

112TH CONGRESS  
1ST SESSION

# S. 361

To amend the Internal Revenue Code of 1986 to provide tax relief for small businesses, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 16, 2011

Ms. COLLINS 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 tax relief for small businesses, 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 “Seven Point Plan for Growing Jobs Act”.

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

Sec. 1. Short title; table of contents.

**TITLE I—JOB TRAINING AND WORKFORCE DEVELOPMENT**

Sec. 101. Manufacturing Job Training National Program.

Sec. 102. Workforce development and economic assistance to BRAC communities.

Sec. 103. Department of Labor Efficiency Report.

TITLE II—DEEP OFFSHORE WIND ENERGY RESEARCH, DEVELOPMENT, DEMONSTRATION, AND COMMERCIAL APPLICATION

Sec. 201. Definitions.

Sec. 202. Offshore wind energy research and deployment program.

Sec. 203. National offshore wind energy research, development, and demonstration centers.

Sec. 204. Authorization of appropriations.

TITLE III—SMALL BUSINESS TAX RELIEF

Sec. 301. Temporary employer payroll tax cut.

Sec. 302. 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, qualified retail improvements, and other nonresidential real property and residential rental property.

Sec. 303. Repeal of sunset on increased limitations on, and on expansion of, small business expensing.

Sec. 304. Repeal of expansion of information reporting requirements.

Sec. 305. Extension and modification of research credit.

TITLE IV—REGULATORY REFORM

Sec. 401. Regulatory reform.

Sec. 402. Reduction or waiver of civil penalties imposed on small entities.

TITLE V—INTERSTATE HIGHWAY VEHICLE WEIGHT LIMITS

Sec. 501. Interstate highway vehicle weight limits in Maine and Vermont.

TITLE VI—ETHANOL SUBSIDIES REPEAL

Sec. 601. Elimination of tax subsidies for ethanol fuel.

Sec. 602. Removal of tariffs on ethanol.

TITLE VII—SPENDING LIMITATIONS

Sec. 701. Discretionary spending limits.

Sec. 702. Adjusted gross income limitation for recipients of farm subsidies.

1 **TITLE I—JOB TRAINING AND**  
2 **WORKFORCE DEVELOPMENT**

3 **SEC. 101. MANUFACTURING JOB TRAINING NATIONAL PRO-**  
4 **GRAM.**

5 (a) PROGRAM.—Subtitle D of title I of the Workforce  
6 Investment Act of 1998 is amended by inserting after sec-  
7 tion 173A (29 U.S.C. 2918a) the following:

1 **“SEC. 173B. MANUFACTURING JOB TRAINING NATIONAL**  
2 **PROGRAM.**

3 “(a) PURPOSE.—The purpose of this section is to  
4 support programs of employment and training activities  
5 for manufacturing-related jobs, in order—

6 “(1) to enable participants to develop skills that  
7 are readily applicable to manufacturing;

8 “(2) to develop a workforce with the skills nec-  
9 essary to obtain employment;

10 “(3) to make such participants more competi-  
11 tive in the workforce;

12 “(4) to encourage individuals to develop skills  
13 and continue to advance professionally within manu-  
14 facturing fields; and

15 “(5) to ensure that programs of employment  
16 and training activities are meeting the needs of the  
17 manufacturers.

18 “(b) NATIONAL PROGRAM AUTHORIZED.—

19 “(1) PROGRAM.—The Secretary shall establish  
20 a Manufacturing Job Training National Program.

21 “(2) GRANTS.—

22 “(A) IN GENERAL.—The Secretary shall  
23 make grants through the Program, on a com-  
24 petitive basis, to eligible entities.

25 “(B) PLANNING AND DEVELOPMENT  
26 GRANTS.—The Secretary shall make such

1 grants, for periods of 1 year, to enable the enti-  
 2 ties to plan and develop programs described in  
 3 subsection (f)(1).

4 “(C) IMPLEMENTATION GRANTS.—The  
 5 Secretary shall make such grants, for periods of  
 6 not less than 1 and not more than 3 years, to  
 7 implement programs described in subsection  
 8 (f)(2).

9 “(c) ELIGIBLE ENTITIES.—To be eligible to receive  
 10 a grant under this section, an entity shall be a Governor,  
 11 a State agency with responsibility for labor programs, or  
 12 a State designated agency described in section 122(i).

13 “(d) PROGRAM PLAN.—

14 “(1) IN GENERAL.—To be eligible to receive a  
 15 grant under this section, an entity shall submit a  
 16 program plan to the Secretary at such time, in such  
 17 manner, and containing such information as the Sec-  
 18 retary may require, including a strategy for meeting  
 19 the needs of workers to develop skills for manufac-  
 20 turing-related jobs.

21 “(2) CONTENTS.—Such plan shall—

22 “(A) be consistent with the purpose de-  
 23 scribed in subsection (a);

24 “(B) be written in conjunction with local  
 25 manufacturers, economic development agencies,

1 community-based organizations, institutions of  
2 higher education (as defined in section 102 of  
3 the Higher Education Act of 1965 (20 U.S.C.  
4 1002)), labor organizations, or other relevant  
5 parties or individuals;

6 “(C) identify the population to be served;

7 “(D) identify the education and employ-  
8 ment needs of the population to be served and  
9 the manner in which the activities to be pro-  
10 vided will strengthen the ability of the individ-  
11 uals served to obtain or retain employment;

12 “(E) describe the activities to be provided;

13 and

14 “(F) describe performance measures for  
15 the program.

16 “(e) PRIORITY.—In making the grants, the Secretary  
17 shall give priority consideration to entities proposing pro-  
18 grams to develop skills for manufacturing jobs as ship-  
19 builders, ship fitters, welders, electricians, fabricators,  
20 pipe fitters, machinists, mechanics, metals inspectors,  
21 electrical engineers, or chemical engineers, in pulp and  
22 paper science disciplines, or in related fields.

23 “(f) AUTHORIZED ACTIVITIES.—

24 “(1) PLANNING AND DEVELOPMENT.—An enti-  
25 ty that receives a grant under subsection (b)(2)(B)

1       may use the funds made available through the grant  
 2       to plan and develop a new program of employment  
 3       and training activities that targets the specific needs  
 4       of a manufacturer.

5               “(2) PROGRAM IMPLEMENTATION.—An entity  
 6       that receives a grant under subsection (b)(2)(C) may  
 7       use the funds made available through the grant to  
 8       implement a program of employment and training  
 9       activities that targets the specific needs of a manu-  
 10      facturer.”.

