS.—

18 “(i) IN GENERAL.—Net income from  
19 notional principal contracts.

20 “(ii) COORDINATION WITH OTHER  
21 CATEGORIES OF FOREIGN PERSONAL  
22 HOLDING COMPANY INCOME.—Any item of  
23 income, gain, deduction, or loss from a no-  
24 tional principal contract entered into for  
25 purposes of hedging any item described in

1           any preceding subparagraph shall not be  
2           taken into account for purposes of this  
3           subparagraph but shall be taken into ac-  
4           count under such other subparagraph.”.

5           (20) Paragraph (1) of section 954(c) is amend-  
6           ed by redesignating subparagraph (I) as subpara-  
7           graph (H).

8           (21) Paragraph (33) of section 1016(a), as re-  
9           designated by section 7(a)(1)(C), is amended by  
10          striking “section 25C(e)” and inserting “section  
11          25C(f)”.

12          (22) Paragraph (36) of section 1016(a), as re-  
13          designated by section 7(a)(1)(C), is amended by  
14          striking “section 30C(f)” and inserting “section  
15          30C(e)(1)”.

16          (23) Subparagraph (G) of section 1260(c)(2) is  
17          amended by adding “and” at the end.

18          (24)(A) Section 1297 is amended by striking  
19          subsection (d) and by redesignating subsections (e)  
20          and (f) as subsections (d) and (e), respectively.

21          (B) Subparagraph (G) of section 1260(c)(2) is  
22          amended by striking “subsection (e)” and inserting  
23          “subsection (d)”.

1 (C) Subparagraph (B) of section 1298(a)(2) is  
2 amended by striking “Section 1297(e)” and insert-  
3 ing “Section 1297(d)”.

4 (25) Paragraph (1) of section 1362(f) is  
5 amended—

6 (A) by striking “, section  
7 1361(b)(3)(B)(ii), or section 1361(c)(1)(A)(ii)”  
8 and inserting “or section 1361(b)(3)(B)(ii)”,  
9 and

10 (B) by striking “, section 1361(b)(3)(C),  
11 or section 1361(c)(1)(D)(iii)” in subparagraph  
12 (B) and inserting “or section 1361(b)(3)(C)”.

13 (26) Paragraph (2) of section 1400O is amend-  
14 ed by striking “under of” and inserting “under”.

15 (27) The table of sections for part II of sub-  
16 chapter Y of chapter 1 is amended by adding at the  
17 end the following new item:

“Sec. 1400T. Special rules for mortgage revenue bonds.”.

18 (28) Subsection (b) of section 4082 is amended  
19 to read as follows:

20 “(b) NONTAXABLE USE.—For purposes of this sec-  
21 tion, the term ‘nontaxable use’ means—

22 “(1) any use which is exempt from the tax im-  
23 posed by section 4041(a)(1) other than by reason of  
24 a prior imposition of tax,

25 “(2) any use in a train, and

1           “(3) any use described in section  
2           4041(a)(1)(C)(iii)(II).

3           The term ‘nontaxable use’ does not include the use of ker-  
4           osene in an aircraft and such term shall not include any  
5           use described in section 6421(e)(2)(C).”.

6           (29) Paragraph (4) of section 4101(a) (relating  
7           to registration in event of change of ownership) is  
8           redesignated as paragraph (5).

9           (30) Paragraph (6) of section 4965(e) is  
10          amended by striking “section 4457(e)(1)(A)” and  
11          inserting “section 457(e)(1)(A)”.

12          (31) Subpart C of part II of subchapter A of  
13          chapter 51 is amended by redesignating section  
14          5432 (relating to recordkeeping by wholesale deal-  
15          ers) as section 5121.

16          (32) Paragraph (2) of section 5732(c), as re-  
17          designated by section 11125(b)(20)(A) of the  
18          SAFETEA-LU, is amended by striking “this sub-  
19          part” and inserting “this subchapter”.

20          (33) Subsection (b) of section 6046 is amend-  
21          ed—

22                  (A) by striking “subsection (a)(1)” and in-  
23          serting “subsection (a)(1)(A)”, and

1 (B) by striking “paragraph (2) or (3) of  
2 subsection (a)” and inserting “subparagraph  
3 (B) or (C) of subsection (a)(1)”.

4 (34)(A) Subparagraph (A) of section  
5 6103(b)(5) is amended by striking “the Canal  
6 Zone,”.

7 (B) Section 7651 is amended by striking para-  
8 graph (4) and by redesignating paragraph (5) as  
9 paragraph (4).

10 (35) Subparagraph (A) of section 6211(b)(4) is  
11 amended by striking “and 34” and inserting “34,  
12 and 35”.

