

“yes” on rollcall No. 28 and “yes” on rollcall No. 29.

# ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MORAN). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

# TAX RELIEF FOR AMERICAN FAMILIES AND WORKERS ACT OF 2024

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7024) to make improvements to the child tax credit, to provide tax incentives to promote economic growth, to provide special rules for the taxation of certain residents of Taiwan with income from sources within the United States, to provide tax relief with respect to certain Federal disasters, to make improvements to the low-income housing tax credit, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 7024

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

# SECTION 1. SHORT TITLE; TABLE OF CONTENTS; ETC.

(a) **SHORT TITLE.**—This Act may be cited as the “Tax Relief for American Families and Workers Act of 2024”.

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents; etc.

# TITLE I—TAX RELIEF FOR WORKING FAMILIES

Sec. 101. Per-child calculation of refundable portion of child tax credit.

Sec. 102. Increase in refundable portion.

Sec. 103. Inflation of credit amount.

Sec. 104. Rule for determination of earned income.

Sec. 105. Special rule for certain early-filed 2023 returns.

# TITLE II—AMERICAN INNOVATION AND GROWTH

Sec. 201. Deduction for domestic research and experimental expenditures.

Sec. 202. Extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest.

Sec. 203. Extension of 100 percent bonus depreciation.

Sec. 204. Increase in limitations on expensing of depreciable business assets.

# TITLE III—INCREASING GLOBAL COMPETITIVENESS

## Subtitle A—United States-Taiwan Expedited Double-Tax Relief Act

Sec. 301. Short title.

Sec. 302. Special rules for taxation of certain residents of Taiwan.

## Subtitle B—United States-Taiwan Tax Agreement Authorization Act

Sec. 311. Short title.

Sec. 312. Definitions.

Sec. 313. Authorization to negotiate and enter into agreement.

Sec. 314. Consultations with Congress.

Sec. 315. Approval and implementation of agreement.

Sec. 316. Submission to Congress of agreement and implementation policy.

Sec. 317. Consideration of approval legislation and implementing legislation.

Sec. 318. Relationship of agreement to Internal Revenue Code of 1986.

Sec. 319. Authorization of subsequent tax agreements relative to Taiwan.

Sec. 320. United States treatment of double taxation matters with respect to Taiwan.

# TITLE IV—ASSISTANCE FOR DISASTER-IMPACTED COMMUNITIES

Sec. 401. Short title.

Sec. 402. Extension of rules for treatment of certain disaster-related personal casualty losses.

Sec. 403. Exclusion from gross income for compensation for losses or damages resulting from certain wildfires.

Sec. 404. East Palestine disaster relief payments.

# TITLE V—MORE AFFORDABLE HOUSING

Sec. 501. State housing credit ceiling increase for low-income housing credit.

Sec. 502. Tax-exempt bond financing requirement.

# TITLE VI—TAX ADMINISTRATION AND ELIMINATING FRAUD

Sec. 601. Increase in threshold for requiring information reporting with respect to certain payees.

Sec. 602. Enforcement provisions with respect to COVID-related employee retention credits.

# TITLE I—TAX RELIEF FOR WORKING FAMILIES

## SEC. 101. PER-CHILD CALCULATION OF REFUNDABLE PORTION OF CHILD TAX CREDIT.

(a) **IN GENERAL.**—Subparagraph (A) of section 24(h)(5) is amended to read as follows:

“(A) **IN GENERAL.**—In applying subsection (d)—

“(i) the amount determined under paragraph (1)(A) of such subsection with respect to any qualifying child shall not exceed \$1,400, and such paragraph shall be applied without regard to paragraph (4) of this subsection, and

“(ii) paragraph (1)(B) of such subsection shall be applied by multiplying each of—

“(I) the amount determined under clause (i) thereof, and

“(II) the excess determined under clause (ii) thereof, by the number of qualifying children of the taxpayer.”.

(b) **CONFORMING AMENDMENT.**—The heading of paragraph (5) of section 24(h) is amended by striking “MAXIMUM AMOUNT OF” and inserting “SPECIAL RULES FOR”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2022.

## SEC. 102. INCREASE IN REFUNDABLE PORTION.

(a) **IN GENERAL.**—Paragraph (5) of section 24(h) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

“(B) **AMOUNTS FOR 2023, 2024, AND 2025.**—In the case of a taxable year beginning after 2022, subparagraph (A) shall be applied by substituting for “\$1,400”—

“(i) in the case of taxable year 2023, “\$1,800”,

“(ii) in the case of taxable year 2024, “\$1,900”,

and

“(iii) in the case of taxable year 2025,

“\$2,000”.

(b) **CONFORMING AMENDMENT.**—Subparagraph (C) of section 24(h)(5), as redesignated by subsection (a), is amended by inserting “and before 2023” after “2018”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2022.

## SEC. 103. INFLATION OF CREDIT AMOUNT.

(a) **IN GENERAL.**—Paragraph (2) of section 24(h) is amended—

(1) by striking “AMOUNT.—Subsection” and inserting “AMOUNT.—

“(A) **IN GENERAL.**—Subsection”, and

(2) by adding at the end the following new subparagraph:

“(B) **ADJUSTMENT FOR INFLATION.**—In the case of a taxable year beginning after 2023, the \$2,000 amounts in subparagraph (A) and paragraph (5)(B)(iii) shall each be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting “2022” for “2016” in subparagraph (A)(ii) thereof.

If any increase under this clause is not a multiple of \$100, such increase shall be rounded to the next lowest multiple of \$100.”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2023.

## SEC. 104. RULE FOR DETERMINATION OF EARNED INCOME.

(a) **IN GENERAL.**—Paragraph (6) of section 24(h) of the Internal Revenue Code of 1986 is amended—

(1) by striking “CREDIT.—Subsection” and inserting “CREDIT.—

“(A) **IN GENERAL.**—Subsection”, and

(2) by adding at the end the following new subparagraphs

“(B) **RULE FOR DETERMINATION OF EARNED INCOME.**—

“(i) **IN GENERAL.**—In the case of a taxable year beginning after 2023, if the earned income of the taxpayer for such taxable year is less than the earned income of the taxpayer for the preceding taxable year, subsection (d)(1)(B)(i) may, at the election of the taxpayer, be applied by substituting—

“(I) the earned income for such preceding taxable year, for

“(II) the earned income for the current taxable year.

“(ii) **APPLICATION TO JOINT RETURNS.**—For purposes of clause (i), in the case of a joint return, the earned income of the taxpayer for the preceding taxable year shall be the sum of the earned income of each spouse for such preceding taxable year.”.

(b) **ERRORS TREATED AS MATHEMATICAL ERRORS.**—Paragraph (2) of section 6213(g) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of subparagraph (U), by striking the period at the end of subparagraph (V) and inserting “, and”, and by inserting after subparagraph (V) the following new subparagraph:

“(W) in the case of a taxpayer electing the application of section 24(h)(6)(B) for any taxable year, an entry on a return of earned income pursuant to such section which is inconsistent with the amount of such earned income determined by the Secretary for the preceding taxable year.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2023.

## SEC. 105. SPECIAL RULE FOR CERTAIN EARLY-FILED 2023 RETURNS.

In the case of an individual who claims, on the taxpayer’s return of tax for the first taxable

year beginning after December 31, 2022, a credit under section 24 of the Internal Revenue Code of 1986 which is determined without regard to the amendments made by sections 101 and 102 of this Act, the Secretary of the Treasury (or the Secretary's delegate) shall, to the maximum extent practicable—

(1) redetermine the amount of such credit (after taking into account such amendments) on the basis of the information provided by the taxpayer on such return, and

(2) to the extent that such redetermination results in an overpayment of tax, credit or refund such overpayment as expeditiously as possible.

## TITLE II—AMERICAN INNOVATION AND GROWTH

### SEC. 201. DEDUCTION FOR DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) DELAY OF AMORTIZATION OF DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.—Section 174 is amended by adding at the end the following new subsection:

“(e) SUSPENSION OF APPLICATION OF SECTION TO DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.—In the case of any domestic research or experimental expenditures (as defined in section 174A(b)), this section—

“(1) shall apply to such expenditures paid or incurred in taxable years beginning after December 31, 2025, and

“(2) shall not apply to such expenditures paid or incurred in taxable years beginning on or before such date.”.

(b) REINSTATEMENT OF EXPENSING FOR DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.—Part VI of subchapter B of chapter 1 is amended by inserting after section 174 the following new section:

### “SEC. 174A. TEMPORARY RULES FOR DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.

“(a) TREATMENT AS EXPENSES.—Notwithstanding section 263, there shall be allowed as a deduction any domestic research or experimental expenditures which are paid or incurred by the taxpayer during the taxable year.

“(b) DOMESTIC RESEARCH OR EXPERIMENTAL EXPENDITURES.—For purposes of this section, the term ‘domestic research or experimental expenditures’ means research or experimental expenditures paid or incurred by the taxpayer in connection with the taxpayer’s trade or business other than such expenditures which are attributable to foreign research (within the meaning of section 41(d)(4)(F)).

“(c) AMORTIZATION OF CERTAIN DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.—

“(1) IN GENERAL.—At the election of the taxpayer, made in accordance with regulations or other guidance provided by the Secretary, in the case of domestic research or experimental expenditures which would (but for subsection (a)) be chargeable to capital account but not chargeable to property of a character which is subject to the allowance under section 167 (relating to allowance for depreciation, etc.) or section 611 (relating to allowance for depletion), subsection (a) shall not apply and the taxpayer shall—

“(A) charge such expenditures to capital account, and

“(B) be allowed an amortization deduction of such expenditures ratably over such period of not less than 60 months as may be selected by the taxpayer (beginning with the month in which the taxpayer first realizes benefits from such expenditures).