11       (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
 12 174 of the Workforce Investment Act of 1998 (29 U.S.C.  
 13 2919) is amended by adding at the end the following:

14               “(d) MANUFACTURING JOB TRAINING.—There is au-  
 15      thorized to be appropriated to carry out section 173B  
 16      \$80,000,000 for each of fiscal years 2012 through 2016.”.

17 **SEC. 102. WORKFORCE DEVELOPMENT AND ECONOMIC AS-**  
 18 **SISTANCE TO BRAC COMMUNITIES.**

19       (a) WORKFORCE DEVELOPMENT AMENDMENTS.—

20               (1) IN GENERAL.—Section 202 of the Public  
 21      Works and Economic Development Act of 1965 (42  
 22      U.S.C. 3142) is amended—

23                       (A) by striking “Notwithstanding any  
 24                       other provision” and inserting the following:

1 “(c) NO REQUIREMENT OF TITLE.—Notwithstanding  
2 any other provision”; and

3 (B) by inserting before subsection (c) (as  
4 redesignated by subparagraph (A)) the fol-  
5 lowing:

6 “(a) DEFINITIONS.—In this section:

7 “(1) BRAC 2005.—The term ‘BRAC 2005’  
8 means the base realignment and closure activities es-  
9 tablished by the Secretary of Defense in 2005.

10 “(2) BRAC ELIGIBLE RECIPIENT.—The term  
11 ‘BRAC eligible recipient’ means an eligible recipient  
12 that is affected by BRAC 2005.

13 “(3) REPORT.—The term ‘report’ means the re-  
14 port of the 2005 Defense Base Closure and Realign-  
15 ment entitled ‘2005 Defense Base Closure and Re-  
16 alignment Commission Report’ and dated September  
17 8, 2005.

18 “(b) ASSISTANCE TO ELIGIBLE RECIPIENTS AF-  
19 FECTED BY BRAC.—

20 “(1) IN GENERAL.—The Secretary shall provide  
21 to BRAC eligible recipients not less than 25 percent  
22 of any amounts made available for grants under this  
23 title that are projected to experience a net loss of  
24 jobs as a result of BRAC 2005, as determined in the  
25 report.

1           “(2) CRITERIA FOR GRANT.—To receive a grant  
2 under this title, a BRAC eligible recipient described  
3 in paragraph (1) shall comply with all requirements  
4 described in this title.

5           “(3) PRIORITY.—

6           “(A) IN GENERAL.—In making grants  
7 available to a BRAC eligible recipient under  
8 this section, the Secretary shall give priority to  
9 a BRAC eligible recipient that, as determined  
10 in the report, is projected to experience—

11                   “(i) at least 2,000 direct job losses; or

12                   “(ii) at least 3,000 indirect job losses.

13           “(B) ADDITIONAL PRIORITY.—The Sec-  
14 retary shall give additional priority to any  
15 BRAC eligible recipient that, as determined in  
16 the report, is projected to experience—

17                   “(i) at least 2,000 direct job losses;

18                   and

19                   “(ii) at least 3,000 indirect job losses.

20           “(4) REVIEW.—In making grants available to  
21 BRAC eligible recipients under this section, the Sec-  
22 retary, in conjunction with the Secretary of Labor,  
23 shall review each grant provided to BRAC eligible  
24 recipients under this title to ensure that the BRAC



1 eligible recipients are receiving the most appropriate  
2 grants and services under this Act.”.

3 **SEC. 103. DEPARTMENT OF LABOR EFFICIENCY REPORT.**

4 (a) REVIEWS.—

5 (1) DEPARTMENT OF LABOR JOB TRAINING  
6 PROGRAMS.—The Secretary shall review job training  
7 programs carried out or supported by the Depart-  
8 ment of Labor, and identify ways to increase effi-  
9 ciency and reduce duplicative and unnecessary proc-  
10 esses and activities in those programs. In particular,  
11 the Secretary shall examine ways to reduce paper-  
12 work and bureaucratic restrictions with respect to  
13 those programs.

14 (2) JOB TRAINING PROGRAMS GENERALLY.—In  
15 addition, the Secretary shall review and identify  
16 ways in which the Secretary can provide financial  
17 assistance, in a cost-effective manner, to workers to  
18 enable the workers to participate in short-term job  
19 training programs.

20 (b) REPORT.—Not later than 60 days after the date  
21 of enactment of this Act, the Secretary shall prepare and  
22 submit to the appropriate committees of Congress a report  
23 that contains the results of the reviews described in sub-  
24 section (a).

1 **TITLE II—DEEP OFFSHORE WIND**  
2 **ENERGY RESEARCH, DEVELOPMENT,**  
3 **DEMONSTRATION,**  
4 **AND COMMERCIAL APPLICATION**  
5 **TION**

6 **SEC. 201. DEFINITIONS.**

7 In this title:

8 (1) INSTITUTION OF HIGHER EDUCATION.—The  
9 term “institution of higher education” has the  
10 meaning given the term in section 101(a) of the  
11 Higher Education Act of 1965 (20 U.S.C. 1001(a)).

12 (2) NATIONAL OFFSHORE WIND CENTER.—The  
13 term “national offshore wind center” means a na-  
14 tional offshore wind energy research, development,  
15 and demonstration center established under section  
16 203(a).

17 (3) PROGRAM.—The term “program” means a  
18 program—

19 (A) that includes activities (including the  
20 awarding of grants) to support the research,  
21 demonstration, and development of commercial  
22 applications for deep offshore water wind en-  
23 ergy; and

24 (B) to be carried out by the Secretary  
25 under section 202(a).

1           (4) SECRETARY.—The term “Secretary” means  
2           the Secretary of Energy.

3 **SEC. 202. OFFSHORE WIND ENERGY RESEARCH AND DE-**  
4 **PLOYMENT PROGRAM.**

5           (a) IN GENERAL.—As soon as practicable after the  
6 date of enactment of this Act, in accordance with sub-  
7 section (b), the Secretary shall carry out the program—

8           (1) to carry out a research, development, and  
9           demonstration program to facilitate the deployment  
10          of a wind energy program in deep offshore waters of  
11          the United States;

12          (2) to improve the energy efficiency, reliability,  
13          and capacity of offshore wind turbines; and

14          (3) to reduce the cost of manufacturing, con-  
15          struction, deployment, generation, and maintenance  
16          of offshore wind energy systems.