13 (36) Subparagraphs (A) and (B) of section  
14 6230(a)(3) are each amended by striking “section  
15 6013(e)” and inserting “section 6015”.

16 (37) Paragraph (3) of section 6427(e) (relating  
17 to termination), as added by section 11113 of the  
18 SAFETEA-LU, is redesignated as paragraph (5)  
19 and moved after paragraph (4).

20 (38) Clause (ii) of section 6427(l)(4)(A) is  
21 amended by striking “section 4081(a)(2)(iii)” and  
22 inserting “section 4081(a)(2)(A)(iii)”.

23 (39)(A) Section 6427, as amended by section  
24 1343(b)(1) of the Energy Policy Act of 2005, is  
25 amended by striking subsection (p) (relating to gas-

1       ohol used in noncommercial aviation) and redesignig-  
2       nating subsection (q) as subsection (p).

3               (B) The Internal Revenue Code of 1986 shall  
4       be applied and administered as if the amendments  
5       made by paragraph (2) of section 11151(a) of the  
6       SAFETEA-LU had never been enacted.

7               (40) Subsection (a) of section 6695A is amend-  
8       ed by striking “then such person” in paragraph (2)  
9       and inserting the following:  
10      “then such person”.

11              (41) Subparagraph (C) of section 6707A(e)(2)  
12      is amended by striking “section 6662A(e)(2)(C)”  
13      and inserting “section 6662A(e)(2)(B)”.

14              (42)(A) Paragraph (3) of section 9002 is  
15      amended by striking “section 309(a)(1)” and insert-  
16      ing “section 306(a)(1)”.

17              (B) Paragraph (1) of section 9004(a) is amend-  
18      ed by striking “section 320(b)(1)(B)” and inserting  
19      “section 315(b)(1)(B)”.

20              (C) Paragraph (3) of section 9032 is amended  
21      by striking “section 309(a)(1)” and inserting “sec-  
22      tion 306(a)(1)”.

23              (D) Subsection (b) of section 9034 is amended  
24      by striking “section 320(b)(1)(A)” and inserting  
25      “section 315(b)(1)(A)”.

1           (43) Section 9006 is amended by striking  
2           “Comptroller General” each place it appears and in-  
3           serting “Commission”.

4           (44) Subsection (c) of section 9503 is amended  
5           by redesignating paragraph (7) (relating to transfers  
6           from the trust fund for certain aviation fuels taxes)  
7           as paragraph (6).

8           (45) Paragraph (1) of section 1301(g) of the  
9           Energy Policy Act of 2005 is amended by striking  
10          “shall take effect of the date of the enactment” and  
11          inserting “shall take effect on the date of the enact-  
12          ment”.

13          (46) The Internal Revenue Code of 1986 shall  
14          be applied and administered as if the amendments  
15          made by section 1(a) of Public Law 109–433 had  
16          never been enacted.

17          (b) CLERICAL AMENDMENTS RELATED TO THE TAX  
18          RELIEF AND HEALTH CARE ACT OF 2006.—

19               (1) AMENDMENT RELATED TO SECTION 209 OF  
20               DIVISION A OF THE ACT.—Paragraph (3) of section  
21               168(l) is amended by striking “enzymatic”.

22               (2) AMENDMENTS RELATED TO SECTION 419 OF  
23               DIVISION A OF THE ACT.—

1 (A) Clause (iv) of section 6724(d)(1)(B) is  
2 amended by inserting “or (h)(1)” after “section  
3 6050H(a)”.

4 (B) Subparagraph (K) of section  
5 6724(d)(2) is amended by inserting “or (h)(2)”  
6 after “section 6050H(d)”.

7 (3) EFFECTIVE DATE.—The amendments made  
8 by this subsection shall take effect as if included in  
9 the provision of the Tax Relief and Health Care Act  
10 of 2006 to which they relate.

11 (c) CLERICAL AMENDMENTS RELATED TO THE GULF  
12 OPPORTUNITY ZONE ACT OF 2005.—

13 (1) AMENDMENTS RELATED TO SECTION 402 OF  
14 THE ACT.—Subparagraph (B) of section 24(d)(1) is  
15 amended—

16 (A) by striking “the excess (if any) of” in  
17 the matter preceding clause (i) and inserting  
18 “the greater of”, and

19 (B) by striking “section” in clause (ii)(II)  
20 and inserting “section 32”.

21 (2) EFFECTIVE DATE.—The amendments made  
22 by this subsection shall take effect as if included in  
23 the provisions of the Gulf Opportunity Zone Act of  
24 2005 to which they relate.

