

112TH CONGRESS  
1ST SESSION

# H. R. 3476

To provide incentives for economic growth, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 18, 2011

Mr. HANNA (for himself and Mr. KEATING) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Judiciary and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide incentives for economic growth, 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,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “American Growth, Recovery, Empowerment, and Entre-  
6 preneurship Act” or the “AGREE Act”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title; table of contents.

## TITLE I—EXTENDING TAX RELIEF FOR SMALL BUSINESSES

- Sec. 101. Extension of bonus depreciation; temporary 100 percent expensing for certain business assets.
- Sec. 102. Extension of increased expensing limitations and treatment of certain real property as section 179 property.
- Sec. 103. Temporary exclusion of 100 percent of gain on certain small business stock.

## TITLE II—ENCOURAGING CUTTING-EDGE RESEARCH AND INNOVATION

- Sec. 201. Extension of research credit; alternative simplified research credit increased and made permanent.
- Sec. 202. Enhanced research credit for domestic manufacturers.

## TITLE III—PROVIDING COMMON-SENSE TAX INCENTIVES FOR VETERANS

- Sec. 301. Veterans franchise fee credit.
- Sec. 302. Publication of information by Department of Veterans Affairs and Small Business Administration.

## TITLE IV—REGULATORY RELIEF FOR SMALL COMPANIES

- Sec. 401. Exemption from the internal control reporting and assessment requirements.

## TITLE V—REDUCING BARRIERS TO HIGH-SKILLED LEGAL IMMIGRATION

- Sec. 501. Numerical limitation to any single foreign state.

## TITLE VI—PROTECTING AMERICAN BUSINESS AGAINST ILLEGAL COUNTERFEITING

- Sec. 601. Preventing the importation of counterfeit products and infringing devices.

1           **TITLE I—EXTENDING TAX**  
 2           **RELIEF FOR SMALL BUSINESSES**

3           **SEC. 101. EXTENSION OF BONUS DEPRECIATION; TEM-**  
 4                           **PORARY 100 PERCENT EXPENSING FOR CER-**  
 5                           **TAIN BUSINESS ASSETS.**

6           (a) IN GENERAL.—Paragraph (2) of section 168(k)  
 7 of the Internal Revenue Code of 1986 is amended—

8                           (1) by striking “January 1, 2014” in subpara-  
 9                           graph (A)(iv) and inserting “January 1, 2016”, and

1           (2) by striking “January 1, 2013” each place  
2           it appears and inserting “January 1, 2015”.

3           (b) TEMPORARY 100 PERCENT EXPENSING.—Para-  
4 graph (5) of section 168(k) of the Internal Revenue Code  
5 of 1986 is amended—

6           (1) by striking “2013” and inserting “2016”,  
7           and

8           (2) by striking “2012” each place it appears in  
9           the text and heading and inserting “2015”.

10          (c) EXTENSION OF ELECTION TO ACCELERATE THE  
11 AMT CREDIT IN LIEU OF BONUS DEPRECIATION.—

12           (1) IN GENERAL.—Subclause (II) of section  
13 168(k)(4)(D)(iii) of the Internal Revenue Code of  
14 1986 is amended by striking “2013” and inserting  
15 “2015”.

16           (2) ROUND 3 EXTENSION PROPERTY.—Para-  
17 graph (4) of section 168(k) of such Code is amended  
18 by adding at the end the following new subpara-  
19 graph:

20                   “(J) SPECIAL RULES FOR ROUND 3 EX-  
21 TENSION PROPERTY.—

22                           “(i) IN GENERAL.—In the case of  
23 round 3 extension property, this paragraph  
24 shall be applied without regard to—

1 “(I) the limitation described in  
2 subparagraph (B)(i) thereof, and

3 “(II) the business credit increase  
4 amount under subparagraph (E)(iii)  
5 thereof.