17          (b) PROGRAM REQUIREMENTS.—The Secretary shall  
18          carry out the program to support—

19          (1) the design, demonstration, and deployment  
20          of advanced wind turbine foundations and support  
21          structures, blades, turbine systems, components, and  
22          supporting land- and water-based infrastructure for  
23          application in deep offshore water;

24          (2) the full-scale testing and establishment of  
25          regional demonstrations of deep offshore water wind

1 components and systems to validate technology and  
2 performance issues relating to the components;

3 (3) for inclusion in a publically accessible data-  
4 base, assessments of the deep offshore water wind  
5 resources of the United States, including—

6 (A) environmental impacts and benefits;

7 (B) siting and permitting issues;

8 (C) exclusion zones; and

9 (D) transmission needs;

10 (4) the design, demonstration, and deployment  
11 of integrated sensors, actuators, and advanced mate-  
12 rials (including composite materials);

13 (5) advanced blade manufacturing activity (in-  
14 cluding automation, materials, and the assembly of  
15 large-scale components) to stimulate the develop-  
16 ment of the blade manufacturing capacity of the  
17 United States;

18 (6) methods to assess and mitigate the effects  
19 of wind energy systems on marine ecosystems and  
20 marine industries; and

21 (7) other research areas, as determined to be  
22 appropriate by the Secretary.

1 **SEC. 203. NATIONAL OFFSHORE WIND ENERGY RESEARCH,**  
2 **DEVELOPMENT, AND DEMONSTRATION CEN-**  
3 **TERS.**

4 (a) DUTY OF SECRETARY.—As soon as practicable  
5 after the date of enactment of this Act, the Secretary shall  
6 award, on a competitive basis and with an emphasis on  
7 technical merit, grants to institutions of higher education  
8 to establish 1 or more national offshore wind centers.

9 (b) SELECTION CRITERIA.—In selecting institutions  
10 of higher education under subsection (a), the Secretary  
11 shall give preference to institutions of higher education  
12 that—

13 (1) agree to cover transitional depth and deep  
14 offshore water technologies to complement the activi-  
15 ties of a national offshore wind center;

16 (2) agree to host an offshore wind energy re-  
17 search and development program funded by the De-  
18 partment of Energy in coordination with an engi-  
19 neering program of the institution of higher edu-  
20 cation;

21 (3) employ individuals who have proven exper-  
22 tise relating to the development of novel materials  
23 for commercial applications; and

24 (4) have access to, and use the resources of—

25 (A) the Atlantic Ocean;

26 (B) the Gulf of Mexico; or

1 (C) the Pacific Ocean.

2 (c) REQUIREMENTS.—A national offshore wind cen-  
3 ter established with funds provided by the Secretary  
4 through a grant under subsection (a) shall be designed—

5 (1) to focus on deepwater floating offshore wind  
6 energy technologies; and

7 (2) to facilitate the conduct of initiatives to ad-  
8 vance 1 or more activities described in section  
9 202(b).

10 **SEC. 204. AUTHORIZATION OF APPROPRIATIONS.**

11 There are authorized to be appropriated to the Sec-  
12 retary to carry out this title—

13 (1) \$50,000,000 for each of fiscal years 2012  
14 through 2016; and

15 (2) such sums as are necessary for each of fis-  
16 cal years 2017 through 2021.

17 **TITLE III—SMALL BUSINESS TAX**  
18 **RELIEF**

19 **SEC. 301. TEMPORARY EMPLOYER PAYROLL TAX CUT.**

20 (a) IN GENERAL.—

21 (1) EMPLOYERS.—Section 601(a) of the Tax  
22 Relief, Unemployment Insurance Reauthorization,  
23 and Job Creation Act of 2010 is amended by strik-  
24 ing “and” at the end of paragraph (1), by striking

1 the period at the end of paragraph (2), and by add-  
2 ing at the end the following new paragraph:

3 “(3) with respect to wages paid during the pay-  
4 roll tax holiday period not to exceed \$50,000 for  
5 each employee, the rate of tax under 3111(a) of  
6 such Code shall be 4.2 percent (including for pur-  
7 poses of determining the applicable percentage under  
8 sections 3221(a) of such Code).”.

9 (2) SELF-EMPLOYED INDIVIDUALS.—Section  
10 601(a)(1) of such Act is amended by inserting  
11 “(8.40 percent in the case of self-employment in-  
12 come not to exceed \$50,000)” after “10.40 percent”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Section 601 of the Tax Relief, Unemploy-  
15 ment Insurance Reauthorization, and Job Creation  
16 Act of 2010 is amended by striking subsection (b).

17 (2) Section 601(e)(2) of such Act is amended  
18 by striking “subsection (a)(2)” and inserting “para-  
19 graphs (2) and (3) of subsection (a)”.

20 (3) The headings for title VI and section 601  
21 of such Act are each amended by striking “em-  
22 ployee”.

23 (c) EFFECTIVE DATE.—

1           (1) IN GENERAL.—The amendments made by  
2 this section shall apply to wages paid and self-em-  
3 ployment income earned after December 31, 2010.

4           (2) SPECIAL TRANSITION RULE.—

5           (A) NONAPPLICATION OF REDUCTION DUR-  
6           ING FIRST QUARTER.—The amendments made  
7 by subsection (a)(1) shall not apply with respect  
8 to wages paid during the first calendar quarter  
9 of 2011.

10           (B) CREDITING OF FIRST QUARTER EX-  
11           EMPTION DURING SECOND QUARTER.—The  
12 amount by which the tax imposed under sec-  
13 tions 3111(a) and 3221(a) of the Internal Rev-  
14 enue Code of 1986 would (but for the applica-  
15 tion of subparagraph (A)) have been reduced  
16 with respect to wages paid by an employer dur-  
17 ing the first calendar quarter of 2011 shall be  
18 treated as a payment against the tax imposed  
19 under section 3111(a) of such Code or section  
20 3121(a) of such Code, as the case may be, with  
21 respect to the employer for the second calendar  
22 quarter of 2011 which is made on the date that  
23 such tax is due.



