

115TH CONGRESS  
1ST SESSION

# S. 1229

To amend the Internal Revenue Code of 1986 to provide for Move America bonds and Move America credits.

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IN THE SENATE OF THE UNITED STATES

MAY 25, 2017

Mr. HOEVEN (for himself and Mr. WYDEN) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide  
for Move America bonds and Move America credits.

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.**

4 This Act may be cited as the “Move America Act of  
5 2017”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) **FINDINGS.**—Congress makes the following find-  
8 ings:

9 (1) Our Nation’s infrastructure network serves  
10 as a foundation of our economic competitiveness and

1 national security. It is imperative that Congress  
2 maintain and revitalize the roads, bridges, ports,  
3 railways, airports, transit systems, water systems,  
4 and information networks of this country, enabling  
5 all industries to achieve the growth and productivity  
6 that make the United States strong and prosperous.

7 (2) Investing in transportation, water, and in-  
8 formation infrastructure creates long-term capital  
9 assets for the Nation that will improve economic  
10 productivity.

11 (3) Investment in infrastructure creates jobs  
12 and spurs economic activity to put people back to  
13 work and grow the economy.

14 (4) The cost to maintain and improve our Na-  
15 tion's highways, bridges, and other critical transpor-  
16 tation infrastructure significantly exceeds what is  
17 currently being provided by all levels of government.

18 (5) Investment in our Nation's infrastructure  
19 must be multi-faceted, both by ensuring that there  
20 is a sustainable long-term funding source for infra-  
21 structure and through using innovative financing  
22 mechanisms.

23 (6) Areas that are underserved by modern  
24 broadband connections are disadvantaged, and en-  
25 suring that those areas are connected will enable the

1 Nation to benefit from the fuller participation of  
2 previously underserved citizens in the national econ-  
3 omy.

4 (7) Investment in infrastructure is needed  
5 throughout the Nation, and it is essential that infra-  
6 structure legislation, including but not limited to  
7 this legislation, benefit urban and rural areas, and  
8 large and small States.

9 (b) PURPOSE.—The purpose of this Act is to provide  
10 tools to finance additional transportation, water, and in-  
11 formation infrastructure capital investments, through an  
12 approach that provides assistance for financing of infra-  
13 structure to all States, rural and urban, and large and  
14 small.

15 **SEC. 3. MOVE AMERICA BOND.**

16 (a) IN GENERAL.—

17 (1) MOVE AMERICA BONDS.—Subpart A of part  
18 IV of subchapter B of chapter 1 of the Internal Rev-  
19 enue Code of 1986 is amended by inserting after  
20 section 142 the following new section:

21 **“SEC. 142A. MOVE AMERICA BONDS.**

22 **“(a) IN GENERAL.—**

23 **“(1) TREATMENT AS EXEMPT FACILITY**  
24 **BOND.—**Except as otherwise provided in this section,

1 a Move America bond shall be treated for purposes  
2 of this part as an exempt facility bond.

3 “(2) EXCEPTIONS.—

4 “(A) NO GOVERNMENT OWNERSHIP RE-  
5 QUIREMENT.—Paragraph (1) of section 142(b)  
6 shall not apply to any Move America bond.

7 “(B) SPECIAL RULES FOR HIGH-SPEED  
8 RAIL BONDS.—Paragraphs (2) and (3) of sec-  
9 tion 142(i) shall not apply to any Move America  
10 bond described in subsection (b)(4).

11 “(C) SPECIAL RULES FOR HIGHWAY AND  
12 SURFACE TRANSPORTATION FACILITIES.—Para-  
13 graphs (2), (3), and (4) of section 142(m) shall  
14 not apply to any Move America bond described  
15 in subsection (b)(5).

16 “(b) MOVE AMERICA BOND.—For purposes of this  
17 part, the term ‘Move America bond’ means any bond  
18 issued as part of an issue 95 percent or more of the net  
19 proceeds of which are used to provide—

20 “(1) airports,

21 “(2) docks and wharves, including—

22 “(A) waterborne mooring infrastructure,

23 “(B) dredging in connection with a dock or  
24 wharf, and

1           “(C) any associated rail and road infra-  
2           structure for the purpose of integrating modes  
3           of transportation,

4           “(3) mass commuting facilities,

5           “(4) facilities for the furnishing of water (with-  
6           in the meaning of section 142(e)),