6 “(ii) TAXPAYERS PREVIOUSLY ELECT-  
7 ING ACCELERATION.—In the case of a tax-  
8 payer who made the election under sub-  
9 paragraph (A) for its first taxable year  
10 ending after March 31, 2008, a taxpayer  
11 who made the election under subparagraph  
12 (H)(ii) for its first taxable year ending  
13 after December 31, 2008, or a taxpayer  
14 who made the election under subparagraph  
15 (I)(iii) for its first taxable year ending  
16 after December 31, 2010—

17 “(I) the taxpayer may elect not  
18 to have this paragraph apply to round  
19 3 extension property, but

20 “(II) if the taxpayer does not  
21 make the election under subclause (I),  
22 in applying this paragraph to the tax-  
23 payer the bonus depreciation amount,  
24 maximum amount, and maximum in-  
25 crease amount shall be computed and

1 applied to eligible qualified property  
2 which is round 3 extension property.

3 The amounts described in subclause (II)  
4 shall be computed separately from any  
5 amounts computed with respect to eligible  
6 qualified property which is not round 2 ex-  
7 tension property.

8 “(iii) TAXPAYERS NOT PREVIOUSLY  
9 ELECTING ACCELERATION.—In the case of  
10 a taxpayer who neither made the election  
11 under subparagraph (A) for its first tax-  
12 able year ending after March 31, 2008,  
13 nor made the election under subparagraph  
14 (H)(ii) for its first taxable year ending  
15 after December 31, 2008, nor made the  
16 election under subparagraph (I)(iii) for its  
17 first taxable year ending after December  
18 31, 2010—

19 “(I) the taxpayer may elect to  
20 have this paragraph apply to its first  
21 taxable year ending after December  
22 31, 2011, and each subsequent tax-  
23 able year, and

24 “(II) if the taxpayer makes the  
25 election under subclause (I), this

1 paragraph shall only apply to eligible  
2 qualified property which is round 3  
3 extension property.

4 “(iv) ROUND 3 EXTENSION PROP-  
5 ERTY.—For purposes of this subpara-  
6 graph, the term ‘round 3 extension prop-  
7 erty’ means property which is eligible  
8 qualified property solely by reason of the  
9 extension of the application of the special  
10 allowance under paragraph (1) pursuant to  
11 the amendments made by section 101(a) of  
12 the American Growth, Recovery, Empower-  
13 ment, and Entrepreneurship Act (and the  
14 application of such extension to this para-  
15 graph pursuant to the amendment made  
16 by section 101(c)(1) of such Act).”.

17 (d) CONFORMING AMENDMENTS.—

18 (1) The heading for subsection (k) of section  
19 168 of the Internal Revenue Code of 1986 is amend-  
20 ed by striking “JANUARY 1, 2013” and inserting  
21 “JANUARY 1, 2016”.

22 (2) The heading for clause (ii) of section  
23 168(k)(2)(B) of such Code is amended by striking  
24 “PRE-JANUARY 1, 2013” and inserting “PRE-JANU-  
25 ARY 1, 2016”.

1           (3) Paragraph (5) of section 168(l) of such  
2 Code is amended—

3           (A) by striking “and” at the end of sub-  
4 paragraph (A),

5           (B) by redesignating subparagraph (C) as  
6 subparagraph (B), and

7           (C) by inserting after subparagraph (A)  
8 the following new subparagraph:

9           “(B) by substituting ‘January 1, 2013’ for  
10 ‘January 1, 2016’ in clause (i) thereof, and”.

11           (4) Subparagraph (C) of section 168(n)(2) of  
12 such Code is amended by striking “January 1,  
13 2013” and inserting “January 1, 2016”.

14           (5) Subparagraph (D) of section 1400L(b)(2)  
15 of such Code is amended by striking “January 1,  
16 2013” and inserting “January 1, 2016”.

17           (6) Subparagraph (B) of section 1400N(d)(3)  
18 of such Code is amended by striking “January 1,  
19 2013” and inserting “January 1, 2016”.

20           (e) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to property placed in service after  
22 December 31, 2011, in taxable years ending after such  
23 date.

1 **SEC. 102. EXTENSION OF INCREASED EXPENSING LIMITA-**  
2 **TIONS AND TREATMENT OF CERTAIN REAL**  
3 **PROPERTY AS SECTION 179 PROPERTY.**

4 (a) **IN GENERAL.**—Section 179(b) of the Internal  
5 Revenue Code of 1986 is amended—

6 (1) by striking “2010 or 2011” each place it  
7 appears in paragraph (1)(B) and (2)(B) and insert-  
8 ing “2010, 2011, 2012, 2013, or 2014”,

9 (2) by striking “2012” each place it appears in  
10 paragraph (1)(C) and (2)(C) and inserting “2015”,  
11 and

12 (3) by striking “2012” each place it appears in  
13 paragraph (1)(D) and (2)(D) and inserting “2015”.