1 **SEC. 302. 15-YEAR STRAIGHT-LINE COST RECOVERY FOR**  
 2 **QUALIFIED LEASEHOLD IMPROVEMENTS,**  
 3 **QUALIFIED RESTAURANT BUILDINGS AND IM-**  
 4 **PROVEMENTS, QUALIFIED RETAIL IMPROVE-**  
 5 **MENTS, AND OTHER NONRESIDENTIAL REAL**  
 6 **PROPERTY AND RESIDENTIAL RENTAL PROP-**  
 7 **ERTY.**

8 (a) QUALIFIED LEASEHOLD IMPROVEMENTS, QUALI-  
 9 FIED RESTAURANT BUILDINGS AND IMPROVEMENTS, AND  
 10 QUALIFIED RETAIL IMPROVEMENTS.—Subparagraph (E)  
 11 of section 168(e)(3) of the Internal Revenue Code of 1986,  
 12 as amended by the Tax Relief, Unemployment Insurance  
 13 Reauthorization, and Job Creation Act of 2010, is amend-  
 14 ed—

15 (1) by striking “placed in service before Janu-  
 16 ary 1, 2012” in clauses (iv) and (v), and

17 (2) by striking “placed in service after Decem-  
 18 ber 31, 2008, and before January 1, 2012” in clause  
 19 (ix).

20 (b) OTHER NONRESIDENTIAL REAL PROPERTY AND  
 21 RESIDENTIAL RENTAL PROPERTY.—

22 (1) IN GENERAL.—Subparagraph (E) of section  
 23 168(e)(3) of the Internal Revenue Code of 1986 is  
 24 amended by striking “and” at the end of clause  
 25 (viii), by striking the period at the end of clause (ix)

1 and inserting “, and,” and by adding at the end the  
2 following new clause:

3 “(x) any nonresidential real property  
4 or residential rental property not otherwise  
5 described in any preceding clause of this  
6 subparagraph placed in service after De-  
7 cember 31, 2011.”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) The table contained in section 168(e)  
10 of the Internal Revenue Code of 1986 is  
11 amended by striking the items relating to resi-  
12 dential rental property and nonresidential real  
13 property.

14 (B) Subparagraph (B) of section 168(e)(2)  
15 of such Code is amended by striking “which is  
16 not” and all that follows and inserting “which  
17 is not residential rental property”.

18 (C) The table contained in section  
19 168(j)(2) of such Code is amended by striking  
20 the last item.

21 (D) The table contained in section  
22 467(e)(3)(A) of such Code is amended by strik-  
23 ing the next to last item.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to property placed in service after  
3 December 31, 2011.

4 **SEC. 303. REPEAL OF SUNSET ON INCREASED LIMITATIONS**  
5 **ON, AND ON EXPANSION OF, SMALL BUSINESS**  
6 **EXPENSING.**

7 (a) REPEAL OF SUNSET ON INCREASED LIMITA-  
8 TIONS.—

9 (1) IN GENERAL.—Paragraph (1) of section  
10 179(b) of the Internal Revenue Code of 1986, as  
11 amended by the Tax Relief, Unemployment Insur-  
12 ance Reauthorization, and Job Creation Act of  
13 2010, is amended by striking “shall not exceed—”  
14 and all that follows and inserting “shall not exceed  
15 \$125,000.”.

16 (2) REDUCTION IN LIMITATION.—Paragraph  
17 (2) of section 179(b) of such Code, as so amended,  
18 is amended by striking “exceeds—” and all that fol-  
19 lows and inserting “exceeds \$500,000.”.

20 (3) CONFORMING AMENDMENT.—Subsection (b)  
21 of section 179 of such Code, as so amended, is  
22 amended by striking paragraph (6).

23 (4) COMPUTER SOFTWARE.—Clause (ii) of sec-  
24 tion 179(d)(1)(A) of such Code, as so amended, is  
25 amended by striking “and before 2013”.

1           (5) REVOCATION OF ELECTION.—Paragraph  
2           (2) of section 179(e) of such Code, as so amended,  
3           is amended to read as follows:

4           “(2) REVOCATION OF ELECTION.—Any election  
5           made under this section, and any specification con-  
6           tained in any such election, may be revoked by the  
7           taxpayer with respect to any property, and such rev-  
8           ocation, once made, shall be irrevocable.”.

9           (b) REPEAL OF SUNSET ON EXPANSION.—Sub-  
10          section (f) of section 179 of such Code, as so amended,  
11          is amended—

12           (1) by striking “beginning in 2010 or 2011” in  
13          paragraph (1), and

14           (2) by striking paragraph (4) and inserting the  
15          following new paragraph:

16           “(4) CARRYOVER LIMITATION.—For purposes  
17          of applying subsection (b)(3)(B) to any taxable year,  
18          the amount which is disallowed under subsection  
19          (b)(3)(A) for such taxable year which is attributed  
20          to qualified real property shall be the amount which  
21          bears the same ratio to the total amount so dis-  
22          allowed as—

23           “(A) the aggregate amount attributable to  
24          qualified real property placed in service during  
25          such taxable year, increased by the portion of

1 any amount carried over to such taxable year  
2 from a prior taxable year which is attributable  
3 to such property, bears to

4 “(B) the total amount of section 179 prop-  
5 erty placed in service during such taxable year,  
6 increased by the aggregate amount carried over  
7 to such taxable year from any prior taxable  
8 year.

9 For purposes of the preceding sentence, only section  
10 179 property with respect to which an election was  
11 made under subsection (c)(1) shall be taken into ac-  
12 count.”.

13 (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 December 31, 2011.

16 **SEC. 304. REPEAL OF EXPANSION OF INFORMATION RE-**  
17 **PORTING REQUIREMENTS.**

18 (a) REPEAL OF PAYMENTS FOR PROPERTY AND  
19 OTHER GROSS PROCEEDS.—Subsection (b) of section  
20 9006 of the Patient Protection and Affordable Care Act,  
21 and the amendments made thereby, are hereby repealed;  
22 and the Internal Revenue Code of 1986 shall be applied  
23 as if such subsection, and amendments, had never been  
24 enacted.

1 (b) REPEAL OF APPLICATION TO CORPORATIONS  
2 AND REGULATORY AUTHORITY.—

3 (1) IN GENERAL.—Section 6041 of the Internal  
4 Revenue Code of 1986, as amended by section  
5 9006(a) of the Patient Protection and Affordable  
6 Care Act and section 2101 of the Small Business  
7 Jobs Act of 2010, is amended by striking sub-  
8 sections (i) and (j).

9 (2) EFFECTIVE DATE.—The amendment made  
10 by this subsection shall apply to payments made  
11 after December 31, 2010.

12 **SEC. 305. EXTENSION AND MODIFICATION OF RESEARCH**  
13 **CREDIT.**

14 (a) EXTENSION.—

15 (1) IN GENERAL.—Subparagraph (B) of section  
16 41(h)(1) of the Internal Revenue Code of 1986, as  
17 amended by the Tax Relief, Unemployment Insur-  
18 ance Reauthorization, and Job Creation Act of  
19 2010, is amended by striking “December 31, 2011”  
20 and inserting “December 31, 2016”.