1 (d) CLERICAL AMENDMENTS RELATED TO THE  
2 SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT TRANSPOR-  
3 TATION EQUITY ACT: A LEGACY FOR USERS.—

4 (1) AMENDMENTS RELATED TO SECTION 11163  
5 OF THE ACT.—Subparagraph (C) of section  
6 6416(a)(4) is amended—

7 (A) by striking “ultimate vendor” and all  
8 that follows through “has certified” and insert-  
9 ing “ultimate vendor or credit card issuer has  
10 certified”, and

11 (B) by striking “all ultimate purchasers of  
12 the vendor” and all that follows through “are  
13 certified” and inserting “all ultimate purchasers  
14 of the vendor or credit card issuer are cer-  
15 tified”.

16 (2) EFFECTIVE DATE.—The amendments made  
17 by this subsection shall take effect as if included in  
18 the provisions of the Safe, Accountable, Flexible, Ef-  
19 ficient Transportation Equity Act: A Legacy for  
20 Users to which they relate.

21 (e) CLERICAL AMENDMENTS RELATED TO THE EN-  
22 ERGY POLICY ACT OF 2005.—

23 (1) AMENDMENT RELATED TO SECTION 1344 OF  
24 THE ACT.—Subparagraph (B) of section 6427(e)(5),

1 as redesignated by subsection (a)(37), is amended by  
2 striking “2006” and inserting “2008”.

3 (2) AMENDMENTS RELATED TO SECTION 1351  
4 OF THE ACT.—Subparagraphs (A)(ii) and (B)(ii) of  
5 section 41(f)(1) are each amended by striking  
6 “qualified research expenses and basic research pay-  
7 ments” and inserting “qualified research expenses,  
8 basic research payments, and amounts paid or in-  
9 curred to energy research consortiums,”.

10 (3) EFFECTIVE DATE.—The amendments made  
11 by this subsection shall take effect as if included in  
12 the provisions of the Energy Policy Act of 2005 to  
13 which they relate.

14 (f) CLERICAL AMENDMENTS RELATED TO THE  
15 AMERICAN JOBS CREATION ACT OF 2004.—

16 (1) AMENDMENT RELATED TO SECTION 301 OF  
17 THE ACT.—Section 9502 is amended by striking  
18 subsection (e) and redesignating subsection (f) as  
19 subsection (e).

20 (2) AMENDMENT RELATED TO SECTION 413 OF  
21 THE ACT.—Subsection (b) of section 1298 is amend-  
22 ed by striking paragraph (7) and by redesignating  
23 paragraphs (8) and (9) as paragraphs (7) and (8),  
24 respectively.

1           (3) AMENDMENT RELATED TO SECTION 895 OF  
2 THE ACT.—Clause (iv) of section 904(f)(3)(D) is  
3 amended by striking “a controlled group” and in-  
4 serting “an affiliated group”.

5           (4) EFFECTIVE DATE.—The amendments made  
6 by this subsection shall take effect as if included in  
7 the provisions of the American Jobs Creation Act of  
8 2004 to which they relate.

9           (g) CLERICAL AMENDMENTS RELATED TO THE FSC  
10 REPEAL AND EXTRATERRITORIAL INCOME EXCLUSION  
11 ACT OF 2000.—

12           (1) Subclause (I) of section 56(g)(4)(C)(ii) is  
13 amended by striking “921” and inserting “921 (as  
14 in effect before its repeal by the FSC Repeal and  
15 Extraterritorial Income Exclusion Act of 2000)”.

16           (2) Clause (iv) of section 54(g)(4)(C) is amend-  
17 ed by striking “a cooperative described in section  
18 927(a)(4)” and inserting “an organization to which  
19 part I of subchapter T (relating to tax treatment of  
20 cooperatives) applies which is engaged in the mar-  
21 keting of agricultural or horticultural products”.

22           (3) Paragraph (4) of section 245(c) is amended  
23 by adding at the end the following new subpara-  
24 graph:

1           “(C) FSC.—The term ‘FSC’ has the  
2           meaning given such term by section 922.”.

3           (4) Subsection (c) of section 245 is amended by  
4           inserting at the end the following new paragraph:

5           “(5) REFERENCES TO PRIOR LAW.—Any ref-  
6           erence in this subsection to section 922, 923, or 927  
7           shall be treated as a reference to such section as in  
8           effect before its repeal by the FSC Repeal and  
9           Extraterritorial Income Exclusion Act of 2000.”.

10          (5) Paragraph (4) of section 275(a) is amended  
11          by striking “if” and all that follows and inserting “if  
12          the taxpayer chooses to take to any extent the bene-  
13          fits of section 901.”.