7           “(5) sewage facilities,

8           “(6) railroads (as defined in section 20102 of  
9           title 49, United States Code) and any associated rail  
10          and road infrastructure for the purpose of inte-  
11          grating modes of transportation,

12          “(7) any—

13                 “(A) surface transportation project which  
14                 is eligible for Federal assistance under title 23,  
15                 United States Code (as in effect on the date of  
16                 the enactment of this section),

17                 “(B) project for an international bridge or  
18                 tunnel for which an international entity author-  
19                 ized under Federal or State law is responsible  
20                 and which is eligible for Federal assistance  
21                 under title 23, United States Code (as so in ef-  
22                 fect), or

23                 “(C) facility for the transfer of freight  
24                 from truck to rail or rail to truck (including  
25                 any temporary storage facilities directly related

1 to such transfers) which is eligible for Federal  
 2 assistance under either title 23 or title 49,  
 3 United States Code (as so in effect),

4 “(8) flood diversions,

5 “(9) inland waterways, including construction  
 6 and rehabilitation expenditures for navigation on  
 7 any inland or intracoastal waterways of the United  
 8 States (within the meaning of section 4042(d)(2)),  
 9 or

10 “(10) rural broadband service infrastructure.

11 “(c) DEFINITIONS.—For purposes of this section—

12 “(1) FLOOD DIVERSIONS.—The term ‘flood di-  
 13 version’ means any flood damage risk reduction  
 14 project authorized under any Act for authorizing  
 15 water resources development projects.

16 “(2) RURAL BROADBAND SERVICE INFRASTRUC-  
 17 TURE.—The term ‘rural broadband service infra-  
 18 structure’ means the construction, improvement, or  
 19 acquisition of facilities and equipment for the provi-  
 20 sion of broadband services (as defined in section 601  
 21 of the Rural Electrification Act of 1936) which—

22 “(A) meet the minimum requirements in  
 23 effect under section 601(e) of such Act, and

24 “(B) will be provided in an area which—

1 “(i) is a rural area (as defined in sec-  
2 tion 601 of such Act), and

3 “(ii) meets the requirements of  
4 clauses (i) and (ii) of section 601(d)(2)(A)  
5 of such Act.

6 “(d) MOVE AMERICA VOLUME CAP.—

7 “(1) IN GENERAL.—The aggregate face amount  
8 of Move America bonds issued pursuant to an issue,  
9 when added to the aggregate face amount of Move  
10 America bonds previously issued by the issuing au-  
11 thority during the calendar year, shall not exceed  
12 such issuing authority’s Move America volume cap  
13 for such year.

14 “(2) MOVE AMERICA VOLUME CAP.—For pur-  
15 poses of this subsection—

16 “(A) IN GENERAL.—The Move America  
17 volume cap for any calendar year is an amount  
18 equal to 50 percent of the State ceiling under  
19 section 146(d) for such State for such calendar  
20 year.

21 “(B) ALLOCATION OF VOLUME CAP.—Each  
22 State may allocate the Move America volume  
23 cap of such State among governmental units (or  
24 other authorities) in such State having author-  
25 ity to issue private activity bonds.

1 “(3) CARRYFORWARDS.—

2 “(A) IN GENERAL.—If—

3 “(i) an issuing authority’s Move  
4 America volume cap, exceeds

5 “(ii) the aggregate amount of Move  
6 America bonds issued during such calendar  
7 year by such authority,

8 any Move America bond issued by such author-  
9 ity during the 5-calendar-year period following  
10 such calendar year shall not be taken into ac-  
11 count under paragraph (1) to the extent the  
12 amount of such bonds does not exceed the  
13 amount of such excess. Any excesses arising  
14 under this paragraph shall be used under this  
15 paragraph in the order of calendar years in  
16 which the excesses arose.

17 “(B) REALLOCATION OF UNUSED  
18 CARRYFORWARDS.—

19 “(i) IN GENERAL.—The Move Amer-  
20 ica volume cap under paragraph (2)(A) for  
21 any State for any calendar year shall be  
22 increased by any amount allocated to such  
23 State by the Secretary under clause (ii).

24 “(ii) REALLOCATION.—The Secretary  
25 shall allocate to each qualified State for



1 any calendar year an amount which bears  
2 the same ratio to the aggregate unused  
3 carryforward amounts of all issuing au-  
4 thorities in all States for such calendar  
5 year as the qualified State's population for  
6 the calendar year bears to the population  
7 of all qualified States for the calendar  
8 year. For purposes of the preceding sen-  
9 tence, population shall be determined in  
10 accordance with section 146(j).