21 (2) CONFORMING AMENDMENT.—Subparagraph  
22 (D) of section 45C(b)(1) of such Code, as so amend-  
23 ed, is amended by striking “December 31, 2011”  
24 and inserting “December 31, 2016”.

1 (b) INCREASE IN ALTERNATIVE SIMPLIFIED RE-  
2 SEARCH CREDIT.—Paragraph (5) of section 41(c) of the  
3 Internal Revenue Code of 1986 is amended—

4 (1) by striking “14 percent (12 percent in the  
5 case of taxable years ending before January 1,  
6 2009)” in subparagraph (A) and inserting “20 per-  
7 cent (14 percent in the case of taxable years ending  
8 before January 1, 2013)”, and

9 (2) by striking “6 percent” in subparagraph  
10 (B)(ii) and inserting “10 percent (7 percent in the  
11 case of taxable years ending before January 1,  
12 2013)”.

13 (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to amounts paid or incurred after  
15 December 31, 2010.

## 16 **TITLE IV—REGULATORY** 17 **REFORM**

### 18 **SEC. 401. REGULATORY REFORM.**

19 (a) DEFINITIONS.—In this section—

20 (1) the term “Administrator” means the Ad-  
21 ministrator of the Office of Information and Regu-  
22 latory Affairs in the Office of Management and  
23 Budget;

24 (2) the term “agency” has the same meaning as  
25 in section 3502(1) of title 44, United States Code;

1           (3) the term “economically significant guidance  
2 document” means a significant guidance document  
3 that may reasonably be anticipated to lead to an an-  
4 nual effect on the economy of \$100,000,000 or more  
5 or adversely affect in a material way the economy or  
6 a sector of the economy, except that economically  
7 significant guidance documents do not include guid-  
8 ance documents on Federal expenditures and re-  
9 ceipts;

10           (4) the term “disseminated”—

11           (A) means prepared by an agency and dis-  
12 tributed to the public or regulated entities; and

13           (B) does not include—

14           (i) distribution limited to Federal  
15 Government employees;

16           (ii) intra- or interagency use or shar-  
17 ing of Federal Government information;  
18 and

19           (iii) responses to requests for agency  
20 records under section 552 of title 5,  
21 United States Code (commonly referred to  
22 as the “Freedom of Information Act”),  
23 section 552a of title 5, United States Code,  
24 (commonly referred to as the “Privacy



1 Act”), the Federal Advisory Committee  
2 Act (5 U.S.C. App.), or other similar laws;

3 (5) the term “guidance document” means an  
4 agency statement of general applicability and future  
5 effect, other than a regulatory action, that sets forth  
6 a policy on a statutory, regulatory or technical issue  
7 or an interpretation of a statutory or regulatory  
8 issue;

9 (6) the term “regulation” means an agency  
10 statement of general applicability and future effect,  
11 which the agency intends to have the force and ef-  
12 fect of law, that is designed to implement, interpret,  
13 or prescribe law or policy or to describe the proce-  
14 dure or practice requirements of an agency;

15 (7) the term “regulatory action” means any  
16 substantive action by an agency (normally published  
17 in the Federal Register) that promulgates or is ex-  
18 pected to lead to the promulgation of a final regula-  
19 tion, including notices of inquiry, advance notices of  
20 proposed rulemaking, and notices of proposed rule-  
21 making;

22 (8) the term “significant guidance document”—  
23 (A) means a guidance document dissemi-  
24 nated to regulated entities or the general public  
25 that may reasonably be anticipated to—

1 (i) lead to an annual effect on the  
2 economy of \$100,000,000 or more or affect  
3 in a material way the economy, a sector of  
4 the economy, productivity, competition,  
5 jobs, the environment, public health or  
6 safety, or State, local, or tribal govern-  
7 ments or communities;

8 (ii) create a serious inconsistency or  
9 otherwise interfere with an action taken or  
10 planned by another agency;

11 (iii) materially alter the budgetary im-  
12 pact of entitlements, grants, user fees, or  
13 loan programs or the rights and obliga-  
14 tions of recipients thereof; or

15 (iv) raise novel legal or policy issues  
16 arising out of legal mandates and the pri-  
17 orities, principles, and provisions of this  
18 section; and

19 (B) does not include—

20 (i) legal advisory opinions for internal  
21 Executive Branch use and not for release  
22 (such as Department of Justice Office of  
23 Legal Counsel opinions);

24 (ii) briefs and other positions taken by  
25 agencies in investigations, pre-litigation,

- 1 litigation, or other enforcement pro-  
2 ceedings;
- 3 (iii) speeches;
- 4 (iv) editorials;
- 5 (v) media interviews;
- 6 (vi) press materials;
- 7 (vii) congressional correspondence;
- 8 (viii) guidance documents that pertain  
9 to a military or foreign affairs function of  
10 the United States (other than guidance on  
11 procurement or the import or export of  
12 non-defense articles and services);
- 13 (ix) grant solicitations;
- 14 (x) warning letters;
- 15 (xi) case or investigatory letters re-  
16 sponding to complaints involving fact-spe-  
17 cific determinations;
- 18 (xii) purely internal agency policies;
- 19 (xiii) guidance documents that pertain  
20 to the use, operation or control of a gov-  
21 ernment facility;
- 22 (xiv) internal guidance documents di-  
23 rected solely to other agencies; and
- 24 (xv) any other category of significant  
25 guidance documents exempted by an agen-

1           cy head in consultation with the Adminis-  
2           trator; and

3           (9) the term “significant regulatory action”  
4       means any regulatory action that is likely to result  
5       in a regulation that may—

6           (A) have an annual effect on the economy  
7           of \$100,000,000 or more or adversely affect in  
8           a material way the economy, a sector of the  
9           economy, productivity, competition, jobs, the  
10          environment, public health or safety, or State,  
11          local, or tribal governments or communities;

12          (B) create a serious inconsistency or other-  
13          wise interfere with an action taken or planned  
14          by another agency;

15          (C) materially alter the budgetary impact  
16          of entitlements, grants, user fees, or loan pro-  
17          grams or the rights and obligations of recipi-  
18          ents thereof; or

19          (D) raise novel legal or policy issues aris-  
20          ing out of legal mandates and the priorities,  
21          principles, and provisions of this section.

