

H.R. 4213
The American Jobs and Closing Tax Loopholes Act of 2010
Changes Made in the Substitute Amendment

Extension of Temporary Increase in Federal Medicaid Matching Rate (FMAP). This modification adds a six-month extension, through June 30, 2011, of the FMAP increases enacted by the American Recovery and Reinvestment Act of 2009. *The provision is estimated to cost \$24.2 billion over 10 years.*

Fee Disclosure. *This modification eliminates the defined contribution plan fee disclosure provision. This provision has a negligible revenue effect.*

Taxation of Carried Interest. This modification decreases the amount of carried interest that is recharacterized as ordinary income from 75 percent to 65 percent and increases the amount treated as capital gains from 25 percent to 35 percent in taxable years beginning after December 12, 2012. The change further decreases the amount of carried interest that is recharacterized as ordinary income to 55 percent and increases the amount treated as capital gains to 45 percent for gain or loss attributable to the sale of an asset which is held for 7 or more years. Another modification provides that a non-service individual or widely held regulated investment company who sells an interest (held directly or indirectly through a partnership, S corporation, estate, trust) in an energy-related publicly traded partnership is exempt from recharacterization as ordinary income under Internal Revenue Code section 751(a) that portion of the gain or loss attributable to investment services partnership interests held by the publicly traded partnership. *With these modifications, this provision is estimated to raise \$14.157 billion over 10 years.*

Modification with respect to the Oil Spill Liability Trust Fund. This modification increases the Oil Spill Liability Trust Fund financing rate to 41 cents per barrel (rather than 34 cents). *With this modification, this provision is estimated to raise \$14 billion over 10 years.*

Technical Correction to the Extension of Section 508 Reclassifications. This provision removes the requirement for hospitals affected by the 508 extension to notify CMS of any withdrawal or termination of their current reclassification status by the latter of June 18th or five days after CMS has posted to their website the hospitals whose reclassifications would be extended under this section. *This provision does not score.*

Change to the Travel Promotion Act (TPA). This provision delays the timing of when the Department of Homeland Security is supposed to transfer the initial set-up fee for the Travel Promotion Board. The original act required DHS to begin transferring the \$10 million initial set-up fee on January 1, 2010 and to complete the initial transfer by the end of fiscal year 2010. The amended provision requires DHS to transfer monies collected as the money comes in with the completion of the initial transfer to be completed by the end of fiscal year 2011. The changes also delays by 1 year the dates upon which the Travel Promotion Board must begin matching funds DHS transfers to The Travel Promotion Corporation (from 2011 to 2012). Therefore, instead of sunseting in 2014, the fee collection sunsets in 2015. *This provision is not expected to score.*