11 “(iii) QUALIFIED STATE.—For pur-  
12 poses of this subparagraph, the term  
13 ‘qualified State’ means, with respect to a  
14 calendar year, any State—

15 “(I) which allocated its entire  
16 Move America volume cap for the pre-  
17 ceding calendar year, and

18 “(II) for which a request is made  
19 (not later than May 1 of the calendar  
20 year) to receive an allocation under  
21 clause (ii).

22 “(iv) UNUSED CARRYFORWARD  
23 AMOUNT.—For purposes of this paragraph,  
24 the term ‘unused carryforward amount’

1 means, with respect to any issuing author-  
 2 ity for any calendar year, the excess of—

3 “(I) the amount of the excess de-  
 4 scribed in subparagraph (A) for the  
 5 sixth preceding calendar year, over

6 “(II) the amount of bonds issued  
 7 by such issuing authority to which  
 8 subparagraph (A) applied during the  
 9 5 preceding calendar years.

10 “(4) FACILITY MUST BE LOCATED WITHIN  
 11 STATE.—

12 “(A) IN GENERAL.—No portion of the  
 13 Move America volume cap of an issuing author-  
 14 ity for any calendar year may be used with re-  
 15 spect to financing for a facility located outside  
 16 of the authority’s State.

17 “(B) EXCEPTION FOR CERTAIN FACILITIES  
 18 WHERE STATE WILL GET PROPORTIONATE  
 19 SHARE OF BENEFIT.—Subparagraph (A) shall  
 20 not apply to any Move America bond the pro-  
 21 ceeds of which are used to provide a facility de-  
 22 scribed in paragraph (4) or (5) of section  
 23 142A(b) if the issuer establishes that the  
 24 State’s share of the use of the facility will equal

1 or exceed the State's share of the private activ-  
2 ity bonds issued to finance the facility.

3 “(e) APPLICABILITY OF CERTAIN FEDERAL LAWS.—

4 “(1) IN GENERAL.—An issue shall not be treat-  
5 ed as an issue under subsection (b) unless the facil-  
6 ity for which the proceeds of such issue are used  
7 would be subject to the requirements of any Federal  
8 law (including titles 23, 40, and 49, United States  
9 Code) which would otherwise apply to similar  
10 projects.

11 “(2) PUBLIC TRANSPORTATION CAPITAL  
12 PROJECTS.—In addition to the requirements of  
13 paragraph (1), an issue the proceeds of which are  
14 used to finance a capital project (as defined in sec-  
15 tion 5302(3) of title 49, United States Code) relat-  
16 ing to public transportation (as defined in section  
17 5302(14) of such title) shall not be treated as an  
18 issue under subsection (b) unless such project com-  
19 plies with the requirements of chapter 53 of title 49,  
20 United States Code.

21 “(f) SPECIAL RULE FOR ENVIRONMENTAL REMEDI-  
22 ATION COSTS FOR DOCKS AND WHARVES.—For purposes  
23 of this section, amounts used for working capital expendi-  
24 tures relating to environmental remediation required  
25 under State or Federal law at or near a facility described

1 in subsection (b)(2) (including environmental remediation  
 2 in the riverbed and land within or adjacent to the Federal  
 3 navigation channel used to access such facility) shall be  
 4 treated as an amount used to provide for such a facility.

5 “(g) REGULATIONS.—The Secretary shall prescribe  
 6 such regulations as may be necessary to carry out the pur-  
 7 poses of this section, including regulations requiring  
 8 States to report the amount of Move America volume cap  
 9 of the State carried forward for any calendar year under  
 10 subsection (d)(3).”.

11 (2) CONFORMING AMENDMENT.—The table of  
 12 sections for subpart A of part IV of subchapter B  
 13 of chapter 1 of such Code is amended by inserting  
 14 after the item relating to section 142 the following  
 15 new item:

“Sec. 142A. Move America bonds.”.

16 (b) APPLICATION OF OTHER PRIVATE ACTIVITY  
 17 BOND RULES.—

18 (1) TREATMENT UNDER PRIVATE ACTIVITY  
 19 BOND VOLUME CAP.—Subsection (g) of section 146  
 20 of the Internal Revenue Code of 1986 is amended by  
 21 striking “and” at the end of paragraph (3), by strik-  
 22 ing the period at the end of paragraph (4) and in-  
 23 serting “, and”, and by inserting after paragraph  
 24 (4) the following new paragraph:

25 “(5) any Move America bond.”.