22       (b) AGENCY ASSESSMENT OF SIGNIFICANT REGU-  
23       LATORY ACTIONS.—For each significant regulatory ac-  
24       tion, each agency shall submit, at such times specified by

1 the Administrator, a report to the Office of Information  
2 and Regulatory Affairs that includes—

3 (1) an assessment, including the underlying  
4 analysis, of benefits anticipated from the significant  
5 regulatory action, such as—

6 (A) the promotion of the efficient func-  
7 tioning of the economy and private markets;

8 (B) the enhancement of health and safety;

9 (C) the protection of the natural environ-  
10 ment; and

11 (D) the elimination or reduction of dis-  
12 crimination or bias;

13 (2) to the extent feasible, a quantification of  
14 the benefits assessed under paragraph (1);

15 (3) an assessment, including the underlying  
16 analysis, of costs anticipated from the regulatory ac-  
17 tion, such as—

18 (A) the direct cost both to the Federal  
19 Government in administering the significant  
20 regulatory action and to businesses, consumers,  
21 and others (including State, local, and tribal of-  
22 ficials) in complying with the regulation; and

23 (B) any adverse effects on the efficient  
24 functioning of the economy, private markets  
25 (including productivity, employment, and com-

1           petitiveness), health, safety, the natural envi-  
2           ronment, job creation, the prices of consumer  
3           goods, and energy costs;

4           (4) to the extent feasible, a quantification of  
5           the costs assessed under paragraph (3); and

6           (5) an assessment, including the underlying  
7           analysis, of costs and benefits of potentially effective  
8           and reasonably feasible alternatives to the planned  
9           significant regulatory action, identified by the agen-  
10          cy or the public (including improving the current  
11          regulation and reasonably viable nonregulatory ac-  
12          tions), and an explanation why the planned regu-  
13          latory action is preferable to the identified potential  
14          alternatives.

15          (c) AGENCY GOOD GUIDANCE PRACTICES.—

16                 (1) AGENCY STANDARDS FOR SIGNIFICANT  
17                 GUIDANCE DOCUMENTS.—

18                         (A) APPROVAL PROCEDURES.—

19                                 (i) IN GENERAL.—Each agency shall  
20                                 develop or have written procedures for the  
21                                 approval of significant guidance docu-  
22                                 ments, which shall ensure that the issuance  
23                                 of significant guidance documents is ap-  
24                                 proved by appropriate senior agency offi-  
25                                 cials.

1 (ii) REQUIREMENT.—Employees of an  
2 agency may not depart from significant  
3 guidance documents without appropriate  
4 justification and supervisory concurrence.

5 (B) STANDARD ELEMENTS.—Each signifi-  
6 cant guidance document—

7 (i) shall—

8 (I) include the term “guidance”  
9 or its functional equivalent;

10 (II) identify the agency or office  
11 issuing the document;

12 (III) identify the activity to  
13 which and the persons to whom the  
14 significant guidance document applies;

15 (IV) include the date of issuance;

16 (V) note if the significant guid-  
17 ance document is a revision to a pre-  
18 viously issued guidance document and,  
19 if so, identify the document that the  
20 significant guidance document re-  
21 places;

22 (VI) provide the title of the docu-  
23 ment and a document identification  
24 number; and

1 (VII) include the citation to the  
2 statutory provision or regulation (in  
3 Code of Federal Regulations format)  
4 which the significant guidance docu-  
5 ment applies to or interprets; and

6 (ii) shall not include mandatory terms  
7 such as “shall”, “must”, “required”, or  
8 “requirement” unless—

9 (I) the agency is using those  
10 terms to describe a statutory or regu-  
11 latory requirement; or

12 (II) the terminology is addressed  
13 to agency staff and will not foreclose  
14 agency consideration of positions ad-  
15 vanced by affected private parties.

16 (2) PUBLIC ACCESS AND FEEDBACK FOR SIG-  
17 NIFICANT GUIDANCE DOCUMENTS.—

18 (A) INTERNET ACCESS.—

19 (i) IN GENERAL.—Each agency  
20 shall—

21 (I) maintain on the website for  
22 the agency, or as a link on the website  
23 of the agency to the electronic list  
24 posted on a website of a component of  
25 the agency a list of the significant



1 guidance documents in effect of the  
2 agency, including a link to the text of  
3 each significant guidance document  
4 that is in effect; and

5 (II) not later than 30 days after  
6 the date on which a significant guid-  
7 ance document is issued, update the  
8 list described in clause (i).

9 (ii) LIST REQUIREMENTS.—The list  
10 described in subparagraph (A)(i) shall—

11 (I) include the name of each—

12 (aa) significant guidance  
13 document;

14 (bb) document identification  
15 number; and

16 (cc) issuance and revision  
17 dates; and

18 (II) identify significant guidance  
19 documents that have been added, re-  
20 vised, or withdrawn in the preceding  
21 year.

22 (B) PUBLIC FEEDBACK.—

23 (i) IN GENERAL.—Each agency shall  
24 establish and clearly advertise on the

1 website for the agency a means for the  
2 public to electronically submit—

3 (I) comments on significant guid-  
4 ance documents; and

5 (II) a request for issuance, recon-  
6 sideration, modification, or rescission  
7 of significant guidance documents.

8 (ii) AGENCY RESPONSE.—Any com-  
9 ments or requests submitted under sub-  
10 paragraph (A)—

11 (I) are for the benefit of the  
12 agency; and

13 (II) shall not require a formal re-  
14 sponse from the agency.

15 (iii) OFFICE FOR PUBLIC COM-  
16 MENTS.—

17 (I) IN GENERAL.—Each agency  
18 shall designate an office to receive and  
19 address complaints from the public re-  
20 lating to—

21 (aa) the failure of the agen-  
22 cy to follow the procedures de-  
23 scribed in this section; or

1 (bb) the failure to treat a  
2 significant guidance document as  
3 a binding requirement.

4 (II) WEBSITE.—The agency shall  
5 provide, on the website of the agency,  
6 the name and contact information for  
7 the office designated under clause (i).

8 (3) NOTICE AND PUBLIC COMMENT FOR ECO-  
9 NOMICALLY SIGNIFICANT GUIDANCE DOCUMENTS.—

10 (A) IN GENERAL.—Except as provided in  
11 paragraph (2), in preparing a draft of an eco-  
12 nomically significant guidance document, and  
13 before issuance of the final significant guidance  
14 document, each agency shall—

15 (i) publish a notice in the Federal  
16 Register announcing that the draft docu-  
17 ment is available;

18 (ii) post the draft document on the  
19 Internet and make a tangible copy of that  
20 document publicly available (or notify the  
21 public how the public can review the guid-  
22 ance document if the document is not in a  
23 format that permits such electronic posting  
24 with reasonable efforts);

1 (iii) invite public comment on the  
2 draft document; and

3 (iv) prepare and post on the website  
4 of the agency a document with responses  
5 of the agency to public comments.