“(2) TIME FOR AND SCOPE OF ELECTION.—The election provided by paragraph (1) may be made for any taxable year, but only if made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof). The method so elected, and the period selected by the taxpayer, shall be adhered to in computing taxable income for the taxable year for which the election is made and for all subsequent taxable years unless, with the approval of

the Secretary, a change to a different method (or to a different period) is authorized with respect to part or all of such expenditures. The election shall not apply to any expenditure paid or incurred during any taxable year before the taxable year for which the taxpayer makes the election.

“(d) ELECTION TO CAPITALIZE EXPENSES.—In the case of a taxpayer which elects (at such time and in such manner as the Secretary may provide) the application of this subsection, subsections (a) and (c) shall not apply and domestic research or experimental expenditures shall be chargeable to capital account. Such election shall not apply to any expenditure paid or incurred during any taxable year before the taxable year for which the taxpayer makes the election and may be made with respect to part of the expenditures paid or incurred during any taxable year only with the approval of the Secretary.

“(e) SPECIAL RULES.—

“(1) LAND AND OTHER PROPERTY.—This section shall not apply to any expenditure for the acquisition or improvement of land, or for the acquisition or improvement of property to be used in connection with the research or experimentation and of a character which is subject to the allowance under section 167 (relating to allowance for depreciation, etc.) or section 611 (relating to allowance for depletion); but for purposes of this section allowances under section 167, and allowances under section 611, shall be considered as expenditures.

“(2) EXPLORATION EXPENDITURES.—This section shall not apply to any expenditure paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (including oil and gas).

“(3) SOFTWARE DEVELOPMENT.—For purposes of this section, any amount paid or incurred in connection with the development of any software shall be treated as a research or experimental expenditure.

“(f) TERMINATION.—

“(1) IN GENERAL.—This section shall not apply to amounts paid or incurred in taxable years beginning after December 31, 2025.

“(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of a taxpayer’s first taxable year beginning after December 31, 2025, paragraph (1) (and the corresponding application of section 174) shall be treated as a change in method of accounting for purposes of section 481 and—

“(A) such change shall be treated as initiated by the taxpayer,

“(B) such change shall be treated as made with the consent of the Secretary, and

“(C) such change shall be applied only on a cut-off basis for any domestic research or experimental expenditures paid or incurred in taxable years beginning after December 31, 2025, and no adjustment under section 481(a) shall be made.”.

(c) COORDINATION WITH CERTAIN OTHER PROVISIONS.—

(1) RESEARCH CREDIT.—

(A) Section 41(d)(1)(A) is amended by inserting “or domestic research or experimental expenditures under section 174A” after “section 174”.

(B) Section 280C(c)(1) is amended to read as follows:

“(1) IN GENERAL.—The domestic research or experimental expenditures otherwise taken into account under section 174 or 174A (as the case may be) shall be reduced by the amount of the credit allowed under section 41(a).”.

(2) AMT ADJUSTMENT.—Section 56(b)(2) is amended by striking “174(a)” each place it appears and inserting “174A(a)”.

(3) OPTIONAL 10-YEAR WRITEOFF.—Section 59(e)(2)(B) is amended by striking “section 174(a) (relating to research and experimental expenditures)” and inserting “section 174A(a) (relating to temporary rules for domestic research and experimental expenditures)”.

(4) QUALIFIED SMALL ISSUE BONDS.—Section 144(a)(4)(C)(iv) is amended by striking “174(a)” and inserting “174A(a)”.

(5) START-UP EXPENDITURES.—Section 195(c)(1) is amended by striking “or 174” in the last sentence and inserting “174, or 174A”.

(6) CAPITAL EXPENDITURES.—

(A) Section 263(a)(1)(B) is amended by inserting “or 174A” after “174”.

(B) Section 263A(c)(2) is amended by inserting “or 174A” after “174”.

(7) ACTIVE BUSINESS COMPUTER SOFTWARE ROYALTIES.—Section 543(d)(4)(A)(i) is amended by inserting “174A,” after “174,”.

(8) SOURCE RULES.—Section 864(g)(2) is amended in the last sentence—

(A) by striking “treated as deferred expenses under subsection (b) of section 174” and inserting “allowed as an amortization deduction under section 174(a) or section 174A(c),” and

(B) by striking “such subsection” and inserting “such section (as the case may be)”.

(9) BASIS ADJUSTMENT.—Section 1016(a)(14) is amended by striking “deductions as deferred expenses under section 174(b)(1) (relating to research and experimental expenditures)” and inserting “deductions under section 174 or 174A”.

(10) SMALL BUSINESS STOCK.—Section 1202(e)(2)(B) is amended by striking “research and experimental expenditures under section 174” and inserting “specified research or experimental expenditures under section 174 or domestic research or experimental expenditures under section 174A”.

(d) CONFORMING AMENDMENTS.—

(1) Section 13206 of Public Law 115-97 is amended by striking subsection (b) (relating to change in method of accounting).

(2) The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 174 the following new item:

“Sec. 174A. Temporary rules for domestic research and experimental expenditures.”.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2021.

(2) COORDINATION WITH RESEARCH CREDIT.—The amendment made by subsection (c)(1)(B) shall apply to taxable years beginning after December 31, 2022.

(3) REPEAL OF SUPERCEDED CHANGE IN METHOD OF ACCOUNTING RULES.—The amendment made by subsection (d)(1) shall take effect as if included in Public Law 115-97.

(4) NO INFERENCE WITH RESPECT TO COORDINATION WITH RESEARCH CREDIT FOR PRIOR PERIODS.—The amendment made by subsection (c)(1)(B) shall not be construed to create any inference with respect to the proper application of section 280C(c) of the Internal Revenue Code of 1986 with respect to taxable years beginning before January 1, 2023.

(f) TRANSITION RULES.—

(1) IN GENERAL.—Except as otherwise provided by the Secretary, an election made under subsection (c) or (d) of section 174A of the Internal Revenue Code of 1986 (as added by this section) for the taxpayer’s first taxable year beginning after December 31, 2021, shall not fail to be treated as timely made (or as made on the return) if made during the 1-year period beginning on the date of the enactment of this Act on an amended return for the taxpayer’s first taxable year beginning after December 31, 2021, or in such other manner as the Secretary may provide.

(2) ELECTION REGARDING TREATMENT AS CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer which (as of the date of the enactment of this Act) had adopted a method of accounting provided by section 174 of the Internal Revenue Code of 1986 (as in effect prior to the amendments made by this section) for the taxpayer’s first taxable year beginning after December 31, 2021, and elects the application of this paragraph—

(A) the amendments made by this section shall be treated as a change in method of accounting for purposes of section 481 of such Code,

(B) such change shall be treated as initiated by the taxpayer for the taxpayer's immediately succeeding taxable year,

(C) such change shall be treated as made with the consent of the Secretary,

(D) such change shall be applied on a modified cut-off basis, taking into account for purposes of section 481(a) of such Code only the domestic research or experimental expenditures (as defined in section 174A(b) of such Code (as added by this section) and determined by applying the rules of section 174A(e) of such Code) paid or incurred in the taxpayer's first taxable year beginning after December 31, 2021, and not allowed as a deduction in such taxable year, and

(E) in the case of a taxpayer which elects the application of this subparagraph, the amount of such change (as determined under subparagraph (D)) shall be taken into account ratably over the 2-taxable-year period beginning with the taxable year referred to in subparagraph (B).

**(3) ELECTION REGARDING 10-YEAR WRITEOFF.—**

(A) **IN GENERAL.**—Except as otherwise provided by the Secretary, an eligible taxpayer which files, during the 1-year period beginning on the date of the enactment of this Act, an amended income tax return for the taxable year described in subparagraph (B)(ii) may elect the application of section 59(e) of the Internal Revenue Code of 1986 with respect to qualified expenditures described in section 59(e)(2)(B) of such Code (as amended by subsection (c)(3)) with respect to such taxable year. Such election shall be filed with such amended income tax return and shall be effective only to the extent that such election would have been effective if filed with the original income tax return for such taxable year (determined after taking into account the amendment made by subsection (c)(3)).

(B) **ELIGIBLE TAXPAYER.**—For purposes of subparagraph (A), the term “eligible taxpayer” means any taxpayer which—

(i) does not elect the application of paragraph (2), and

(ii) filed an income tax return for such taxpayer's first taxable year beginning after December 31, 2021, before the earlier of—

(I) the due date for such return, and

(II) the date of the enactment of this Act.

(4) **ELECTION REGARDING COORDINATION WITH RESEARCH CREDIT.**—Except as otherwise provided by the Secretary, an eligible taxpayer (as defined in paragraph (3)(B) without regard to clause (i) thereof) which files, during the 1-year period beginning on the date of the enactment of this Act, an amended income tax return for the taxpayer's first taxable year beginning after December 31, 2021, may, notwithstanding subparagraph (C) of section 280C(c)(2) of the Internal Revenue Code of 1986 make, or revoke, on such amended return the election under such section for such taxable year.

**SEC. 202. EXTENSION OF ALLOWANCE FOR DEPRECIATION, AMORTIZATION, OR DEPLETION IN DETERMINING THE LIMITATION ON BUSINESS INTEREST.**

(a) **IN GENERAL.**—Section 163(j)(8)(A)(v) is amended by striking “January 1, 2022” and inserting “January 1, 2026”.