1           (2) SPECIAL RULE ON USE FOR LAND ACQUI-  
2           TION.—Subparagraph (A) of section 147(c)(1) of  
3           the Internal Revenue Code of 1986 is amended by  
4           inserting “(50 percent in the case of any issue of  
5           Move America bonds)” after “25 percent”.

6           (3) SPECIAL RULES FOR REHABILITATION EX-  
7           PENDITURES.—

8           (A) INCLUSION OF CERTAIN EXPENDI-  
9           TURES.—Subparagraph (B) of section  
10           147(d)(3) of the Internal Revenue Code of  
11           1986 is amended by inserting “, except that, in  
12           the case of any Move America bond, such term  
13           shall include any expenditure described in  
14           clause (v) thereof” before the period at the end.

15           (B) PERIOD FOR EXPENDITURES.—Sub-  
16           paragraph (C) of section 147(d)(3) of such  
17           Code is amended by inserting “(5 years, in the  
18           case of any Move America bond)” after “2  
19           years”.

20           (c) TREATMENT UNDER THE ALTERNATIVE MIN-  
21           IMUM TAX.—Subparagraph (C) of section 57(a)(5) of the  
22           Internal Revenue Code of 1986 is amended by adding at  
23           the end the following new clause:

24                           “(vii) EXCEPTION FOR MOVE AMERICA  
25                           BONDS.—For purposes of clause (i), the

1 term ‘private activity bond’ shall not in-  
 2 clude any Move America bond (as defined  
 3 in section 142A).”.

4 (d) EFFECTIVE DATE.—The amendments made by  
 5 this section shall apply to obligations issued in calendar  
 6 years beginning after the date of the enactment of this  
 7 Act.

8 SEC. 4. MOVE AMERICA CREDITS.

9 (a) IN GENERAL.—Subpart D of part IV of sub-  
 10 chapter A of chapter 1 of the Internal Revenue Code of  
 11 1986 is amended by inserting after the section relating  
 12 to section 42 the following new section:

13 “SEC. 42A. MOVE AMERICA CREDITS.

14 “(a) MOVE AMERICA PROJECT CREDITS.—

15 “(1) IN GENERAL.—For purposes of section 38,  
 16 the Move America project credit for any taxable year  
 17 in the credit period is an amount equal to 10 per-  
 18 cent of the qualified basis of each qualified project.

19 “(2) DEFINITIONS.—For purposes of this sec-  
 20 tion—

21 “(A) QUALIFIED BASIS.—

22 “(i) IN GENERAL.—The qualified  
 23 basis of any qualified project is the portion  
 24 of the eligible basis of such project to  
 25 which the State has allocated an amount of

1 the State credit limitation under subsection  
2 (c)(3)(C)(i).

3 “(ii) DETERMINATION.—The qualified  
4 basis of a project shall be determined as of  
5 the date of the allocation for purposes of  
6 all taxable years in the credit period.

7 “(B) QUALIFIED PROJECT.—The term  
8 ‘qualified project’ means a project which is for  
9 the construction of a facility described in sec-  
10 tion 142A(b), but only if such project—

11 “(i) meets the requirements applicable  
12 to similar projects under any Federal law  
13 which would apply if the project were fi-  
14 nanced under any other Federal program  
15 (including titles 23, 40, and 49, United  
16 States Code),

17 “(ii) complies with the requirements  
18 of chapter 53 of title 49, United States  
19 Code, in the case of a capital project (as  
20 defined in section 5302(3) of title 49,  
21 United States Code) relating to public  
22 transportation (as defined in section  
23 5302(14) of such title), and

24 “(iii) will be generally available for  
25 public use throughout the credit period.

1 “(C) CREDIT PERIOD.—

2 “(i) IN GENERAL.—Except as pro-  
3 vided in clause (ii), the credit period with  
4 respect to any qualified project is the pe-  
5 riod of 10 taxable years beginning with the  
6 first taxable year beginning in the calendar  
7 year in which the project is placed in serv-  
8 ice.

9 “(ii) EARLY TERMINATION.—If at any  
10 time during the 10-taxable-year period de-  
11 scribed in clause (i) a project ceases to be  
12 a qualified project, or ceases and then re-  
13 commences to be a qualified project, the  
14 credit period with respect to such project  
15 shall include only the taxable years in such  
16 10-year-period in which the project was a  
17 qualified project for the entire taxable  
18 year.