6 (B) EXCEPTIONS.—In consultation with  
7 the Administrator, an agency head may identify  
8 a particular economically significant guidance  
9 document or category of such documents for  
10 which the procedures of this subsection are not  
11 feasible or appropriate.

12 (4) EMERGENCIES.—

13 (A) IN GENERAL.—In emergency situa-  
14 tions or when an agency is obligated by law to  
15 act more quickly than normal review procedures  
16 allow, the agency shall notify the Administrator  
17 as soon as possible and, to the extent prac-  
18 ticable, comply with this subsection.

19 (B) SIGNIFICANT GUIDANCE DOCUMENTS  
20 SUBJECT TO STATUTORY OR COURT-IMPOSED  
21 DEADLINE.—For a significant guidance docu-  
22 ment that is governed by a statutory or court-  
23 imposed deadline, the agency shall, to the ex-  
24 tent practicable, schedule the proceedings of the

1           agency to permit sufficient time to comply with  
2           this subsection.

3           (5) EFFECTIVE DATE.—This section shall take  
4           effect 60 days after the date of enactment of this  
5           Act.

6   **SEC. 402. REDUCTION OR WAIVER OF CIVIL PENALTIES IM-**  
7                           **POSED ON SMALL ENTITIES.**

8           (a) IN GENERAL.—Chapter 6 of title 5, United  
9           States Code, is amended by adding at the end the fol-  
10          lowing:

11   **“§ 613. Reduction or waiver of civil penalties imposed**  
12                           **on small entities**

13          “(a) Upon the request of a small entity, a Regional  
14          Advocate of the Office of Advocacy of the Small Business  
15          Administration (referred to in this section as a ‘Regional  
16          Advocate’) shall submit to an agency a request that the  
17          agency reduce or waive a civil penalty imposed on the  
18          small entity, if the Regional Advocate determines that—

19                 “(1) the civil penalty was the result of a first-  
20          time violation by the small entity of a requirement  
21          to report information to the agency; and

22                 “(2) the reduction or waiver is consistent with  
23          the conditions and exclusions described in para-  
24          graphs (1), (3), (4), (5), and (6) of section 223(b)  
25          of the Small Business Regulatory Enforcement Fair-

1       ness Act of 1996 (Public Law 104–121; 110 Stat.  
2       862).

3       “(b) Not later than 60 days after the receipt of a  
4 request from a Regional Advocate under subsection (a),  
5 an agency shall send written notice of the decision of the  
6 agency with respect to the request, together with the rea-  
7 sons for the decision, to the Regional Advocate that made  
8 the request and the relevant small entity.

9       “(c) The Chief Counsel for Advocacy shall submit to  
10 Congress an annual report summarizing—

11               “(1) the requests received by the Regional Ad-  
12 vocates from small entities under subsection (a); and

13               “(2) the requests submitted by the Regional  
14 Advocates to agencies under subsection (a) and the  
15 results of the requests.”.

16       (b) TECHNICAL AND CONFORMING AMENDMENT.—  
17 The table of sections for chapter 6 of title 5, United States  
18 Code, is amended by adding at the end the following:

“613. Reduction or waiver of civil penalties imposed on small entities.”.

19       **TITLE V—INTERSTATE HIGHWAY**  
20               **VEHICLE WEIGHT LIMITS**

21       **SEC. 501. INTERSTATE HIGHWAY VEHICLE WEIGHT LIMITS**  
22               **IN MAINE AND VERMONT.**

23       Section 127(a)(11) of title 23, United States Code,  
24 is amended to read as follows:



1           (2) ELIMINATION OF SMALL ETHANOL PRO-  
2           DUCER CREDIT.—Section 40(b)(4)(A) of such Code  
3           is amended by inserting “(zero after the date of the  
4           enactment of the Seven Point Plan for Growing Jobs  
5           Act)” after “10 cents”.

6           (b) ELIMINATION OF EXCISE TAX CREDIT OR PAY-  
7           MENT.—

8           (1) Section 6426(b)(2)(A)(ii) of the Internal  
9           Revenue Code of 1986 is amended by inserting  
10          “(zero after the date of the enactment of the Seven  
11          Point Plan for Growing Jobs Act)” after “45 cents”.

12          (2) Section 6427(e)(6)(A) of such Code is  
13          amended by inserting “the date of the enactment the  
14          Seven Point Plan for Growing Jobs Act, in the case  
15          of any alcohol fuel mixture involving ethanol)” after  
16          “2011”.

17          (c) EFFECTIVE DATE.—The amendments made by  
18          this section shall apply to any sale, use, or removal for  
19          any period after the date of the enactment of the Act.

20       **SEC. 602. REMOVAL OF TARIFFS ON ETHANOL.**

21          (a) DUTY-FREE TREATMENT.—Chapter 98 of the  
22          Harmonized Tariff Schedule of the United States is  
23          amended by adding at the end the following new sub-  
24          chapter:



“Subchapter XXIII  
Alternative Fuels

Head- ing/ Sub- heading	Article Description	Rates of Duty		
		1		2
		General	Special	
9823.01.01	Ethyl alcohol (provided for in subheadings 2207.10.60 and 2207.20) or any mixture containing such ethyl alcohol (provided for in heading 2710 or 3824) if such ethyl alcohol or mixture is to be used as a fuel or in producing a mixture of gasoline and alcohol, a mixture of a special fuel and alcohol, or any other mixture to be used as fuel (including motor fuel provided for in subheading 2710.11.15, 2710.19.15 or 2710.19.21), or is suitable for any such uses .....	Free	Free	20%”.

1 (b) CONFORMING AMENDMENTS.—Subchapter I of  
2 chapter 99 of the Harmonized Tariff Schedule of the  
3 United States is amended—

- 4 (1) by striking heading 9901.00.50; and  
5 (2) by striking U.S. notes 2 and 3.

6 (c) EFFECTIVE DATE.—The amendments made by  
7 this section apply to goods entered, or withdrawn from  
8 warehouse for consumption, on or after the 15th day after  
9 the date of the enactment of this Act.