(b) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the amendment made by this section shall apply to taxable years beginning after December 31, 2023.

(2) **ELECTION TO APPLY EXTENSION RETROACTIVELY.**—In the case of a taxpayer which elects (at such time and in such manner as the Secretary may provide) the application of this paragraph, paragraph (1) shall be applied by substituting “December 31, 2021” for “December 31, 2023”.

**SEC. 203. EXTENSION OF 100 PERCENT BONUS DEPRECIATION.**

(a) **IN GENERAL.**—Section 168(k)(6)(A) is amended—

(1) in clause (i)—

(A) by striking “2023” and inserting “2026”, and

(B) by adding “and” at the end, and

(2) by striking clauses (ii), (iii), and (iv), and redesignating clause (v) as clause (ii).

(b) **PROPERTY WITH LONGER PRODUCTION PERIODS.**—Section 168(k)(6)(B) is amended—

(1) in clause (i)—

(A) by striking “2024” and inserting “2027”, and

(B) by adding “and” at the end, and

(2) by striking clauses (ii), (iii), and (iv), and redesignating clause (v) as clause (ii).

(c) **PLANTS BEARING FRUITS AND NUTS.**—Section 168(k)(6)(C) is amended—

(1) in clause (i)—

(A) by striking “2023” and inserting “2026”, and

(B) by adding “and” at the end, and

(2) by striking clauses (ii), (iii), and (iv), and redesignating clause (v) as clause (ii).

(d) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the amendments made by this section shall apply to property placed in service after December 31, 2022.

(2) **PLANTS BEARING FRUITS AND NUTS.**—The amendments made by subsection (c) shall apply to specified plants planted or grafted after December 31, 2022.

**SEC. 204. INCREASE IN LIMITATIONS ON EXPENSES OF DEPRECIABLE BUSINESS ASSETS.**

(a) **IN GENERAL.**—Section 179(b) is amended—

(1) by striking “\$1,000,000” in paragraph (1) and inserting “\$1,290,000”, and

(2) by striking “\$2,500,000” in paragraph (2) and inserting “\$3,220,000”.

(b) **INFLATION ADJUSTMENT.**—Section 179(b)(6) is amended—

(1) by striking “2018” and inserting “2024 (2018 in the case of the dollar amount in paragraph (5)(A))”, and

(2) by striking “‘calendar year 2017’ and inserting “‘calendar year 2024’ (‘calendar year 2017’ in the case of the dollar amount in paragraph (5)(A))”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to property placed in service in taxable years beginning after December 31, 2023.

**TITLE III—INCREASING GLOBAL COMPETITIVENESS**

**Subtitle A—United States-Taiwan Expedited Double-Tax Relief Act**

**SEC. 301. SHORT TITLE.**

This subtitle may be cited as the “United States-Taiwan Expedited Double-Tax Relief Act”.

**SEC. 302. SPECIAL RULES FOR TAXATION OF CERTAIN RESIDENTS OF TAIWAN.**

(a) **IN GENERAL.**—Subpart D of part II of subchapter N of chapter 1 is amended by inserting after section 894 the following new section:

**“SEC. 894A. SPECIAL RULES FOR QUALIFIED RESIDENTS OF TAIWAN.**

“(a) **CERTAIN INCOME FROM UNITED STATES SOURCES.**—

“(1) **INTEREST, DIVIDENDS, AND ROYALTIES, ETC.**—

“(A) **IN GENERAL.**—In the case of interest (other than original issue discount), dividends, royalties, amounts described in section 871(a)(1)(C), and gains described in section 871(a)(1)(D) received by or paid to a qualified resident of Taiwan—

“(i) sections 871(a), 881(a), 1441(a), 1441(c)(5), and 1442(a) shall each be applied by substituting ‘the applicable percentage (as defined in section 894A(a)(1)(C))’ for ‘30 percent’ each place it appears, and

“(ii) sections 871(a), 881(a), and 1441(c)(1) shall each be applied by substituting ‘a United

States permanent establishment of a qualified resident of Taiwan’ for ‘a trade or business within the United States’ each place it appears.

“(B) **EXCEPTIONS.**—

“(i) **IN GENERAL.**—Subparagraph (A) shall not apply to—

“(I) any dividend received from or paid by a real estate investment trust which is not a qualified REIT dividend,

“(II) any amount subject to section 897,

“(III) any amount received from or paid by an expatriated entity (as defined in section 7874(a)(2)) to a foreign related person (as defined in section 7874(d)(3)), and

“(IV) any amount which is included in income under section 860C to the extent that such amount does not exceed an excess inclusion with respect to a REMIC.

“(ii) **QUALIFIED REIT DIVIDEND.**—For purposes of clause (i)(I), the term ‘qualified REIT dividend’ means any dividend received from or paid by a real estate investment trust if such dividend is paid with respect to a class of shares that is publicly traded and the recipient of the dividend is a person who holds an interest in any class of shares of the real estate investment trust of not more than 5 percent.

“(C) **APPLICABLE PERCENTAGE.**—For purposes of applying subparagraph (A)(i)—

“(i) **IN GENERAL.**—Except as provided in clause (ii), the term ‘applicable percentage’ means 10 percent.

“(ii) **SPECIAL RULES FOR DIVIDENDS.**—In the case of any dividend in respect of stock received by or paid to a qualified resident of Taiwan, the applicable percentage shall be 15 percent (10 percent in the case of a dividend which meets the requirements of subparagraph (D) and is received by or paid to an entity taxed as a corporation in Taiwan).

“(D) **REQUIREMENTS FOR LOWER DIVIDEND RATE.**—

“(i) **IN GENERAL.**—The requirements of this subparagraph are met with respect to any dividend in respect of stock in a corporation if, at all times during the 12-month period ending on the date such stock becomes ex-dividend with respect to such dividend—

“(I) the dividend is derived by a qualified resident of Taiwan, and

“(II) such qualified resident of Taiwan has held directly at least 10 percent (by vote and value) of the total outstanding shares of stock in such corporation.

For purposes of subclause (II), a person shall be treated as directly holding a share of stock during any period described in the preceding sentence if the share was held by a corporation from which such person later acquired that share and such corporation was, at the time the share was acquired, both a connected person to such person and a qualified resident of Taiwan.

“(ii) **EXCEPTION FOR RICS AND REITS.**—Notwithstanding clause (i), the requirements of this subparagraph shall not be treated as met with respect to any dividend paid by a regulated investment company or a real estate investment trust.

“(2) **QUALIFIED WAGES.**—

“(A) **IN GENERAL.**—No tax shall be imposed under this chapter (and no amount shall be withheld under section 1441(a) or chapter 24) with respect to qualified wages paid to a qualified resident of Taiwan who—

“(i) is not a resident of the United States (determined without regard to subsection (c)(3)(E)), or

“(ii) is employed as a member of the regular component of a ship or aircraft operated in international traffic.

“(B) **QUALIFIED WAGES.**—

“(i) **IN GENERAL.**—The term ‘qualified wages’ means wages, salaries, or similar remunerations with respect to employment involving the performance of personal services within the United States which—

“(I) are paid by (or on behalf of) any employer other than a United States person, and

“(II) are not borne by a United States permanent establishment of any person other than a United States person.

“(ii) **EXCEPTIONS.**—Such term shall not include directors’ fees, income derived as an entertainer or athlete, income derived as a student or trainee, pensions, amounts paid with respect to employment with the United States, any State (or political subdivision thereof), or any possession of the United States (or any political subdivision thereof), or other amounts specified in regulations or guidance under subsection (f)(1)(F).

“(3) **INCOME DERIVED FROM ENTERTAINMENT OR ATHLETIC ACTIVITIES.**—

“(A) **IN GENERAL.**—No tax shall be imposed under this chapter (and no amount shall be withheld under section 1441(a) or chapter 24) with respect to income derived by an entertainer or athlete who is a qualified resident of Taiwan from personal activities as such performed in the United States if the aggregate amount of gross receipts from such activities for the taxable year do not exceed \$30,000.

“(B) **EXCEPTION.**—Subparagraph (A) shall not apply with respect to—

“(i) income which is qualified wages (as defined in paragraph (2)(B), determined without regard to clause (ii) thereof), or

“(ii) income which is effectively connected with a United States permanent establishment.

“(b) **INCOME CONNECTED WITH A UNITED STATES PERMANENT ESTABLISHMENT OF A QUALIFIED RESIDENT OF TAIWAN.**—

“(1) **IN GENERAL.**—

“(A) **IN GENERAL.**—In lieu of applying sections 871(b) and 882, a qualified resident of Taiwan that carries on a trade or business within the United States through a United States permanent establishment shall be taxable as provided in section 1, 11, 55, or 59A, on its taxable income which is effectively connected with such permanent establishment.

“(B) **DETERMINATION OF TAXABLE INCOME.**—In determining taxable income for purposes of paragraph (1), gross income includes only gross income which is effectively connected with the permanent establishment.

“(2) **TREATMENT OF DISPOSITIONS OF UNITED STATES REAL PROPERTY.**—In the case of a qualified resident of Taiwan, section 897(a) shall be applied—

“(A) by substituting ‘carried on a trade or business within the United States through a United States permanent establishment’ for ‘were engaged in a trade or business within the United States’, and

“(B) by substituting ‘such United States permanent establishment’ for ‘such trade or business’.

