

112TH CONGRESS  
1ST SESSION

# H. R. 747

To amend the Internal Revenue Code of 1986 to extend the Build America Bonds program.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 2011

Mr. SCHIFF introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the Build America Bonds program.

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 Act of 2011”.

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

7 (a) IN GENERAL.—Subparagraph (B) of section  
8 54AA(d)(1) of the Internal Revenue Code of 1986 is  
9 amended by inserting “or during the period beginning on  
10 the date of the enactment of the Build America Bonds

1 Extension Act of 2011 and ending on December 31,  
2 2012,” after “January 1, 2011,”.

3 (b) EXTENSION OF PAYMENTS TO ISSUERS.—

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

6 (A) by inserting “or during the period be-  
7 ginning on the date of the enactment of the  
8 Build America Bonds Extension Act of 2011  
9 and ending on December 31, 2012,” after  
10 “January 1, 2011,” in subsection (a), and

11 (B) by striking “before January 1, 2011”  
12 in subsection (f)(1)(B) and inserting “during a  
13 particular period”.

14 (2) CONFORMING AMENDMENTS.—Subsection  
15 (g) of section 54AA of such Code is amended—

16 (A) by inserting “or during the period be-  
17 ginning on the date of the enactment of the  
18 Build America Bonds Extension Act of 2011  
19 and ending on December 31, 2012,” after  
20 “January 1, 2011,” and

21 (B) by striking “QUALIFIED BONDS  
22 ISSUED BEFORE 2011” in the heading and in-  
23 serting “CERTAIN QUALIFIED BONDS”.

24 (c) REDUCTION IN PERCENTAGE OF PAYMENTS TO  
25 ISSUERS.—Subsection (b) of section 6431 of such Code

1 is amended by striking “35 percent” and inserting “28  
2 percent”.

3 (d) APPLICATION TO QUALIFIED SECTION 501(c)(3)  
4 BONDS.—Subsection (d) of section 54AA of such Code is  
5 amended—

6 (1) by striking “other than a private activity  
7 bond” in paragraph (1) and inserting “other than a  
8 specified private activity bond”,

9 (2) by redesignating paragraph (2) as para-  
10 graph (3), and

11 (3) by inserting after paragraph (1) the fol-  
12 lowing new paragraph:

13 “(2) SPECIFIED PRIVATE ACTIVITY BOND.—For  
14 purposes of paragraph (1), the term ‘specified pri-  
15 vate activity bond’ means any private activity bond  
16 other than a qualified section 501(c)(3) bond (as de-  
17 fined in section 145).”.

18 (e) CURRENT REFUNDINGS PERMITTED.—Sub-  
19 section (g) of section 54AA of such Code is amended by  
20 adding at the end the following new paragraph:

21 “(3) TREATMENT OF CURRENT REFUNDING  
22 BONDS.—

23 “(A) IN GENERAL.—For purposes of this  
24 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 (f) EFFECTIVE DATE.—

24 (1) IN GENERAL.—Except as otherwise pro-  
25 vided in this subsection, the amendments made by

1       this section shall apply to obligations issued on or  
2       after the date of the enactment of this Act.

3               (2) REFUNDINGS.—The amendment made by  
4       subsection (e) shall apply to refunding bonds (within  
5       the meaning of section 54AA(g)(3) of the Internal  
6       Revenue Code of 1986, as added by this section)  
7       issued on or after the date of the enactment of this  
8       Act.

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