14 (b) **INFLATION ADJUSTMENT.**—Subparagraph (A) of  
15 section 179(b)(6) of the Internal Revenue Code of 1986  
16 is amended by striking “2012” and inserting “2015”.

17 (c) **COMPUTER SOFTWARE.**—Section 179(d)(1)(A)(ii)  
18 of the Internal Revenue Code of 1986 is amended by strik-  
19 ing “2013” and inserting “2016”.

20 (d) **ELECTION.**—Section 179(e)(2) of the Internal  
21 Revenue Code of 1986 is amended by striking “2013” and  
22 inserting “2016”.

23 (e) **SPECIAL RULES FOR TREATMENT OF QUALIFIED**  
24 **REAL PROPERTY.**—Section 179(f)(1) of the Internal Rev-  
25 enue Code of 1986 is amended by striking “2010 or 2011”  
26 and inserting “2010, 2011, 2012, 2013, or 2014”.



1 (f) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2011.

4 **SEC. 103. TEMPORARY EXCLUSION OF 100 PERCENT OF**  
5 **GAIN ON CERTAIN SMALL BUSINESS STOCK.**

6 (a) IN GENERAL.—Paragraph (4) of section 1202(a)  
7 of the Internal Revenue Code of 1986 is amended—

8 (1) by striking “January 1, 2012” and insert-  
9 ing “January 1, 2015”, and

10 (2) by striking “AND 2011” in the heading  
11 thereof and inserting “, 2011, 2012, 2013, AND 2014”.

12 (b) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to stock acquired after December  
14 31, 2011.

15 **TITLE II—ENCOURAGING CUT-**  
16 **TING-EDGE RESEARCH AND**  
17 **INNOVATION**

18 **SEC. 201. EXTENSION OF RESEARCH CREDIT; ALTERNATIVE**  
19 **SIMPLIFIED RESEARCH CREDIT INCREASED**  
20 **AND MADE PERMANENT.**

21 (a) EXTENSION OF CREDIT.—

22 (1) IN GENERAL.—Subparagraph (B) of section  
23 41(h)(1) of the Internal Revenue Code of 1986 is  
24 amended by striking “December 31, 2011” and in-  
25 serting “December 31, 2012”.

1           (2) CONFORMING AMENDMENT.—Subparagraph  
2           (D) of section 45C(b)(1) of such Code is amended  
3           by striking “December 31, 2011” and inserting  
4           “December 31, 2012”.

5           (3) EFFECTIVE DATE.—The amendments made  
6           by this subsection shall apply to amounts paid or in-  
7           curred after December 31, 2011.

8           (b) ALTERNATIVE SIMPLIFIED RESEARCH CREDIT  
9           INCREASED AND MADE PERMANENT.—

10           (1) INCREASED CREDIT.—Subparagraph (A) of  
11           section 41(c)(5) of the Internal Revenue Code of  
12           1986 is amended by striking “14 percent (12 per-  
13           cent in the case of taxable years ending before Janu-  
14           ary 1, 2009)” and inserting “20 percent”.

15           (2) CREDIT MADE PERMANENT.—

16           (A) IN GENERAL.—Subsection (h) of sec-  
17           tion 41 of such Code is amended by redesignig-  
18           nating the paragraph (2) relating to computa-  
19           tion of taxable year in which credit terminates  
20           as paragraph (4) and by inserting before such  
21           paragraph the following new paragraph:

22           “(3) TERMINATION NOT TO APPLY TO ALTER-  
23           NATIVE SIMPLIFIED CREDIT.—Paragraph (1) shall  
24           not apply to the credit determined under subsection  
25           (c)(5).”.