“(3) **TREATMENT OF BRANCH PROFITS TAXES.**—In the case of any corporation which is a qualified resident of Taiwan, section 884 shall be applied—

“(A) by substituting ‘10 percent’ for ‘30 percent’ in subsection (a) thereof, and

“(B) by substituting ‘a United States permanent establishment of a qualified resident of Taiwan’ for ‘the conduct of a trade or business within the United States’ in subsection (d)(1) thereof.

“(4) **SPECIAL RULE WITH RESPECT TO INCOME DERIVED FROM CERTAIN ENTERTAINMENT OR ATHLETIC ACTIVITIES.**—

“(A) **IN GENERAL.**—Paragraph (1) shall not apply to the extent that the income is derived—

“(i) in respect of entertainment or athletic activities performed in the United States, and

“(ii) by a qualified resident of Taiwan who is not the entertainer or athlete performing such activities.

“(B) **EXCEPTION.**—Subparagraph (A) shall not apply if the person described in subparagraph (A)(ii) is contractually authorized to designate the individual who is to perform such activities.

“(5) **SPECIAL RULE WITH RESPECT TO CERTAIN AMOUNTS.**—Paragraph (1) shall not apply to any income which is wages, salaries, or similar

remuneration with respect to employment or with respect to any amount which is described in subsection (a)(2)(B)(ii).

“(c) **QUALIFIED RESIDENT OF TAIWAN.**—For purposes of this section—

“(1) **IN GENERAL.**—The term ‘qualified resident of Taiwan’ means any person who—

“(A) is liable to tax under the laws of Taiwan by reason of such person’s domicile, residence, place of management, place of incorporation, or any similar criterion,

“(B) is not a United States person (determined without regard to paragraph (3)(E)), and

“(C) in the case of an entity taxed as a corporation in Taiwan, meets the requirements of paragraph (2).

“(2) **LIMITATION ON BENEFITS FOR CORPORATE ENTITIES OF TAIWAN.**—

“(A) **IN GENERAL.**—Subject to subparagraphs (E) and (F), an entity meets the requirements of this paragraph only if it—

“(i) meets the ownership and income requirements of subparagraph (B),

“(ii) meets the publicly traded requirements of subparagraph (C), or

“(iii) meets the qualified subsidiary requirements of subparagraph (D).

“(B) **OWNERSHIP AND INCOME REQUIREMENTS.**—The requirements of this subparagraph are met for an entity if—

“(i) at least 50 percent (by vote and value) of the total outstanding shares of stock in such entity are owned directly or indirectly by qualified residents of Taiwan, and

“(ii) less than 50 percent of such entity’s gross income (and in the case of an entity that is a member of a tested group, less than 50 percent of the tested group’s gross income) is paid or accrued, directly or indirectly, in the form of payments that are deductible for purposes of the income taxes imposed by Taiwan, to persons who are not—

“(I) qualified residents of Taiwan, or

“(II) United States persons who meet such requirements with respect to the United States as determined by the Secretary to be equivalent to the requirements of this subsection (determined without regard to paragraph (1)(B)) with respect to residents of Taiwan.

“(C) **PUBLICLY TRADED REQUIREMENTS.**—An entity meets the requirements of this subparagraph if—

“(i) the principal class of its shares (and any disproportionate class of shares) of such entity are primarily and regularly traded on an established securities market in Taiwan, or

“(ii) the primary place of management and control of the entity is in Taiwan and all classes of its outstanding shares described in clause (i) are regularly traded on an established securities market in Taiwan.

“(D) **QUALIFIED SUBSIDIARY REQUIREMENTS.**—An entity meets the requirement of this subparagraph if—

“(i) at least 50 percent (by vote and value) of the total outstanding shares of the stock of such entity are owned directly or indirectly by 5 or fewer entities—

“(I) which meet the requirements of subparagraph (C), or

“(II) which are United States persons the principal class of the shares (and any disproportionate class of shares) of which are primarily and regularly traded on an established securities market in the United States, and

“(ii) the entity meets the requirements of clause (ii) of subparagraph (B).

“(E) **ONLY INDIRECT OWNERSHIP THROUGH QUALIFYING INTERMEDIARIES COUNTED.**—

“(i) **IN GENERAL.**—Stock in an entity owned by a person indirectly through 1 or more other persons shall not be treated as owned by such person in determining whether the person meets the requirements of subparagraph (B)(i) or (D)(i) unless all such other persons are qualifying intermediate owners.

“(ii) **QUALIFYING INTERMEDIATE OWNERS.**—The term ‘qualifying intermediate owner’ means a person that is—

“(I) a qualified resident of Taiwan, or

“(II) a resident of any other foreign country (other than a foreign country that is a foreign country of concern) that has in effect a comprehensive convention with the United States for the avoidance of double taxation.

“(iii) **SPECIAL RULE FOR QUALIFIED SUBSIDIARIES.**—For purposes of applying subparagraph (D)(i), the term ‘qualifying intermediate owner’ shall include any person who is a United States person who meets such requirements with respect to the United States as determined by the Secretary to be equivalent to the requirements of this subsection (determined without regard to paragraph (1)(B)) with respect to residents of Taiwan.

“(F) **CERTAIN PAYMENTS NOT INCLUDED.**—In determining whether the requirements of subparagraph (B)(ii) or (D)(ii) are met with respect to an entity, the following payments shall not be taken into account:

“(i) Arm’s-length payments by the entity in the ordinary course of business for services or tangible property.

“(ii) In the case of a tested group, intra-group transactions.

“(3) **DUAL RESIDENTS.**—

“(A) **RULES FOR DETERMINATION OF STATUS.**—

“(i) **IN GENERAL.**—An individual who is an applicable dual resident and who is described in subparagraph (B), (C), or (D) shall be treated as a qualified resident of Taiwan.

“(ii) **APPLICABLE DUAL RESIDENT.**—For purposes of this paragraph, the term ‘applicable dual resident’ means an individual who—

“(I) is not a United States citizen,

“(II) is a resident of the United States (determined without regard to subparagraph (E)), and

“(III) would be a qualified resident of Taiwan but for paragraph (1)(B).

“(B) **PERMANENT HOME.**—An individual is described in this subparagraph if such individual—

“(i) has a permanent home available to such individual in Taiwan, and

“(ii) does not have a permanent home available to such individual in the United States.

“(C) **CENTER OF VITAL INTERESTS.**—An individual is described in this subparagraph if—

“(i) such individual has a permanent home available to such individual in both Taiwan and the United States, and

“(ii) such individual’s personal and economic relations (center of vital interests) are closer to Taiwan than to the United States.

“(D) **HABITUAL ABODE.**—An individual is described in this subparagraph if—

“(i) such individual—

“(I) does not have a permanent home available to such individual in either Taiwan or the United States, or

“(II) has a permanent home available to such individual in both Taiwan and the United States but such individual’s center of vital interests under subparagraph (C)(ii) cannot be determined, and

“(ii) such individual has a habitual abode in Taiwan and not the United States.

“(E) **UNITED STATES TAX TREATMENT OF QUALIFIED RESIDENT OF TAIWAN.**—Notwithstanding section 7701, an individual who is treated as a qualified resident of Taiwan by reason of this paragraph for all or any portion of a taxable year shall not be treated as a resident of the United States for purposes of computing such individual’s United States income tax liability for such taxable year or portion thereof.

“(4) **RULES OF SPECIAL APPLICATION.**—

“(A) **DIVIDENDS.**—For purposes of applying this section to any dividend, paragraph (2)(D) shall be applied without regard to clause (ii) thereof.

“(B) **ITEMS OF INCOME EMANATING FROM AN ACTIVE TRADE OR BUSINESS IN TAIWAN.**—For purposes of this section—

“(i) **IN GENERAL.**—Notwithstanding the preceding paragraphs of this subsection, if an entity taxed as a corporation in Taiwan is not a

qualified resident of Taiwan but meets the requirements of subparagraphs (A) and (B) of paragraph (1), any qualified item of income such entity derived from the United States shall be treated as income of a qualified resident of Taiwan.

“(ii) QUALIFIED ITEMS OF INCOME.—

“(I) IN GENERAL.—The term ‘qualified item of income’ means any item of income which emanates from, or is incidental to, the conduct of an active trade or business in Taiwan (other than operating as a holding company, providing overall supervision or administration of a group of companies, providing group financing, or making or managing investments (unless such making or managing investments is carried on by a bank, insurance company, or registered securities dealer in the ordinary course of its business as such)).

“(II) SUBSTANTIAL ACTIVITY REQUIREMENT.—An item of income which is derived from a trade or business conducted in the United States or from a connected person shall be a qualified item of income only if the trade or business activity conducted in Taiwan to which the item is related is substantial in relation to the same or a complementary trade or business activity carried on in the United States. For purposes of applying this subclause, activities conducted by persons that are connected to the entity described in clause (i) shall be deemed to be conducted by such entity.

“(iii) EXCEPTION.—This subparagraph shall not apply to any item of income derived by an entity if at least 50 percent (by vote or value) of such entity is owned (directly or indirectly) or controlled by residents of a foreign country of concern.

“(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) UNITED STATES PERMANENT ESTABLISHMENT.—

“(A) IN GENERAL.—The term ‘United States permanent establishment’ means, with respect to a qualified resident of Taiwan, a permanent establishment of such resident which is within the United States.

“(B) SPECIAL RULE.—The determination of whether there is a permanent establishment of a qualified resident of Taiwan within the United States shall be made without regard to whether an entity which is taxed as a corporation in Taiwan and which is a qualified resident of Taiwan controls or is controlled by—

“(i) a domestic corporation, or

“(ii) any other person that carries on business in the United States (whether through a permanent establishment or otherwise).