10 **TITLE VII—SPENDING**  
11 **LIMITATIONS**

12 **SEC. 701. DISCRETIONARY SPENDING LIMITS.**

13 Title III of the Congressional Budget Act of 1974  
14 is amended by inserting at the end the following:

15 “DISCRETIONARY SPENDING LIMITS

16 “SEC. 316. (a) DISCRETIONARY SPENDING LIM-  
17 ITS.—It shall not be in order in the House of Representa-

1 tives or the Senate to consider any bill, joint resolution,  
2 amendment, or conference report that includes any provi-  
3 sion that would cause the discretionary spending limits as  
4 set forth in subsection (b) to be exceeded.

5 “(b) LIMITS.—The discretionary spending limits are  
6 as follows:

7 “(1) For fiscal year 2012—

8 “(A) for the defense category (budget  
9 function 050), \$573,612,000,000 in budget au-  
10 thority; and

11 “(B) for the nondefense category,  
12 \$543,790,000,000 in budget authority.

13 “(2) For fiscal year 2013—

14 “(A) for the defense category (budget  
15 function 050), \$584,421,000,000 in budget au-  
16 thority; and

17 “(B) for the nondefense category,  
18 \$551,498,000,000 in budget authority.

19 “(3) For fiscal year 2014—

20 “(A) for the defense category (budget  
21 function 050), \$595,433,680,000 in budget au-  
22 thority; and

23 “(B) for the nondefense category,  
24 \$559,315,260,000 in budget authority.

25 “(c) POINT OF ORDER IN THE SENATE.—

1           “(1) WAIVER.—The provisions of this section  
2 shall be waived or suspended in the Senate only—

3           “(A) by the affirmative vote of two-thirds  
4 of the Members, duly chosen and sworn; or

5           “(B) in the case of the defense budget au-  
6 thority, if Congress declares war.

7           “(2) APPEAL.—Appeals in the Senate from the  
8 decisions of the Chair relating to any provision of  
9 this section shall be limited to 1 hour, to be equally  
10 divided between, and controlled by, the appellant  
11 and the manager of the measure. An affirmative  
12 vote of two-thirds of the Members of the Senate,  
13 duly chosen and sworn, shall be required to sustain  
14 an appeal of the ruling of the Chair on a point of  
15 order raised under this section.”.

16 **SEC. 702. ADJUSTED GROSS INCOME LIMITATION FOR RE-**  
17 **CIPIENTS OF FARM SUBSIDIES.**

18           Section 1001D of the Food Security Act of 1985 (7  
19 U.S.C. 1308–3a) is amended by striking subsection (b)  
20 and inserting the following:

21           “(b) LIMITATION.—

22           “(1) COMMODITY AND CONSERVATION PRO-  
23 GRAMS.—

24           “(A) COMMODITY PROGRAMS.—Notwith-  
25 standing any other provision of law, an indi-

1 individual or entity shall not be eligible to receive  
2 any benefit described in paragraph (2)(A) dur-  
3 ing a crop year if the average adjusted gross in-  
4 come of the individual or entity, or the average  
5 adjusted gross income of the individual and  
6 spouse of the individual, exceeds—

7 “(i) \$250,000, if less than 66.66 per-  
8 cent of the average adjusted gross income  
9 of the individual or entity, or the average  
10 adjusted gross income of the individual  
11 and spouse of the individual, is derived  
12 from farming, ranching, or forestry oper-  
13 ations, as determined by the Secretary; or

14 “(ii) \$750,000.

15 “(B) CONSERVATION PROGRAMS.—Not-  
16 withstanding any other provision of law, an in-  
17 dividual or entity shall not be eligible to receive  
18 any benefit described in paragraph (2)(B) dur-  
19 ing a crop year if the average adjusted gross in-  
20 come of the individual or entity, or the average  
21 adjusted gross income of the individual and  
22 spouse of the individual, exceeds \$2,500,000,  
23 unless not less than 75 percent of the average  
24 adjusted gross income of the individual or enti-  
25 ty, or the average adjusted gross income of the

1 individual and spouse of the individual, is de-  
2 rived from farming, ranching, or forestry oper-  
3 ations, as determined by the Secretary.

4 “(2) COVERED BENEFITS.—

5 “(A) IN GENERAL.—Paragraph (1)(A) ap-  
6 plies with respect to the following:

7 “(i) A direct payment or counter-cycli-  
8 cal payment under subtitle A or C of title  
9 I of the Food, Conservation, and Energy  
10 Act of 2008 (7 U.S.C. 8711 et seq.).

11 “(ii) A marketing loan gain or loan  
12 deficiency payment under subtitle B or C  
13 of title I of the Food, Conservation, and  
14 Energy Act of 2008 (7 U.S.C. 8731 et  
15 seq.).

16 “(iii) An average crop revenue pay-  
17 ment under section 1105 of the Food, Con-  
18 servation, and Energy Act of 2008 (7  
19 U.S.C. 8715).

20 “(B) CONSERVATION PROGRAMS.—Para-  
21 graph (1)(B) applies with respect to a payment  
22 under any program under—

23 “(i) title XII of this Act;

1                   “(ii) title II of the Farm Security and  
2                   Rural Investment Act of 2002 (Public Law  
3                   107–171; 116 Stat. 223); or

4                   “(iii) title II of the Food, Conserva-  
5                   tion, and Energy Act of 2008 (Public Law  
6                   110–246; 122 Stat. 1753).

7                   “(3) INCOME DERIVED FROM FARMING, RANCH-  
8                   ING OR FORESTRY OPERATIONS.—In determining  
9                   what portion of the average adjusted gross income of  
10                  an individual or entity is derived from farming,  
11                  ranching, or forestry operations, the Secretary shall  
12                  include income derived from—

13                  “(A) the production of crops, livestock, or  
14                  unfinished raw forestry products;

15                  “(B) the sale, including the sale of ease-  
16                  ments and development rights, of farm, ranch,  
17                  or forestry land or water or hunting rights;

18                  “(C) the sale of equipment to conduct  
19                  farm, ranch, or forestry operations;

20                  “(D) the rental or lease of land used for  
21                  farming, ranching, or forestry operations, in-  
22                  cluding water or hunting rights;

23                  “(E) the provision of production inputs  
24                  and services to farmers, ranchers, and foresters;

1           “(F) the processing (including packing),  
2 storing (including shedding), and transporting  
3 of farm, ranch, and forestry commodities;

4           “(G) the sale of land that has been used  
5 for agriculture; and

6           “(H) payments or other income attrib-  
7 utable to benefits received under any program  
8 authorized under title I or II of the Food, Con-  
9 servation, and Energy Act of 2008 (7 U.S.C.  
10 8702 et seq.).”.

○