1 (B) CONFORMING AMENDMENT.—Para-  
2 graph (4) of section 41(h) of such Code, as re-  
3 designated by subparagraph (A), is amended to  
4 read as follows:

5 “(4) COMPUTATION FOR TAXABLE YEAR IN  
6 WHICH CREDIT TERMINATES.—In the case of any  
7 taxable year with respect to which this section ap-  
8 plies to a number of days which is less than the total  
9 number of days in such taxable year, the amount de-  
10 termined under subsection (c)(1)(B) with respect to  
11 such taxable year shall be the amount which bears  
12 the same ratio to such amount (determined without  
13 regard to this paragraph) as the number of days in  
14 such taxable year to which this section applies bears  
15 to the total number of days in such taxable year.”.

16 (3) EFFECTIVE DATE.—The amendments made  
17 by this subsection shall apply to taxable years end-  
18 ing after December 31, 2010.

19 **SEC. 202. ENHANCED RESEARCH CREDIT FOR DOMESTIC**  
20 **MANUFACTURERS.**

21 (a) IN GENERAL.—Section 41, as amended by section  
22 201, of the Internal Revenue Code of 1986 is amended  
23 by redesignating subsection (h) as subsection (i) and by  
24 inserting after subsection (f) the following new subsection:

1       “(g) ENHANCED CREDIT FOR DOMESTIC MANUFAC-  
2 TURERS.—

3           “(1) IN GENERAL.—In the case of a qualified  
4 domestic manufacturer, this section shall be applied  
5 by increasing the 20 percent amount in subsection  
6 (a)(1) by the bonus amount.

7           “(2) QUALIFIED DOMESTIC MANUFACTURER.—  
8 For purposes of this subsection—

9           “(A) IN GENERAL.—The term ‘qualified  
10 domestic manufacturer’ means a taxpayer who  
11 has domestic production gross receipts which  
12 are more than 50 percent of total production  
13 gross receipts.

14           “(B) DOMESTIC PRODUCTION GROSS RE-  
15 CEIPTS.—The term ‘domestic production gross  
16 receipts’ has the meaning given to such term  
17 under section 199(c)(4).

18           “(C) TOTAL PRODUCTION GROSS RE-  
19 CEIPTS.—The term ‘total production gross re-  
20 cepts’ means the gross receipts of the taxpayer  
21 which are described in section 199(c)(4), deter-  
22 mined—

23           “(i) without regard to whether prop-  
24 erty described in subparagraph (A)(i)(I) or  
25 (A)(i)(III) thereof was manufactured, pro-

1           duced, grown, or extracted in the United  
2           States,

3                   “(ii) by substituting ‘any property de-  
4                   scribed in section 168(f)(3)’ for ‘any quali-  
5                   fied film’ in subparagraph (A)(i)(II) there-  
6                   of, and

7                   “(iii) without regard to whether any  
8                   construction described in subparagraph  
9                   (A)(ii) thereof or services described in sub-  
10                  paragraph (A)(iii) thereof were performed  
11                  in the United States.

12                  “(3) BONUS AMOUNT.—For purposes of para-  
13                  graph (1), the bonus amount shall be determined as  
14                  follows:

<b>“If the percentage of total production gross receipts which are domestic production gross receipts is:</b>	<b>The bonus amount is:</b>
More than 50 percent and not more than 60 per- cent.	2 percentage points
More than 60 percent and not more than 70 per- cent.	4 percentage points
More than 70 percent and not more than 80 per- cent.	6 percentage points
More than 80 percent and not more than 90 per- cent.	8 percentage points
More than 90 percent .....	10 percentage points.”.

15                  (b) EFFECTIVE DATE.—The amendment made by  
16 this section shall apply to expenditures paid or incurred  
17 in taxable years beginning after December 31, 2011.

1 **TITLE III—PROVIDING COMMON-**  
2 **SENSE TAX INCENTIVES FOR**  
3 **VETERANS**

4 **SEC. 301. VETERANS FRANCHISE FEE CREDIT.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-  
6 chapter A of chapter 1 of the Internal Revenue Code of  
7 1986 is amended by adding at the end the following new  
8 section:

9 **“SEC. 45S. VETERANS FRANCHISE FEE CREDIT.**

10 “(a) VETERANS FRANCHISE FEE CREDIT.—

11 “(1) IN GENERAL.—For purposes of section 38,  
12 the veterans franchise fee credit determined under  
13 this section for the taxable year is an amount equal  
14 to 25 percent of the qualified franchise fees paid or  
15 incurred by a veteran during the taxable year.