“(2) PERMANENT ESTABLISHMENT.—

“(A) IN GENERAL.—The term ‘permanent establishment’ means a fixed place of business through which a trade or business is wholly or partly carried on. Such term shall include—

“(i) a place of management,

“(ii) a branch,

“(iii) an office,

“(iv) a factory,

“(v) a workshop, and

“(vi) a mine, an oil or gas well, a quarry, or any other place of extraction of natural resources.

“(B) SPECIAL RULES FOR CERTAIN TEMPORARY PROJECTS.—

“(i) IN GENERAL.—A building site or construction or installation project, or an installation or drilling rig or ship used for the exploration or exploitation of the sea bed and its subsoil and their natural resources, constitutes a permanent establishment only if it lasts, or the activities of the rig or ship lasts, for more than 12 months.

“(ii) DETERMINATION OF 12-MONTH PERIOD.—For purposes of clause (i), the period over which a building site or construction or installation project of a person lasts shall include any period of more than 30 days during which such person does not carry on activities at such building site or construction or installation project but connected activities are carried on at

such building site or construction or installation project by one or more connected persons.

“(C) HABITUAL EXERCISE OF CONTRACT AUTHORITY TREATED AS PERMANENT ESTABLISHMENT.—Notwithstanding subparagraphs (A) and (B), where a person (other than an agent of an independent status to whom subparagraph (D)(ii) applies) is acting on behalf of a trade or business of a qualified resident of Taiwan and has and habitually exercises an authority to conclude contracts that are binding on the trade or business, that trade or business shall be deemed to have a permanent establishment in the country in which such authority is exercised in respect of any activities that the person undertakes for the trade or business, unless the activities of such person are limited to those described in subparagraph (D)(i) that, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that subparagraph.

“(D) EXCLUSIONS.—

“(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), the term ‘permanent establishment’ shall not include—

“(I) the use of facilities solely for the purpose of storage, display, or delivery of goods or merchandise belonging to the trade or business,

“(II) the maintenance of a stock of goods or merchandise belonging to the trade or business solely for the purpose of storage, display, or delivery,

“(III) the maintenance of a stock of goods or merchandise belonging to the trade or business solely for the purpose of processing by another trade or business,

“(IV) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information, for the trade or business,

“(V) the maintenance of a fixed place of business solely for the purpose of carrying on, for the trade or business, any other activity of a preparatory or auxiliary character, or

“(VI) the maintenance of a fixed place of business solely for any combination of the activities mentioned in subclauses (I) through (V), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

“(ii) BROKERS AND OTHER INDEPENDENT AGENTS.—A trade or business shall not be considered to have a permanent establishment in a country merely because it carries on business in such country through a broker, general commission agent, or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business as independent agents.

“(3) TESTED GROUP.—The term ‘tested group’ includes, with respect to any entity taxed as a corporation in Taiwan, such entity and any other entity taxed as a corporation in Taiwan that—

“(A) participates as a member with such entity in a tax consolidation, fiscal unity, or similar regime that requires members of the group to share profits or losses, or

“(B) shares losses with such entity pursuant to a group relief or other loss sharing regime.

“(4) CONNECTED PERSON.—Two persons shall be ‘connected persons’ if one owns, directly or indirectly, at least 50 percent of the interests in the other (or, in the case of a corporation, at least 50 percent of the aggregate vote and value of the corporation’s shares) or another person owns, directly or indirectly, at least 50 percent of the interests (or, in the case of a corporation, at least 50 percent of the aggregate vote and value of the corporation’s shares) in each person. In any case, a person shall be connected to another if, based on all the relevant facts and circumstances, one has control of the other or both are under the control of the same person or persons.

“(5) FOREIGN COUNTRY OF CONCERN.—The term ‘foreign country of concern’ has the mean-

ing given such term under paragraph (7) of section 9901 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 4651(7)), as added by section 103(a)(4) of the CHIPS Act of 2022).

“(6) PARTNERSHIPS; BENEFICIARIES OF ESTATES AND TRUSTS.—For purposes of this section—

“(A) a qualified resident of Taiwan which is a partner of a partnership which carries on a trade or business within the United States through a United States permanent establishment shall be treated as carrying on such trade or business through such permanent establishment, and

“(B) a qualified resident of Taiwan which is a beneficiary of an estate or trust which carries on a trade or business within the United States through a United States permanent establishment shall be treated as carrying on such trade or business through such permanent establishment.

“(7) DENIAL OF BENEFITS FOR CERTAIN PAYMENTS THROUGH HYBRID ENTITIES.—For purposes of this section, rules similar to the rules of section 894(c) shall apply.

“(e) APPLICATION.—

“(1) IN GENERAL.—This section shall not apply to any period unless the Secretary has determined that Taiwan has provided benefits to United States persons for such period that are reciprocal to the benefits provided to qualified residents of Taiwan under this section.

“(2) PROVISION OF RECIPROCITY.—The President or his designee is authorized to exchange letters, enter into an agreement, or take other necessary and appropriate steps relative to Taiwan for the reciprocal provision of the benefits described in this section.

“(f) REGULATIONS OR OTHER GUIDANCE.—

“(1) IN GENERAL.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including such regulations or guidance for—

“(A) determining—

“(i) what constitutes a United States permanent establishment of a qualified resident of Taiwan, and

“(ii) income that is effectively connected with such a permanent establishment,

“(B) preventing the abuse of the provisions of this section by persons who are not (or who should not be treated as) qualified residents of Taiwan,

“(C) requirements for record keeping and reporting,

“(D) rules to assist withholding agents or employers in determining whether a foreign person is a qualified resident of Taiwan for purposes of determining whether withholding or reporting is required for a payment (and, if withholding is required, whether it should be applied at a reduced rate),

“(E) the application of subsection (a)(1)(D)(i) to stock held by predecessor owners,

“(F) determining what amounts are to be treated as qualified wages for purposes of subsection (a)(2),

“(G) determining the amounts to which subsection (a)(3) applies,

“(H) defining established securities market for purposes of subsection (c),

“(I) the application of the rules of subsection (c)(4)(B),

“(J) the application of subsection (d)(6) and section 1446,

“(K) determining ownership interests held by residents of a foreign country of concern, and

“(L) determining the starting and ending dates for periods with respect to the application of this section under subsection (e), which may be separate dates for taxes withheld at the source and other taxes.

“(2) REGULATIONS TO BE CONSISTENT WITH MODEL TREATY.—Any regulations or other guidance issued under this section shall, to the extent practical, be consistent with the provisions of the United States model income tax convention dated February 7, 2016.”.

(b) CONFORMING AMENDMENT TO WITHHOLDING TAX.—Subchapter A of chapter 3 is amended by adding at the end the following new section:

**“SEC. 1447. WITHHOLDING FOR QUALIFIED RESIDENTS OF TAIWAN.**

“For reduced rates of withholding for certain residents of Taiwan, see section 894A.”.

(c) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart D of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 894 the following new item:

“Sec. 894A. Special rules for qualified residents of Taiwan.”.

(2) The table of sections for subchapter A of chapter 3 is amended by adding at the end the following new item:

“Sec. 1447. Withholding for qualified residents of Taiwan.”.

**Subtitle B—United States-Taiwan Tax Agreement Authorization Act**

**SEC. 311. SHORT TITLE.**

This subtitle may be cited as the “United States-Taiwan Tax Agreement Authorization Act”.

**SEC. 312. DEFINITIONS.**

In this subtitle:

(1) AGREEMENT.—The term “Agreement” means the tax agreement authorized by section 313(a).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Foreign Relations and the Committee on Finance of the Senate; and

(B) the Committee on Ways and Means of the House of Representatives.

(3) APPROVAL LEGISLATION.—The term “approval legislation” means legislation that approves the Agreement.

(4) IMPLEMENTING LEGISLATION.—The term “implementing legislation” means legislation that makes any changes to the Internal Revenue Code of 1986 necessary to implement the Agreement.

**SEC. 313. AUTHORIZATION TO NEGOTIATE AND ENTER INTO AGREEMENT.**

(a) IN GENERAL.—Subsequent to a determination under section 894A(e)(1) of the Internal Revenue Code of 1986 (as added by the United States-Taiwan Expedited Double-Tax Relief Act), the President is authorized to negotiate and enter into a tax agreement relative to Taiwan.

(b) ELEMENTS OF AGREEMENT.—

(1) CONFORMITY WITH BILATERAL INCOME TAX CONVENTIONS.—The President shall ensure that—

(A) any provisions included in the Agreement conform with provisions customarily contained in United States bilateral income tax conventions, as exemplified by the 2016 United States Model Income Tax Convention; and

(B) the Agreement does not include elements outside the scope of the 2016 United States Model Income Tax Convention.

(2) INCORPORATION OF TAX AGREEMENTS AND LAWS.—Notwithstanding paragraph (1), the Agreement may incorporate and restate provisions of any agreement, or existing United States law, addressing double taxation for residents of the United States and Taiwan.

(3) AUTHORITY.—The Agreement shall include the following statement: “The Agreement is entered into pursuant to the United States-Taiwan Tax Agreement Authorization Act.”

(4) ENTRY INTO FORCE.—The Agreement shall include a provision conditioning entry into force upon—

(A) enactment of approval legislation and implementing legislation pursuant to section 317; and

(B) confirmation by the Secretary of the Treasury that the relevant authority in Taiwan has approved and taken appropriate steps required to implement the Agreement.

