

114TH CONGRESS
2D SESSION

S. 3

To amend the Internal Revenue Code of 1986 to provide additional new
markets tax credits for distressed coal communities.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 15, 2016

Mrs. CAPITO introduced the following bill; which was read twice and referred
to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide
additional new markets tax credits for distressed coal
communities.

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 “Creating Opportunities
5 for Rural Economic Expansion Act” or the “CORE Act”.

6 **SEC. 2. ADDITIONAL NEW MARKETS TAX CREDIT FOR DIS-**
7 **TRESSED COAL COMMUNITIES.**

8 (a) **IN GENERAL.**—Section 45D(f) of the Internal
9 Revenue Code of 1986 is amended by adding at the end
10 the following new paragraph:

1 “(4) SET ASIDE OF PORTION OF LIMITATION
2 FOR DISTRESSED COAL COMMUNITIES.—

3 “(A) IN GENERAL.—For any calendar year
4 after 2016, not less than 5 percent of the new
5 markets tax credit limitation shall be allocated
6 to qualified community development entities in
7 connection with qualified investments the pro-
8 ceeds of which are substantially used to make
9 qualified coal community investments.

10 “(B) QUALIFIED COAL COMMUNITY IN-
11 VESTMENT.—For purposes of this paragraph—

12 “(i) IN GENERAL.—The term ‘quali-
13 fied coal community investment’ means—

14 “(I) any capital or equity invest-
15 ment in, or loan to, any qualified ac-
16 tive distressed coal community busi-
17 ness,

18 “(II) the purchase from another
19 community development entity of any
20 loan made by such entity which is a
21 qualified coal community investment,

22 “(III) financial counseling and
23 other services specified in regulations
24 prescribed by the Secretary to busi-

1 nesses located in, and residents of,
2 distressed coal communities, and

3 “(IV) any equity investment in,
4 or loan to, any qualified community
5 development entity in connection with
6 qualified investments the proceeds of
7 which are substantially used to make
8 qualified coal community investments.

9 “(ii) QUALIFIED ACTIVE DISTRESSED
10 COAL COMMUNITY BUSINESS.—The term
11 ‘qualified active coal community business’
12 means any business which would be a
13 qualified active low-income community
14 business if paragraphs (2) and (3) of sub-
15 section (d) were applied by substituting
16 ‘distressed coal community’ for ‘low-income
17 community’ each place it appears.

18 “(iii) DISTRESSED COAL COMMU-
19 NITY.—

20 “(I) IN GENERAL.—The term
21 ‘distressed coal community’ means
22 any low-income community which is
23 located in a county which—

24 “(aa) was one of the 30
25 counties with the biggest employ-

1 ment decrease among coal opera-
 2 tors (as determined under reports
 3 issued by the Mine Safety and
 4 Health Administration) for an
 5 applicable period, or

6 “(bb) is contiguous to a
 7 county which—

8 “(AA) is described in
 9 item (aa) and is within the
 10 same State as such county,
 11 and

12 “(BB) contains not less
 13 than 1 low-income commu-
 14 nity.

15 “(II) APPLICABLE PERIODS.—
 16 For purposes of subclause (I)(aa), the
 17 term ‘applicable period’ means any of
 18 the following periods:

19 “(aa) Calendar year 2013
 20 compared to calendar year 2012.

21 “(bb) Calendar year 2014
 22 compared to calendar year 2013.

23 “(cc) Calendar year 2015
 24 compared to calendar year 2014.

1 “(C) LIMITATION OF ALLOCATION OF SET
2 ASIDE.—

3 “(i) IN GENERAL.—In allocating the
4 portion of the new markets tax credit limi-
5 tation to which subparagraph (A) applies,
6 the Secretary shall ensure that, with re-
7 spect to any eligible State, not less than
8 the minimum percentage of such limitation
9 is allocated to qualified community devel-
10 opment entities making qualified coal com-
11 munity investments in such eligible State.

12 “(ii) MINIMUM PERCENTAGE.—For
13 purposes of clause (i), the minimum per-
14 centage for any eligible State is the per-
15 centage equal to 80 percent of the ratio
16 of—

17 “(I) the qualified coal operator
18 employment decrease in such State, to

19 “(II) the total qualified coal op-
20 erator employment decrease in all eli-
21 gible States.

22 “(iii) QUALIFIED COAL OPERATOR EM-
23 PLOYMENT DECREASE.—For purposes of
24 clause (ii), the term ‘qualified coal operator
25 employment decrease’ means, with respect

1 to any eligible State, the aggregate amount
 2 of employment decrease among coal opera-
 3 tors for all counties in such State—

4 “(I) in which there is a low-in-
 5 come community, and

6 “(II) which are taken into ac-
 7 count under item (aa) of subpara-
 8 graph (B)(iii)(I).

9 “(iv) ELIGIBLE STATE.—For purposes
 10 of this subparagraph, the term ‘eligible
 11 State’ means any State in which there is a
 12 distressed coal community.

13 “(D) APPLICATION OF CARRYOVER.—
 14 Paragraph (3) shall be applied separately with
 15 respect to amounts described in subparagraph
 16 (A).”.

17 (b) APPLICATION OF RECAPTURE RULES.—Section
 18 45D(g)(3)(B) of the Internal Revenue Code of 1986 is
 19 amended by inserting “(or, in the case of an investment
 20 described in subsection (f)(4), as required under such sub-
 21 section)” after “(b)(1)(B)”.

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