14          (6)(A) Subsection (a) of section 291 is amended  
15          by striking paragraph (4) and by redesignating  
16          paragraph (5) as paragraph (4).

17          (B) Paragraph (1) of section 291(c) is amended  
18          by striking “subsection (a)(5)” and inserting “sub-  
19          section (a)(4)”.

20          (7)(A) Paragraph (4) of section 441(b) is  
21          amended by striking “FSC or”.

22          (B) Subsection (h) of section 441 is amended—

23                  (i) by striking “FSC or” each place it ap-  
24                  pears, and

1 (ii) by striking “FSC’S AND” in the head-  
2 ing thereof.

3 (8) Subparagraph (B) of section 884(d)(2) is  
4 amended by inserting before the comma “(as in ef-  
5 fect before their repeal by the FSC Repeal and  
6 Extraterritorial Income Exclusion Act of 2000)”.

7 (9) Section 901 is amended by striking sub-  
8 section (h).

9 (10) Clause (v) of section 904(d)(2)(B) is  
10 amended—

11 (A) by inserting “and” at the end of sub-  
12 clause (I), by striking subclause (II), and by re-  
13 designating subclause (III) as subclause (II),

14 (B) by striking “a FSC (or a former  
15 FSC)” in subclause (II) (as so redesignated)  
16 and inserting “a former FSC (as defined in sec-  
17 tion 922)”, and

18 (C) by adding at the end the following:

19 “Any reference in subclause (II) to section  
20 922, 923, or 927 shall be treated as a ref-  
21 erence to such section as in effect before  
22 its repeal by the FSC Repeal and  
23 Extraterritorial Income Exclusion Act of  
24 2000.”.

1           (11) Subsection (b) of section 906 is amended  
2           by striking paragraph (5) and redesignating para-  
3           graphs (6) and (7) as paragraphs (5) and (6), re-  
4           spectively.

5           (12) Subparagraph (B) of section 936(f)(2) is  
6           amended by striking “FSC or”.

7           (13) Section 951 is amended by striking sub-  
8           section (e) and by redesignating subsection (d) as  
9           subsection (e).

10          (14) Subsection (b) of section 952 is amended  
11          by striking the second sentence.

12          (15)(A) Paragraph (2) of section 956(c) is  
13          amended—

14                 (i) by striking subparagraph (I) and by re-  
15                 designating subparagraphs (J) through (M) as  
16                 subparagraphs (I) through (L), respectively,  
17                 and

18                 (ii) by striking “subparagraphs (J), (K),  
19                 and (L)” in the flush sentence at the end and  
20                 inserting “subparagraphs (I), (J), and (K)”.

21          (B) Clause (ii) of section 954(c)(2)(C) is  
22          amended by striking “section 956(c)(2)(J)” and in-  
23          serting “section 956(c)(2)(I)”.

24          (16) Paragraph (1) of section 992(a) is amend-  
25          ed by striking subparagraph (E), by inserting “and”

1 at the end of subparagraph (C), and by striking “,  
2 and” at the end of subparagraph (D) and inserting  
3 a period.

4 (17) Paragraph (5) of section 1248(d) is  
5 amended—

6 (A) by inserting “(as defined in section  
7 922)” after “a FSC”, and

8 (B) by adding at the end the following new  
9 sentence: “Any reference in this paragraph to  
10 section 922, 923, or 927 shall be treated as a  
11 reference to such section as in effect before its  
12 repeal by the FSC Repeal and Extraterritorial  
13 Income Exclusion Act of 2000.”.

14 (18) Subparagraph (D) of section 1297(b)(2) is  
15 amended by striking “foreign trade income of a FSC  
16 or”.

17 (19)(A) Paragraph (1) of section 6011(c) is  
18 amended by striking “or former DISC or a FSC or  
19 former FSC” and inserting “, former DISC, or  
20 former FSC (as defined in section 922 as in effect  
21 before its repeal by the FSC Repeal and  
22 Extraterritorial Income Exclusion Act of 2000)”.

23 (B) Subsection (c) of section 6011 is amended  
24 by striking “AND FSC’S” in the heading thereof.

1           (20) Subsection (c) of section 6072 is amended  
2           by striking “a FSC or former FSC” and inserting  
3           “a former FSC (as defined in section 922 as in ef-  
4           fect before its repeal by the FSC Repeal and  
5           Extraterritorial Income Exclusion Act of 2000)”.

6           (21) Section 6686 is amended by inserting  
7           “FORMER” before “FSC” in the heading thereof.

          Passed the House of Representatives December 19,  
2007.

Attest:

*Clerk.*

110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 4839**

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**AN ACT**

To amend the Internal Revenue Code of 1986 to make technical corrections, and for other purposes.