**SEC. 314. CONSULTATIONS WITH CONGRESS.**

(a) NOTIFICATION UPON COMMENCEMENT OF NEGOTIATIONS.—The President shall provide written notification to the appropriate congressional committees of the commencement of negotiations between the United States and Taiwan on the Agreement at least 15 calendar days before commencing such negotiations.

(b) CONSULTATIONS DURING NEGOTIATIONS.—

(1) BRIEFINGS.—Not later than 90 days after commencement of negotiations with respect to the Agreement, and every 180 days thereafter until the President enters into the Agreement, the President shall provide a briefing to the appropriate congressional committees on the status of the negotiations, including a description of elements under negotiation.

(2) MEETINGS AND OTHER CONSULTATIONS.—

(A) IN GENERAL.—In the course of negotiations with respect to the Agreement, the Secretary of the Treasury, in coordination with the Secretary of State, shall—

(i) meet, upon request, with the chairman or ranking member of any of the appropriate congressional committees regarding negotiating objectives and the status of negotiations in progress; and

(ii) consult closely and on a timely basis with, and keep fully apprised of the negotiations, the appropriate congressional committees.

(B) ELEMENTS OF CONSULTATIONS.—The consultations described in subparagraph (A) shall include consultations with respect to—

(i) the nature of the contemplated Agreement;

(ii) how and to what extent the contemplated Agreement is consistent with the elements set forth in section 313(b); and

(iii) the implementation of the contemplated Agreement, including—

(I) the general effect of the contemplated Agreement on existing laws;

(II) proposed changes to any existing laws to implement the contemplated Agreement; and

(III) proposed administrative actions to implement the contemplated Agreement.

**SEC. 315. APPROVAL AND IMPLEMENTATION OF AGREEMENT.**

(a) IN GENERAL.—The Agreement may not enter into force unless—

(1) the President, at least 60 days before the day on which the President enters into the Agreement, publishes the text of the contemplated Agreement on a publicly available website of the Department of the Treasury; and

(2) there is enacted into law, with respect to the Agreement, approval legislation and implementing legislation pursuant to section 317.

(b) ENTRY INTO FORCE.—The President may provide for the Agreement to enter into force upon—

(1) enactment of approval legislation and implementing legislation pursuant to section 317; and

(2) confirmation by the Secretary of the Treasury that the relevant authority in Taiwan has approved and taken appropriate steps required to implement the Agreement.

**SEC. 316. SUBMISSION TO CONGRESS OF AGREEMENT AND IMPLEMENTATION POLICY.**

(a) SUBMISSION OF AGREEMENT.—Not later than 270 days after the President enters into the Agreement, the President or the President's designee shall submit to Congress—

(1) the final text of the Agreement; and

(2) a technical explanation of the Agreement.

(b) SUBMISSION OF IMPLEMENTATION POLICY.—Not later than 270 days after the President enters into the Agreement, the Secretary of the Treasury shall submit to Congress—

(1) a description of those changes to existing laws that the President considers would be required in order to ensure that the United States acts in a manner consistent with the Agreement; and

(2) a statement of anticipated administrative action proposed to implement the Agreement.

**SEC. 317. CONSIDERATION OF APPROVAL LEGISLATION AND IMPLEMENTING LEGISLATION.**

(a) IN GENERAL.—The approval legislation with respect to the Agreement shall include the following: “Congress approves the Agreement submitted to Congress pursuant to section 316 of the United States-Taiwan Tax Agreement Authorization Act on \_\_\_\_\_”, with the blank space being filled with the appropriate date.

(b) APPROVAL LEGISLATION COMMITTEE REFERRAL.—The approval legislation shall—

(1) in the Senate, be referred to the Committee on Foreign Relations; and

(2) in the House of Representatives, be referred to the Committee on Ways and Means.

(c) IMPLEMENTING LEGISLATION COMMITTEE REFERRAL.—The implementing legislation shall—

(1) in the Senate, be referred to the Committee on Finance; and

(2) in the House of Representatives, be referred to the Committee on Ways and Means.

**SEC. 318. RELATIONSHIP OF AGREEMENT TO INTERNAL REVENUE CODE OF 1986.**

(a) INTERNAL REVENUE CODE OF 1986 TO CONTROL.—No provision of the Agreement or approval legislation, nor the application of any such provision to any person or circumstance, which is inconsistent with any provision of the Internal Revenue Code of 1986, shall have effect.

(b) CONSTRUCTION.—Nothing in this subtitle shall be construed—

(1) to amend or modify any law of the United States; or

(2) to limit any authority conferred under any law of the United States, unless specifically provided for in this subtitle.

**SEC. 319. AUTHORIZATION OF SUBSEQUENT TAX AGREEMENTS RELATIVE TO TAIWAN.**

(a) IN GENERAL.—Subsequent to the enactment of approval legislation and implementing legislation pursuant to section 317—

(1) the term “tax agreement” in section 313(a) shall be treated as including any tax agreement relative to Taiwan which supplements or supersedes the Agreement to which such approval legislation and implementing legislation relates, and

(2) the term “Agreement” shall be treated as including such tax agreement.

(b) REQUIREMENTS, ETC., TO APPLY SEPARATELY.—The provisions of this subtitle (including section 314) shall be applied separately with respect to each tax agreement referred to in subsection (a).

**SEC. 320. UNITED STATES TREATMENT OF DOUBLE TAXATION MATTERS WITH RESPECT TO TAIWAN.**

(a) FINDINGS.—Congress makes the following findings:

(1) The United States addresses issues with respect to double taxation with foreign countries by entering into bilateral income tax conventions (known as tax treaties) with such countries, subject to the advice and consent of the Senate to ratification pursuant to article II of the Constitution.

(2) The United States has entered into more than sixty such tax treaties, which facilitate economic activity, strengthen bilateral cooperation, and benefit United States workers, businesses, and other United States taxpayers.

(3) Due to Taiwan's unique status, the United States is unable to enter into an article II tax treaty with Taiwan, necessitating an agreement to address issues with respect to double taxation.

(b) STATEMENT OF POLICY.—It is the policy of the United States to—

(1) provide for additional bilateral tax relief with respect to Taiwan, beyond that provided for in section 894A of the Internal Revenue Code of 1986 (as added by the United States-Taiwan Expedited Double-Tax Relief Act), only after entry into force of an Agreement, as provided for in section 315, and only in a manner consistent with such Agreement; and



(2) continue to provide for bilateral tax relief with sovereign states to address double taxation and other related matters through entering into bilateral income tax conventions, subject to the Senate's advice and consent to ratification pursuant to article II of the Constitution.

#### **TITLE IV—ASSISTANCE FOR DISASTER-IMPACTED COMMUNITIES**

##### **SEC. 401. SHORT TITLE.**

This title may be cited as the “Federal Disaster Tax Relief Act of 2024”.

##### **SEC. 402. EXTENSION OF RULES FOR TREATMENT OF CERTAIN DISASTER-RELATED PERSONAL CASUALTY LOSSES.**

For purposes of applying section 304(b) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, section 301 of such Act shall be applied by substituting “the Federal Disaster Tax Relief Act of 2024” for “this Act” each place it appears.

##### **SEC. 403. EXCLUSION FROM GROSS INCOME FOR COMPENSATION FOR LOSSES OR DAMAGES RESULTING FROM CERTAIN WILDFIRES.**

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, gross income shall not include any amount received by an individual as a qualified wildfire relief payment.

(b) QUALIFIED WILDFIRE RELIEF PAYMENT.—For purposes of this section—

(1) IN GENERAL.—The term “qualified wildfire relief payment” means any amount received by or on behalf of an individual as compensation for losses, expenses, or damages (including compensation for additional living expenses, lost wages (other than compensation for lost wages paid by the employer which would have otherwise paid such wages), personal injury, death, or emotional distress) incurred as a result of a qualified wildfire disaster, but only to the extent the losses, expenses, or damages compensated by such payment are not compensated for by insurance or otherwise.

(2) QUALIFIED WILDFIRE DISASTER.—The term “qualified wildfire disaster” means any federally declared disaster (as defined in section 165(i)(5)(A) of the Internal Revenue Code of 1986) declared, after December 31, 2014, as a result of any forest or range fire.

(c) DENIAL OF DOUBLE BENEFIT.—Notwithstanding any other provision of the Internal Revenue Code of 1986—

(1) no deduction or credit shall be allowed (to the person for whose benefit a qualified wildfire relief payment is made) for, or by reason of, any expenditure to the extent of the amount excluded under this section with respect to such expenditure, and

(2) no increase in the basis or adjusted basis of any property shall result from any amount excluded under this subsection with respect to such property.

(d) LIMITATION ON APPLICATION.—This section shall only apply to qualified wildfire relief payments received by the individual during taxable years beginning after December 31, 2019, and before January 1, 2026.

##### **SEC. 404. EAST PALESTINE DISASTER RELIEF PAYMENTS.**

(a) DISASTER RELIEF PAYMENTS TO VICTIMS OF EAST PALESTINE TRAIN DERAILMENT.—East Palestine train derailment payments shall be treated as qualified disaster relief payments for purposes of section 139(b) of the Internal Revenue Code of 1986.

(b) EAST PALESTINE TRAIN DERAILMENT PAYMENTS.—For purposes of this section, the term “East Palestine train derailment payment” means any amount received by or on behalf of an individual as compensation for loss, damages, expenses, loss in real property value, closing costs with respect to real property (including realtor commissions), or inconvenience (including access to real property) resulting from the East Palestine train derailment if such amount was provided by—

(1) a Federal, State, or local government agency,

(2) Norfolk Southern Railway, or

(3) any subsidiary, insurer, or agent of Norfolk Southern Railway or any related person.