16 “(2) LIMITATION.—The amount allowed as a  
17 credit under paragraph (1) with respect to the pur-  
18 chase of any franchise shall not exceed \$100,000.

19 “(b) REDUCTION WHERE FRANCHISE NOT 100 PER-  
20 CENT VETERAN-OWNED.—In the case of any franchise in  
21 which veterans do not own 100 percent of the stock or  
22 of the capital or profits interests of the franchise, the cred-  
23 it under subsection (a) shall be the credit amount deter-  
24 mined under such subsection, multiplied by the same ratio  
25 as—

1           “(1) the stock or capital or profits interests of  
2           the franchise held by veterans, bears

3           “(2) to the total stock or capital or profits in-  
4           terests of the franchise.

5 For purposes of this subsection, the spouse of a veteran  
6 shall be treated as a veteran.

7           “(c) QUALIFIED FRANCHISE FEE.—For purposes of  
8 this section, the term ‘qualified franchise fee’ means any  
9 one-time fee required by the franchisor when entering into  
10 a franchise agreement with a veteran as the franchisee.

11          “(d) OTHER DEFINITIONS.—For purposes of this  
12 section, the terms ‘franchise’, ‘franchisee’, ‘franchisor’,  
13 and ‘franchise fee’ have the meanings given such terms  
14 in part 436 of title 16, Code of Federal Regulations (as  
15 in effect on January 1, 2009).

16          “(e) VETERAN.—The term ‘veteran’ has the meaning  
17 given such term by section 101 of title 38, United States  
18 Code.

19          “(f) ELECTION.—This section shall not apply to a  
20 taxpayer for any taxable year if such taxpayer elects to  
21 have this section not apply for such taxable year.”.

22          (b) CREDIT TO BE PART OF GENERAL BUSINESS  
23 CREDIT.—Section 38(b) of the Internal Revenue Code of  
24 1986 is amended by striking “plus” at the end of para-  
25 graph (35), by striking the period at the end of paragraph

1 (36) and inserting “, plus”, and by adding at the end the  
2 following new paragraph:

3 “(37) the veterans franchise fee credit deter-  
4 mined under section 45S(a).”.

5 (c) CLERICAL AMENDMENT.—The table of sections  
6 for subpart D of part IV of subchapter A of chapter 1  
7 of the Internal Revenue Code of 1986 is amended by add-  
8 ing at the end the following new item:

“Sec. 45S. Veterans franchise fee credit.”.

9 (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to taxable years ending after De-  
11 cember 31, 2010.

12 **SEC. 302. PUBLICATION OF INFORMATION BY DEPARTMENT**  
13 **OF VETERANS AFFAIRS AND SMALL BUSI-**  
14 **NESS ADMINISTRATION.**

15 The Administrator of the Small Business Administra-  
16 tion and the Secretary of Veterans Affairs shall publicize  
17 in mailings and brochures sent to veterans service organi-  
18 zations and veteran advocacy groups information regard-  
19 ing discounted franchise fees under section 45S of the In-  
20 ternal Revenue Code of 1986 and other information about  
21 the program established under amendments made by this  
22 Act.



1 **TITLE IV—REGULATORY RELIEF**  
2 **FOR SMALL COMPANIES**

3 **SEC. 401. EXEMPTION FROM THE INTERNAL CONTROL RE-**  
4 **PORTING AND ASSESSMENT REQUIREMENTS.**

5 (a) IN GENERAL.—Section 404 of the Sarbanes-  
6 Oxley Act of 2002 (15 U.S.C. 7262) is amended by adding  
7 at the end the following:

8 “(d) EXEMPTION.—Subsection (b) shall not apply to  
9 any issuer until the earlier of—

10 “(1) such time as the issuer has total revenues  
11 of \$250,000,000; and

12 “(2) the expiration of the 5-year period begin-  
13 ning on the date of the initial public offering of that  
14 issuer.”.