19 “(iii) DISPOSITIONS OF PROPERTY OR  
20 INTEREST RELATING TO QUALIFIED  
21 PROJECT.—A project shall not cease to be  
22 a qualified project solely by reason of the  
23 disposition of the project (or an interest  
24 therein) if it is reasonably expected that



1 such project will otherwise continue to be  
2 a qualified project.

3 “(iv) TREATMENT OF CREDIT IN CASE  
4 OF DISPOSITION.—If at any time during  
5 the 10-taxable-year period described in  
6 clause (i) a qualified project (or an interest  
7 therein) is disposed of—

8 “(I) the credit under paragraph  
9 (1) for any year in such period begin-  
10 ning after the date of the disposal  
11 shall be allowed to the acquiring per-  
12 son, and not to the person disposing  
13 of the project (or interest), and

14 “(II) the credit under paragraph  
15 (1) for the year of the disposal shall  
16 be allocated between such persons on  
17 the basis of the number of days dur-  
18 ing such year the project (or interest)  
19 was held by each.

20 “(3) REALLOCATION.—

21 “(A) IN GENERAL.—If any qualified  
22 project is not placed in service within 3 years  
23 of the date of the allocation under subsection  
24 (c)(3), the State shall rescind the allocation  
25 under subsection (c)(3)(C)(i). Any allocation so

1 rescinded may be reallocated by the State under  
2 subsection (c) (including to qualified infrastruc-  
3 ture funds for purposes of the credit under sub-  
4 section (b)) within the calendar year in which  
5 it is so rescinded.

6 “(B) REVERSION.—Any rescinded alloca-  
7 tion which is not reallocated under subpara-  
8 graph (A) by the last day of the calendar year  
9 in which it is so rescinded shall revert to inclu-  
10 sion in the State’s Move America volume cap  
11 under section 142A(d) as if it had never been  
12 exchanged under subsection (c)(1).

13 “(C) NO MULTIPLE REALLOCATIONS.—  
14 Any rescinded allocation which is reallocated  
15 under subparagraph (A) and is subsequently re-  
16 scinded shall not be further reallocated and  
17 shall immediately revert to inclusion in the  
18 Move America volume cap as provided in sub-  
19 paragraph (B).

20 “(4) COORDINATION WITH DEDUCTION FOR DE-  
21 PRECIATION, ETC.—

22 “(A) IN GENERAL.—In the case of any  
23 taxable year in the credit period with respect to  
24 a qualified project, the total deduction allowable  
25 to the taxpayer for depreciation for the taxable

1 year with respect to property which is part of  
2 such project shall be reduced (but not below  
3 zero) by the amount of the credit allowed under  
4 paragraph (1) for such taxable year.

5 “(B) NO ADJUSTMENT TO BASIS.—No re-  
6 duction or adjustment in basis shall be made as  
7 a result of the application of subparagraph (A).

8 “(b) MOVE AMERICA INFRASTRUCTURE FUND CRED-  
9 ITS.—

10 “(1) ALLOWANCE OF CREDIT.—

11 “(A) IN GENERAL.—For purposes of sec-  
12 tion 38, in the case of a taxpayer who holds a  
13 Move America investment on a credit allowance  
14 date of such investment which occurs during  
15 the taxable year, the Move America infrastruc-  
16 ture fund credit for such taxable year is an  
17 amount equal to 5 percent of the amount paid  
18 to the qualified infrastructure fund for such in-  
19 vestment at its original issue.

20 “(B) CREDIT ALLOWANCE DATE.—For  
21 purposes of subparagraph (A), except as pro-  
22 vided in paragraph (3), the term ‘credit allow-  
23 ance date’ means with respect to any Move  
24 America investment—

1 “(i) the date on which such invest-  
2 ment is initially made, and

3 “(ii) each of the 9 anniversary dates  
4 of such date thereafter.

5 “(2) DEFINITIONS.—For purposes of this sec-  
6 tion—

7 “(A) MOVE AMERICA INVESTMENT.—

8 “(i) IN GENERAL.—The term ‘Move  
9 America investment’ means any equity in-  
10 vestment in a qualified infrastructure fund,  
11 if—

12 “(I) such investment is acquired  
13 by the taxpayer at its original issue  
14 solely in exchange for cash,

15 “(II) substantially all of such  
16 cash is used by the qualified infra-  
17 structure fund to make qualified in-  
18 vestments, and

19 “(III) such investment is des-  
20 ignated for purposes of this subsection  
21 by the qualified infrastructure fund,  
22 including a designation of the quali-  
23 fied investment which will be made  
24 with such investment.