(c) TRAIN DERAILMENT.—For purposes of this section, the term “East Palestine train derailment” means the derailment of a train in East Palestine, Ohio, on February 3, 2023.

(d) EFFECTIVE DATE.—This section shall apply to amounts received on or after February 3, 2023.

#### **TITLE V—MORE AFFORDABLE HOUSING**

##### **SEC. 501. STATE HOUSING CREDIT CEILING INCREASE FOR LOW-INCOME HOUSING CREDIT.**

(a) IN GENERAL.—Section 42(h)(3)(I) is amended—

(1) by striking “and 2021,” and inserting “2021, 2023, 2024, and 2025,” and

(2) by striking “2018, 2019, 2020, AND 2021” in the heading and inserting “CERTAIN CALENDAR YEARS”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 2022.

##### **SEC. 502. TAX-EXEMPT BOND FINANCING REQUIREMENT.**

(a) IN GENERAL.—Section 42(h)(4) is amended by striking subparagraph (B) and inserting the following:

“(B) SPECIAL RULE WHERE MINIMUM PERCENT OF BUILDINGS IS FINANCED WITH TAX-EXEMPT BONDS SUBJECT TO VOLUME CAP.—For purposes of subparagraph (A), paragraph (1) shall not apply to any portion of the credit allowable under subsection (a) with respect to a building if—

“(i) 50 percent or more of the aggregate basis of such building and the land on which the building is located is financed by 1 or more obligations described in subparagraph (A), or

“(ii)(I) 30 percent or more of the aggregate basis of such building and the land on which the building is located is financed by 1 or more qualified obligations, and

“(II) 1 or more of such qualified obligations—

“(aa) are part of an issue the issue date of which is after December 31, 2023, and

“(bb) provide the financing for not less than 5 percent of the aggregate basis of such building and the land on which the building is located.

“(C) QUALIFIED OBLIGATION.—For purposes of subparagraph (B)(ii), the term ‘qualified obligation’ means an obligation which is described in subparagraph (A) and which is part of an issue the issue date of which is before January 1, 2026.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to buildings placed in service in taxable years beginning after December 31, 2023.

(2) REHABILITATION EXPENDITURES TREATED AS SEPARATE NEW BUILDING.—In the case of any building with respect to which any expenditures are treated as a separate new building under section 42(e) of the Internal Revenue Code of 1986, for purposes of paragraph (1), both the existing building and the separate new building shall be treated as having been placed in service on the date such expenditures are treated as placed in service under section 42(e)(4) of such Code.

#### **TITLE VI—TAX ADMINISTRATION AND ELIMINATING FRAUD**

##### **SEC. 601. INCREASE IN THRESHOLD FOR REQUIRING INFORMATION REPORTING WITH RESPECT TO CERTAIN PAYEES.**

(a) IN GENERAL.—Sections 6041(a) is amended by striking “\$600” and inserting “\$1,000”.

(b) INFLATION ADJUSTMENT.—Section 6041 is amended by adding at the end the following new subsection:

“(h) INFLATION ADJUSTMENT.—In the case of any calendar year after 2024, the dollar amount in subsection (a) shall be increased by an amount equal to—

“(1) such dollar amount, multiplied by

“(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting ‘calendar year 2023’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

If any increase under the preceding sentence is not a multiple of \$100, such increase shall be rounded to the nearest multiple of \$100.”.

(c) APPLICATION TO REPORTING ON REMUNERATION FOR SERVICES AND DIRECT SALES.—Section 6041A is amended—

(1) in subsection (a)(2), by striking “is \$600 or more” and inserting “equals or exceeds the dollar amount in effect for such calendar year under section 6041(a)”, and

(2) in subsection (b)(1)(B), by striking “is \$5,000 or more” and inserting “equals or exceeds the dollar amount in effect for such calendar year under section 6041(a)”.

(d) APPLICATION TO BACKUP WITHHOLDING.—Section 3406(b)(6) is amended—

(1) by striking “\$600” in subparagraph (A) and inserting “the dollar amount in effect for such calendar year under section 6041(a)”, and

(2) by striking “ONLY WHERE AGGREGATE FOR CALENDAR YEAR IS \$600 OR MORE” in the heading and inserting “ONLY IF IN EXCESS OF THRESHOLD”.

(e) CONFORMING AMENDMENTS.—

(1) The heading of section 6041(a) is amended by striking “OF \$600 OR MORE” and inserting “EXCEEDING THRESHOLD”.

(2) Section 6041(a) is amended by striking “taxable year” and inserting “calendar year”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to payments made after December 31, 2023.

##### **SEC. 602. ENFORCEMENT PROVISIONS WITH RESPECT TO COVID-RELATED EMPLOYEE RETENTION CREDITS.**

(a) INCREASE IN ASSESSABLE PENALTY ON COVID-ERTC PROMOTERS FOR AIDING AND ABETTING UNDERSTATEMENTS OF TAX LIABILITY.—

(1) IN GENERAL.—If any COVID-ERTC promoter is subject to penalty under section 6701(a) of the Internal Revenue Code of 1986 with respect to any COVID-ERTC document, notwithstanding paragraphs (1) and (2) of section 6701(b) of such Code, the amount of the penalty imposed under such section 6701(a) shall be the greater of—

(A) \$200,000 (\$10,000, in the case of a natural person), or

(B) 75 percent of the gross income derived (or to be derived) by such promoter with respect to the aid, assistance, or advice referred to in section 6701(a)(1) of such Code with respect to such document.

(2) NO INFERENCE.—Paragraph (1) shall not be construed to create any inference with respect to the proper application of the knowledge requirement of section 6701(a)(3) of the Internal Revenue Code of 1986.

(b) FAILURE TO COMPLY WITH DUE DILIGENCE REQUIREMENTS TREATED AS KNOWLEDGE FOR PURPOSES OF ASSESSABLE PENALTY FOR AIDING AND ABETTING UNDERSTATEMENT OF TAX LIABILITY.—In the case of any COVID-ERTC promoter, the knowledge requirement of section 6701(a)(3) of the Internal Revenue Code of 1986 shall be treated as satisfied with respect to any COVID-ERTC document with respect to which such promoter provided aid, assistance, or advice, if such promoter fails to comply with the due diligence requirements referred to in subsection (c)(1).

(c) ASSESSABLE PENALTY FOR FAILURE TO COMPLY WITH DUE DILIGENCE REQUIREMENTS.—

(1) IN GENERAL.—Any COVID-ERTC promoter which provides aid, assistance, or advice with respect to any COVID-ERTC document and which fails to comply with due diligence requirements imposed by the Secretary with respect to determining eligibility for, or the amount of, any COVID-related employee retention tax credit, shall pay a penalty of \$1,000 for each such failure.

(2) **DUE DILIGENCE REQUIREMENTS.**—Except as otherwise provided by the Secretary, the due diligence requirements referred to in paragraph (1) shall be similar to the due diligence requirements imposed under section 6695(g).

(3) **RESTRICTION TO DOCUMENTS USED IN CONNECTION WITH RETURNS OR CLAIMS FOR REFUND.**—Paragraph (1) shall not apply with respect to any COVID-ERTC document unless such document constitutes, or relates to, a return or claim for refund.

(4) **TREATMENT AS ASSESSABLE PENALTY, ETC.**—For purposes of the Internal Revenue Code of 1986, the penalty imposed under paragraph (1) shall be treated in the same manner as a penalty imposed under section 6695(g).

(5) **SECRETARY.**—For purposes of this subsection, the term “Secretary” means the Secretary of the Treasury or the Secretary’s delegate.

(d) **ASSESSABLE PENALTIES FOR FAILURE TO DISCLOSE INFORMATION, MAINTAIN CLIENT LISTS, ETC.**—For purposes of sections 6111, 6112, 6707 and 6708 of the Internal Revenue Code of 1986—

(1) any COVID-related employee retention tax credit (whether or not the taxpayer claims such COVID-related employee retention tax credit) shall be treated as a listed transaction (and as a reportable transaction) with respect to any COVID-ERTC promoter if such promoter provides any aid, assistance, or advice with respect to any COVID-ERTC document relating to such COVID-related employee retention tax credit, and

(2) such COVID-ERTC promoter shall be treated as a material advisor with respect to such transaction.

(e) **COVID-ERTC PROMOTER.**—For purposes of this section—

(1) **IN GENERAL.**—The term “COVID-ERTC promoter” means, with respect to any COVID-ERTC document, any person which provides aid, assistance, or advice with respect to such document if—

(A) such person charges or receives a fee for such aid, assistance, or advice which is based on the amount of the refund or credit with respect to such document and, with respect to such person’s taxable year in which such person provided such assistance or the preceding taxable year, the aggregate gross receipts of such person for aid, assistance, and advice with respect to all COVID-ERTC documents exceeds 20 percent of the gross receipts of such person for such taxable year, or

(B) with respect to such person’s taxable year in which such person provided such assistance or the preceding taxable year—

(i) the aggregate gross receipts of such person for aid, assistance, and advice with respect to all COVID-ERTC documents exceeds 50 percent of the gross receipts of such person for such taxable year, or

(ii) both—

(I) such aggregate gross receipts exceeds 20 percent of the gross receipts of such person for such taxable year, and

(II) the aggregate gross receipts of such person for aid, assistance, and advice with respect to all COVID-ERTC documents (determined after application of paragraph (3)) exceeds \$500,000.