15 (b) STUDY AND REPORT.—

16 (1) STUDY.—The Securities and Exchange  
17 Commission shall conduct a study—

18 (A) to determine how the Commission  
19 could reduce the burden of complying with sec-  
20 tion 404(b) of the Sarbanes-Oxley Act of 2002  
21 for companies, the market capitalization of  
22 which is between \$250,000,000 and  
23 \$1,000,000,000 for the relevant reporting pe-  
24 riod while maintaining investor protections for  
25 such companies; and

1 (B) to assess the annual cost of compliance  
2 with that section 404(b) for all companies  
3 whose market capitalization is less than or  
4 equal to \$1,000,000,000.

5 (2) REPORT.—The Securities and Exchange  
6 Commission shall submit a report to Congress on  
7 the results of the study conducted under paragraph  
8 (1) not later than 9 months after the date of enact-  
9 ment of this Act.

10 **TITLE V—REDUCING BARRIERS**  
11 **TO HIGH-SKILLED LEGAL IM-**  
12 **MIGRATION**

13 **SEC. 501. NUMERICAL LIMITATION TO ANY SINGLE FOR-**  
14 **EIGN STATE.**

15 (a) IN GENERAL.—Section 202(a)(2) of the Immi-  
16 gration and Nationality Act (8 U.S.C. 1152(a)(2)) is  
17 amended—

18 (1) in the paragraph heading, by striking “AND  
19 EMPLOYMENT-BASED”;

20 (2) by striking “(3), (4), and (5),” and insert-  
21 ing “(3) and (4),”;

22 (3) by striking “subsections (a) and (b) of sec-  
23 tion 203” and inserting “section 203(a)”;

24 (4) by striking “7” and inserting “15”; and

1           (5) by striking “such subsections” and inserting  
2           “such section”.

3           (b) CONFORMING AMENDMENTS.—Section 202 of the  
4 Immigration and Nationality Act (8 U.S.C. 1152) is  
5 amended—

6           (1) in subsection (a)(3), by striking “both sub-  
7 sections (a) and (b) of section 203” and inserting  
8 “section 203(a)”;

9           (2) by striking subsection (a)(5); and

10           (3) by amending subsection (e) to read as fol-  
11 lows:

12           “(e) SPECIAL RULES FOR COUNTRIES AT CEILING.—  
13 If it is determined that the total number of immigrant  
14 visas made available under section 203(a) to natives of  
15 any single foreign state or dependent area will exceed the  
16 numerical limitation specified in subsection (a)(2) in any  
17 fiscal year, in determining the allotment of immigrant visa  
18 numbers to natives under section 203(a), visa numbers  
19 with respect to natives of that state or area shall be allo-  
20 cated (to the extent practicable and otherwise consistent  
21 with this section and section 203) in a manner so that,  
22 except as provided in subsection (a)(4), the proportion of  
23 the visa numbers made available under each of paragraphs  
24 (1) through (4) of section 203(a) is equal to the ratio of  
25 the total number of visas made available under the respec-

1 tive paragraph to the total number of visas made available  
2 under section 203(a).”.

3 (c) COUNTRY-SPECIFIC OFFSET.—Section 2 of the  
4 Chinese Student Protection Act of 1992 (8 U.S.C. 1255  
5 note) is amended—

6 (1) in subsection (a), by striking “subsection  
7 (e))” and inserting “subsection (d))”; and

8 (2) by striking subsection (d) and redesignating  
9 subsection (e) as subsection (d).

10 (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall take effect as if enacted on September  
12 30, 2011, and shall apply to fiscal years beginning with  
13 fiscal year 2012.

14 (e) TRANSITION RULES FOR EMPLOYMENT-BASED  
15 IMMIGRANTS.—

16 (1) IN GENERAL.—Subject to the succeeding  
17 paragraphs of this subsection and notwithstanding  
18 title II of the Immigration and Nationality Act (8  
19 U.S.C. 1151 et seq.), the following rules shall apply:

20 (A) For fiscal year 2012, 15 percent of the  
21 immigrant visas made available under each of  
22 paragraphs (2) and (3) of section 203(b) of  
23 such Act (8 U.S.C. 1153(b)) shall be allotted to  
24 immigrants who are natives of a foreign state  
25 or dependent area that was not one of the two

1 states with the largest aggregate numbers of  
2 natives obtaining immigrant visas during fiscal  
3 year 2010 under such paragraphs.