1           “(ii) LIMITATION.—The maximum  
2 amount of equity investments issued by a  
3 qualified infrastructure fund in a calendar  
4 year which may be designated under clause  
5 (i)(III) by such fund shall not exceed—

6                   “(I) the portion of the State  
7 credit limitation allocated under sub-  
8 section (c)(3)(A)(ii) to such fund in  
9 such calendar year, multiplied by

10                   “(II) 2.

11           “(iii) EXPIRATION.—If the limitation  
12 determined under clause (ii) with respect  
13 to an infrastructure fund for a calendar  
14 year exceeds the amount of equity invest-  
15 ments designated under clause (i)(III) by  
16 such fund in such year, the State shall re-  
17 scind such excess allocation. Any allocation  
18 so rescinded may be reallocated by the  
19 State under subsection (c) (including to  
20 qualified projects for purposes of the credit  
21 under subsection (a)) within the imme-  
22 diately succeeding calendar year.

23           “(iv) REVERSION.—Any rescinded al-  
24 location which is not reallocated under  
25 clause (iii) by the last day of such imme-

1 diately succeeding calendar year shall re-  
 2 vert to inclusion in the State’s Move Amer-  
 3 ica volume cap under section 142A(d) as if  
 4 it had never been exchanged under sub-  
 5 section (c)(1).

6 “(v) NO MULTIPLE REALLOCA-  
 7 TIONS.—Any rescinded allocation which is  
 8 reallocated under clause (iii) and is subse-  
 9 quently rescinded shall not be further re-  
 10 allocated and shall immediately revert to  
 11 inclusion in the Move America volume cap  
 12 as provided in clause (iv).

13 “(vi) SPECIAL RULES.—Rules similar  
 14 to the rules of paragraphs (3) and (4) of  
 15 section 45D(b) shall apply with respect to  
 16 clause (i).

17 “(B) QUALIFIED INFRASTRUCTURE  
 18 FUND.—The term ‘qualified infrastructure  
 19 fund’ means—

20 “(i) a State infrastructure bank estab-  
 21 lished under section 610 of title 23, United  
 22 States Code,

23 “(ii) a water pollution control revolv-  
 24 ing fund established under title VI of the

1 Federal Water Pollution Control Act (33  
2 U.S.C. 1381 et seq.),

3 “(iii) a drinking water treatment re-  
4 volving loan fund established under section  
5 1452 of the Safe Drinking Water Act (42  
6 U.S.C. 300j–12), or

7 “(iv) an equivalent fund established or  
8 designated by the State or any instrumen-  
9 tality thereof.

10 In the case of a fund described in clause (ii) or  
11 (iii), the amount of any Move America invest-  
12 ment shall not be included in determining the  
13 amount of State or other non-Federal contribu-  
14 tions to such fund.

15 “(C) QUALIFIED INVESTMENT.—The term  
16 ‘qualified investment’ means an investment  
17 (whether by loan, loan guarantee, or equity in-  
18 vestment) in—

19 “(i) qualified projects, or

20 “(ii) in the case of a fund described in  
21 clause (i), (ii), or (iii) of subparagraph (B),  
22 projects and activities for which such funds  
23 are authorized to be used under any other  
24 provision of law.

25 “(3) EARLY TERMINATION.—

1           “(A) IN GENERAL.—If at any time during  
2 the compliance period the fund which issued a  
3 Move America investment ceases to be a quali-  
4 fied infrastructure fund, or ceases and then re-  
5 commences to be a qualified infrastructure  
6 fund, any date described in paragraph (1)(B)  
7 (including the date described in clause (i) there-  
8 of) occurring in—

9           “(i) the taxable year in which the  
10 fund ceased to be a qualified infrastructure  
11 fund, or

12           “(ii) any other taxable year in such  
13 period in which the fund is not a qualified  
14 infrastructure fund for the entire taxable  
15 year,

16 shall not be treated as a credit allowance date  
17 for purposes of paragraph (1).

18           “(B) COMPLIANCE PERIOD.—For purposes  
19 of subparagraph (A), the term ‘compliance pe-  
20 riod’ means the 10-taxable-year period begin-  
21 ning with the taxable year that includes the  
22 date of the original issue of the Move America  
23 investment.



