112TH CONGRESS
1ST SESSION

H. R. 736

To amend the Internal Revenue Code of 1986 to extend the Build America
Bond program, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 2011

Ms. RICHARDSON (for herself and Mr. FILNER) introduced the following bill;
which was referred to the Committee on Ways and Means

———————————

A BILL

To amend the Internal Revenue Code of 1986 to extend
the Build America Bond program, 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.**

4   This Act may be cited as the "Build America Bonds

5 Extension for Rural and Urban Transportation and High-

6 ways Act of 2011" or the "BABE RUTH Act of 2011".

7 **SEC. 2. EXTENSION OF BUILD AMERICA BONDS.**

8   (a) IN GENERAL.—Subparagraph (B) of section

9 54AA(d)(1) of the Internal Revenue Code of 1986 is

10 amended by inserting "or during the period beginning on

2

1 the date of the enactment of the BABE RUTH Act of

2 2011 and ending on December 31, 2014,'' after ''January

3 1, 2011,''.

4 (b) EXTENSION OF PAYMENTS TO ISSUERS.—

5 (1) IN GENERAL.—Section 6431 of such Code

6 is amended—

7 (A) by inserting ''or during the period be-

8 ginning on the date of the enactment of the

9 BABE RUTH Act of 2011 and ending on De-

10 cember 31, 2014,'' after ''January 1, 2011,'' in

11 subsection (a), and

12 (B) by striking ''before January 1, 2011''

13 in subsection (f)(1)(B) and inserting ''during a

14 particular period''.

15 (2) CONFORMING AMENDMENTS.—Subsection

16 (g) of section 54AA of such Code is amended—

17 (A) by inserting ''or during the period be-

18 ginning on the date of the enactment of the

19 BABE RUTH Act of 2011 and ending on De-

20 cember 31, 2014,'' after ''January 1, 2011,'',

21 and

22 (B) by striking ''QUALIFIED BONDS

23 ISSUED BEFORE 2011'' in the heading and in-

24 serting ''CERTAIN QUALIFIED BONDS''.

1 (c) REDUCTION IN PERCENTAGE OF PAYMENTS TO

2 ISSUERS.—Subsection (b) of section 6431 of such Code

3 is amended—

4   (1) by striking "The Secretary" and inserting

5   the following:

6   "(1) IN GENERAL.—The Secretary",

7   (2) by striking "35 percent" and inserting "the

8   applicable percentage", and

9   (3) by adding at the end the following new

10   paragraph:

11   "(2) APPLICABLE PERCENTAGE.—For purposes

12   of this subsection, the term 'applicable percentage'

13   means the percentage determined in accordance with

14   the following table:

"In the case of a qualified bond issued during calendar year:	The applicable percentage is:
2009 or 2010	35 percent
2011	32 percent
2012, 2013, or 2014	30 percent.".

15   (d) CURRENT REFUNDINGS PERMITTED.—Sub-

16 section (g) of section 54AA of such Code is amended by

17 adding at the end the following new paragraph:

18   "(3) TREATMENT OF CURRENT REFUNDING

19   BONDS.—

20   "(A) IN GENERAL.—For purposes of this

21   subsection, the term 'qualified bond' includes

1 any bond (or series of bonds) issued to refund

2 a qualified bond if—

3   "(i) the average maturity date of the

4   issue of which the refunding bond is a part

5   is not later than the average maturity date

6   of the bonds to be refunded by such issue,

7   "(ii) the amount of the refunding

8   bond does not exceed the outstanding

9   amount of the refunded bond, and

10   "(iii) the refunded bond is redeemed

11   not later than 90 days after the date of the

12   issuance of the refunding bond.

13   "(B) APPLICABLE PERCENTAGE.—In the

14 case of a refunding bond referred to in subpara-

15 graph (A), the applicable percentage with re-

16 spect to such bond under section 6431(b) shall

17 be the lowest percentage specified in paragraph

18 (2) of such section.

19   "(C) DETERMINATION OF AVERAGE MATU-

20 RITY.—For purposes of subparagraph (A)(i),

21 average maturity shall be determined in accord-

22 ance with section 147(b)(2)(A).".

23   (e) CLARIFICATION RELATED TO LEVEES AND

24 FLOOD CONTROL PROJECTS.—Subparagraph (A) of sec-

25 tion 54AA(g)(2) of such Code is amended by inserting

1 ''(including capital expenditures for levees and other flood

2 control projects)'' after ''capital expenditures''.

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