4 (B) For fiscal year 2013, 10 percent of the  
5 immigrant visas made available under each of  
6 such paragraphs shall be allotted to immigrants  
7 who are natives of a foreign state or dependent  
8 area that was not one of the two states with the  
9 largest aggregate numbers of natives obtaining  
10 immigrant visas during fiscal year 2011 under  
11 such paragraphs.

12 (C) For fiscal year 2014, 10 percent of the  
13 immigrant visas made available under each of  
14 such paragraphs shall be allotted to immigrants  
15 who are natives of a foreign state or dependent  
16 area that was not one of the two states with the  
17 largest aggregate numbers of natives obtaining  
18 immigrant visas during fiscal year 2012 under  
19 such paragraphs.

20 (2) PER-COUNTRY LEVELS.—

21 (A) RESERVED VISAS.—With respect to  
22 the visas reserved under each of subparagraphs  
23 (A) through (C) of paragraph (1), the number  
24 of such visas made available to natives of any  
25 single foreign state or dependent area in the ap-

1           appropriate fiscal year may not exceed 25 percent  
2           (in the case of a single foreign state) or 2 per-  
3           cent (in the case of a dependent area) of the  
4           total number of such visas.

5           (B) UNRESERVED VISAS.—With respect to  
6           the immigrant visas made available under each  
7           of paragraphs (2) and (3) of section 203(b) of  
8           such Act (8 U.S.C. 1153(b)) and not reserved  
9           under paragraph (1), for each of fiscal years  
10          2012, 2013, and 2014, not more than 85 per-  
11          cent shall be allotted to immigrants who are na-  
12          tives of any single foreign state.

13          (3) SPECIAL RULE TO PREVENT UNUSED  
14          VISAS.—If, with respect to fiscal year 2012, 2013, or  
15          2014, the operation of paragraphs (1) and (2) of  
16          this subsection would prevent the total number of  
17          immigrant visas made available under paragraph (2)  
18          or (3) of section 203(b) of such Act (8 U.S.C.  
19          1153(b)) from being issued, such visas may be  
20          issued during the remainder of such fiscal year with-  
21          out regard to paragraphs (1) and (2) of this sub-  
22          section.

23          (4) RULES FOR CHARGEABILITY.—Section  
24          202(b) of such Act (8 U.S.C. 1152(b)) shall apply

1 in determining the foreign state to which an alien is  
2 chargeable for purposes of this subsection.

3 **TITLE VI—PROTECTING AMER-**  
4 **ICAN BUSINESS AGAINST IL-**  
5 **LEGAL COUNTERFEITING**

6 **SEC. 601. PREVENTING THE IMPORTATION OF COUNTER-**  
7 **FEIT PRODUCTS AND INFRINGING DEVICES.**

8 Notwithstanding section 1905 of title 18, United  
9 States Code—

10 (1) if United States Customs and Border Pro-  
11 tection suspects a product of being imported or ex-  
12 ported in violation of section 42 of the Act entitled  
13 “An Act to provide for the registration and protec-  
14 tion of trademarks used in commerce, to carry out  
15 the provisions of certain international conventions,  
16 and for other purposes”, approved July 5, 1946  
17 (commonly referred to as the “Trademark Act of  
18 1946”) (15 U.S.C. 1124), and subject to any appli-  
19 cable bonding requirements, the Secretary of Home-  
20 land Security is authorized to share information on,  
21 and unredacted samples of, products and their pack-  
22 aging and labels, or photos of such products, pack-  
23 aging and labels, with the rightholders of the trade-  
24 mark suspected of being copied or simulated, for

1 purposes of determining whether the products are  
2 prohibited from importation under that section; and  
3 (2) upon seizure of material by United States  
4 Customs and Border Protection imported in viola-  
5 tion of subsection (a)(2) or subsection (b) of section  
6 1201 of title 17, United States Code, the Secretary  
7 of Homeland Security is authorized to share infor-  
8 mation about, and provide samples to affected par-  
9 ties, subject to any applicable bonding requirements,  
10 as to the seizure of material designed to circumvent  
11 technological measures or protection afforded by a  
12 technological measure that controls access to or pro-  
13 tects the owner's work protected by copyright under  
14 such title.

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