1           “(C) LOSS OF QUALIFICATION.—A fund  
2 shall cease to be a qualified infrastructure fund  
3 as of the date—

4                   “(i) the fund redeems any Move  
5 America investment within the compliance  
6 period with respect to such investment,

7                   “(ii) the proceeds of any Move Amer-  
8 ica investment cease to be used for quali-  
9 fied investments, or

10                   “(iii) the fund makes any investment  
11 which is not a qualified investment.

12           “(D) EXPIRATION OF CREDIT.—If sub-  
13 stantially all of the cash paid for any Move  
14 America investment is not used to make quali-  
15 fied investments designated under paragraph  
16 (2)(A)(i)(III) within 3 years of the date of  
17 original issue of such investment, any date de-  
18 scribed in paragraph (1)(B) occurring in a tax-  
19 able year which ends after the date which is 3  
20 years after such date of original issue shall not  
21 be treated as a credit allowance date for pur-  
22 poses of paragraph (1).

23           “(c) MOVE AMERICA CREDIT ALLOCATION.—

24                   “(1) EXCHANGE OF MOVE AMERICA BOND VOL-  
25 UME CAP.—

1           “(A) IN GENERAL.—If a State has in ef-  
2           fect a qualified allocation plan for a calendar  
3           year, the State may exchange (in such manner  
4           as the Secretary may prescribe) all or a portion  
5           of the State’s Move America volume cap under  
6           section 142A(d) for such year for a State credit  
7           limitation.

8           “(B) LIMITATION.—The amount of a  
9           State’s Move America volume cap for a cal-  
10          endar year which may be exchanged under sub-  
11          paragraph (A) shall not include any portion of  
12          such cap which is attributable to an amount of  
13          State credit limitation which has reverted under  
14          paragraph (3)(D) or subsection (a)(3)(B) or  
15          (b)(2)(A)(iv).

16          “(2) STATE CREDIT LIMITATION.—For pur-  
17          poses of this section, the State credit limitation with  
18          respect to any State for a calendar year is a dollar  
19          amount equal to 25 percent of the Move America  
20          volume cap exchanged under paragraph (1) for such  
21          calendar year.

22          “(3) ALLOCATION.—

23                  “(A) IN GENERAL.—A State may allocate  
24                  the State credit limitation, according to the

1 qualified allocation plan, for any calendar year  
2 among—

3 “(i) qualified projects in the State for  
4 purposes of the Move America project  
5 credit under subsection (a), and

6 “(ii) qualified infrastructure funds in  
7 the State for purposes of the Move Amer-  
8 ica infrastructure fund credit under sub-  
9 section (b).

10 “(B) QUALIFIED ALLOCATION PLAN.—

11 “(i) IN GENERAL.—For purposes of  
12 this subsection, the term ‘qualified alloca-  
13 tion plan’ means any plan—

14 “(I) which sets forth selection  
15 criteria to be used in determining in-  
16 frastructure priorities of the State  
17 and allocating the State credit limita-  
18 tion among projects (in accordance  
19 with clause (ii)) and infrastructure  
20 funds in the State, and

21 “(II) which provides a procedure  
22 that the State (or an agent or other  
23 private contractor of the State) will  
24 follow in monitoring for noncompli-  
25 ance with the provisions of this sec-

1 tion and in notifying the Internal Rev-  
2 enue Service of such noncompliance.

3 “(ii) LIMITATION BASED ON PROJECT  
4 FEASIBILITY FOR MOVE AMERICA PROJECT  
5 CREDITS.—

6 “(I) IN GENERAL.—In the case  
7 of an allocation with respect to any  
8 qualified project for purposes of the  
9 Move America project credit under  
10 subsection (a), such allocation shall  
11 not exceed the minimum amount  
12 which the State transportation au-  
13 thority or other applicable agency de-  
14 termines is required for the financial  
15 feasibility of the project and its viabil-  
16 ity for completion and availability for  
17 public use throughout the credit pe-  
18 riod.

19 “(II) MINIMUM FEASIBILITY DE-  
20 TERMINATION.—In making the deter-  
21 mination under subclause (I), such  
22 entity shall consider the sources and  
23 uses of funds and the total financing  
24 planned for the project, any proceeds  
25 or receipts expected to be generated

1 by reason of tax benefits, the reason-  
2 ableness of the developmental and  
3 operational costs of the project over  
4 the full expected operational life of the  
5 project, ancillary costs (including  
6 right-of-way and procurement costs),  
7 financing costs, and retained and  
8 transferred risk.

9 “(C) SPECIAL RULES RELATING TO MOVE  
10 AMERICA PROJECT CREDIT.—

11 “(i) LIMITATION.—The amount allo-  
12 cated to a qualified project under subpara-  
13 graph (A)(i) shall not exceed the eligible  
14 basis of such project.

15 “(ii) ELIGIBLE BASIS.—For purposes  
16 of this section, except as provided in clause  
17 (iii), the eligible basis of any qualified  
18 project is the lesser of—

19 “(I) the portion of the basis of  
20 such project which is attributable to  
21 the taxpayer’s equity investment in  
22 the costs of the project which are sub-  
23 ject to the allowance for depreciation  
24 (as estimated as of the date of the al-  
25 location), or

1 “(II) 20 percent of the costs of  
2 the project which are subject to the  
3 allowance for depreciation (as esti-  
4 mated as of the date of the alloca-  
5 tion).

6 “(iii) EXCLUSION OF GOVERNMENT  
7 ASSISTANCE.—Eligible basis shall not in-  
8 clude any portion of the basis of such  
9 project which is attributable to any assist-  
10 ance or financing provided by a Federal,  
11 State, or local government (as estimated as  
12 of the date of the allocation).

13 “(D) REVERSION OF UNALLOCATED LIM-  
14 ITATION.—Any portion of the State credit limi-  
15 tation for any calendar year which remains  
16 unallocated as of the last day of such calendar  
17 year shall revert to inclusion in the State’s  
18 Move America volume cap under section  
19 142A(d) as if it had never been exchanged  
20 under paragraph (1).”.

21 (b) CREDITS MADE PART OF GENERAL BUSINESS  
22 CREDIT.—Subsection (b) of section 38 of the Internal  
23 Revenue Code of 1986 is amended—

24 (1) by striking “plus” at the end of paragraph  
25 (35);

1 (2) by striking the period at the end of para-  
2 graph (36) and inserting a comma; and

3 (3) by adding at the end the following new  
4 paragraphs:

5 “(37) the Move America project credit under  
6 section 42A(a)(1), plus

7 “(38) the Move America infrastructure fund  
8 credit under section 42A(b)(1).”.

9 (c) CLERICAL AMENDMENT.—The table of sections  
10 for subpart D of part IV of subchapter A of chapter 1  
11 of the Internal Revenue Code of 1986 is amended by in-  
12 serting after the item relating to section 42 the following  
13 new item:

“Sec. 42A. Move America credits.”.

14 (d) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 the date of the enactment of this Act.

17 (e) REPORTING.—A State shall, at such time and in  
18 such manner as the Secretary of the Treasury shall re-  
19 quire, report—

20 (1) to the Secretary of the Treasury—

21 (A) the amount of the Move America vol-  
22 ume cap of the State for the calendar year  
23 which is exchanged under section 42A(c)(1) of  
24 the Internal Revenue Code of 1986 for a State  
25 credit limitation;

1 (B) the amount (if any) of the State credit  
2 limitation allocated under section  
3 42A(c)(3)(A)(i) of such Code to qualified  
4 projects, the amount so allocated to each such  
5 project, and the taxpayer with respect to such  
6 project (including the name of the taxpayer and  
7 any other identifying information as the Sec-  
8 retary of the Treasury shall require); and

9 (C) the amount (if any) of the State credit  
10 limitation allocated under section  
11 42A(c)(3)(A)(ii) of such Code to qualified infra-  
12 structure funds, the amount so allocated to  
13 each such fund, and each taxpayer holding any  
14 Move America investment with respect to any  
15 such fund (including the name of the taxpayer  
16 and any other identifying information as the  
17 Secretary of the Treasury shall require);

18 (2) to the Secretary of the Treasury and any  
19 taxpayer who is the project sponsor of a qualified  
20 project receiving an allocation under section  
21 42A(c)(3)(A)(i) of such Code, the date on which the  
22 qualified project is placed in service; and

23 (3) to the Secretary of the Treasury and any  
24 taxpayer holding a Move America investment, a cer-  
25 tification that the entity which issued the investment



1 is a qualified infrastructure fund and that the in-  
2 vestment will be used to make qualified investments  
3 designated for purposes of section  
4 42A(b)(2)(A)(i)(III) of the Internal Revenue Code of  
5 1986.

6 For purposes of this subsection, any term used in this sub-  
7 section that is also used in section 42A or 142A of such  
8 Code has the same meaning as when used in such section.

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