(2) **EXCEPTION FOR CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.**—The term “COVID-ERTC promoter” shall not include a certified professional employer organization (as defined in section 7705).

(3) **AGGREGATION RULE.**—For purposes of paragraph (1)(B)(ii)(II), all persons treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986, or subsection (m) or (o) of section 414 of such Code, shall be treated as 1 person.

(4) **SHORT TAXABLE YEARS.**—In the case of any taxable year of less than 12 months, paragraph (1) shall be applied with respect to the calendar year in which such taxable year begins (in addition to applying to such taxable year).

(f) **COVID-ERTC DOCUMENT.**—For purposes of this section, the term “COVID-ERTC document” means any return, affidavit, claim, or other document related to any COVID-related employee retention tax credit, including any document related to eligibility for, or the calculation or determination of any amount directly related to any COVID-related employee retention tax credit.

(g) **COVID-RELATED EMPLOYEE RETENTION TAX CREDIT.**—For purposes of this section, the term “COVID-related employee retention tax credit” means—

(1) any credit, or advance payment, under section 3134 of the Internal Revenue Code of 1986, and

(2) any credit, or advance payment, under section 2301 of the CARES Act.

(h) **LIMITATION ON CREDIT AND REFUND OF COVID-RELATED EMPLOYEE RETENTION TAX CREDITS.**—Notwithstanding section 6511 of the Internal Revenue Code of 1986 or any other provision of law, no credit or refund of any COVID-related employee retention tax credit shall be allowed or made after January 31, 2024, unless a claim for such credit or refund is filed by the taxpayer on or before such date.

(i) **AMENDMENTS TO EXTEND LIMITATION ON ASSESSMENT.**—

(1) **IN GENERAL.**—Section 3134(l) of the Internal Revenue Code of 1986 is amended to read as follows:

“(l) **EXTENSION OF LIMITATION ON ASSESSMENT.**—

“(1) **IN GENERAL.**—Notwithstanding section 6501, the limitation on the time period for the assessment of any amount attributable to a credit claimed under this section shall not expire before the date that is 6 years after the latest of—

“(A) the date on which the original return which includes the calendar quarter with respect to which such credit is determined is filed,

“(B) the date on which such return is treated as filed under section 6501(b)(2), or

“(C) the date on which the claim for credit or refund with respect to such credit is made.

“(2) **DEDUCTION FOR WAGES TAKEN INTO ACCOUNT IN DETERMINING IMPROPERLY CLAIMED CREDIT.**—

“(A) **IN GENERAL.**—Notwithstanding section 6511, in the case of an assessment attributable to a credit claimed under this section, the limitation on the time period for credit or refund of any amount attributable to a deduction for improperly claimed ERTC wages shall not expire before the time period for such assessment expires under paragraph (1).

“(B) **IMPROPERLY CLAIMED ERTC WAGES.**—For purposes of this paragraph, the term ‘improperly claimed ERTC wages’ means, with respect to an assessment attributable to a credit claimed under this section, the wages with respect to which a deduction would not have been allowed if the portion of the credit to which such assessment relates had been properly claimed.”.

(2) **APPLICATION TO CARES ACT CREDIT.**—Section 2301 of the CARES Act is amended by adding at the end the following new subsection:

“(o) **EXTENSION OF LIMITATION ON ASSESSMENT.**—

“(1) **IN GENERAL.**—Notwithstanding section 6501 of the Internal Revenue Code of 1986, the limitation on the time period for the assessment of any amount attributable to a credit claimed under this section shall not expire before the date that is 6 years after the latest of—

“(A) the date on which the original return which includes the calendar quarter with respect to which such credit is determined is filed,

“(B) the date on which such return is treated as filed under section 6501(b)(2) of such Code, or

“(C) the date on which the claim for credit or refund with respect to such credit is made.

“(2) **DEDUCTION FOR WAGES TAKEN INTO ACCOUNT IN DETERMINING IMPROPERLY CLAIMED CREDIT.**—

“(A) **IN GENERAL.**—Notwithstanding section 6511 of such Code, in the case of an assessment

attributable to a credit claimed under this section, the limitation on the time period for credit or refund of any amount attributable to a deduction for improperly claimed ERTC wages shall not expire before the time period for such assessment expires under paragraph (1).

“(B) **IMPROPERLY CLAIMED ERTC WAGES.**—For purposes of this paragraph, the term ‘improperly claimed ERTC wages’ means, with respect to an assessment attributable to a credit claimed under this section, the wages with respect to which a deduction would not have been allowed if the portion of the credit to which such assessment relates had been properly claimed.”.

(j) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the provisions of this section shall apply to aid, assistance, and advice provided after March 12, 2020.

(2) **DUE DILIGENCE REQUIREMENTS.**—Subsections (b) and (c) shall apply to aid, assistance, and advice provided after the date of the enactment of this Act.

(3) **LIMITATION ON CREDIT AND REFUND OF COVID-RELATED EMPLOYEE RETENTION TAX CREDITS.**—Subsection (h) shall apply to credits and refunds allowed or made after January 31, 2024.

(4) **AMENDMENTS TO EXTEND LIMITATION ON ASSESSMENT.**—The amendments made by subsection (i) shall apply to assessments made after the date of the enactment of this Act.

(k) **TRANSITION RULE WITH RESPECT TO REQUIREMENTS TO DISCLOSE INFORMATION, MAINTAIN CLIENT LISTS, ETC.**—Any return under section 6111 of the Internal Revenue Code of 1986, or list under section 6112 of such Code, required by reason of subsection (d) of this section to be filed or maintained, respectively, with respect to any aid, assistance, or advice provided by a COVID-ERTC promoter with respect to a COVID-ERTC document before the date of the enactment of this Act, shall not be required to be so filed or maintained (with respect to such aid, assistance or advice) before the date which is 90 days after such date.

(l) **PROVISIONS NOT TO BE CONSTRUED TO CREATE NEGATIVE INFERENCES.**—

(1) **NO INFERENCE WITH RESPECT TO APPLICATION OF KNOWLEDGE REQUIREMENT TO PRE-ENACTMENT CONDUCT OF COVID-ERTC PROMOTERS, ETC.**—Subsection (b) shall not be construed to create any inference with respect to the proper application of section 6701(a)(3) of the Internal Revenue Code of 1986 with respect to any aid, assistance, or advice provided by any COVID-ERTC promoter on or before the date of the enactment of this Act (or with respect to any other aid, assistance, or advice to which such subsection does not apply).

(2) **REQUIREMENTS TO DISCLOSE INFORMATION, MAINTAIN CLIENT LISTS, ETC.**—Subsections (d) and (k) shall not be construed to create any inference with respect to whether any COVID-related employee retention tax credit is (without regard to subsection (d)) a listed transaction (or reportable transaction) with respect to any COVID-ERTC promoter; and, for purposes of subsection (j), a return or list shall not be treated as required (with respect to such aid, assistance, or advice) by reason of subsection (d) if such return or list would be so required without regard to subsection (d).

(m) **REGULATIONS.**—The Secretary (as defined in subsection (c)(5)) shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section (and the amendments made by this section).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. SMITH) and the gentleman from Massachusetts (Mr. NEAL) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

Mr. ROY. Mr. Speaker, I claim the time in actual opposition to the bill.



The SPEAKER pro tempore. Is the gentleman from Massachusetts opposed to the bill?

Mr. NEAL. Mr. Speaker, I am not opposed to the legislation, no. I am not claiming time in opposition. That is the point.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. SMITH), and the gentleman from Texas (Mr. ROY) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

#### GENERAL LEAVE

Mr. SMITH of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SMITH of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Tax Relief for American Families and Workers Act is pro-growth, pro-jobs, pro-American.

The legislation locks in \$600 billion in pro-growth tax policies by restoring three key provisions from President Trump's successful 2017 tax reform that have a proven record of creating millions of jobs, raising workers' wages, and sparking more investment and economic growth right here at home.

This bill restores full R&D expensing, interest deductibility, and 100 percent expensing. Each of these policies will help American businesses grow, create jobs, and sharpen their competitive advantage against China.

This will create over \$70 billion in new R&D investment and over 900,000 new jobs, increase small business investment by \$400 billion, and generate \$58 billion in additional take-home pay for American workers.

Today, America's small businesses are being pummeled by high prices and interest rates. This package raises the expensing cap for small businesses beyond the limit set in the 2017 tax reform, and it cuts paperwork for those small businesses by updating the IRS form, last changed when Eisenhower was President.

This bill is not only helping businesses here at home, but this tax relief package also ensures America is standing with our key economic partner, Taiwan, by ending double taxation on American workers and businesses operating in both countries.

The child tax credit provisions reflect the same structure established by the 2017 tax reform. We maintain work requirements while enhancing the benefit to support families crushed by today's inflation and remove the penalty for families with multiple children. It is both pro-worker and pro-family.

The reforms include meaningful tax relief for those affected by natural and manmade disasters and encourage

more construction of safe, affordable housing.

At the end of the day, we are replacing bad tax policy with good tax policy by cutting off funding for the employee retention tax credit, a COVID-era program that costs six times its original amount and is so riddled with fraud that the IRS put it on its Dirty Dozen list of the worst scams in America. This will save America taxpayers over \$75 billion.

There is a reason that over 450 groups, representing Americans from all walks of life, support this legislation. That includes job creators, those supporting workers and families, and those defending the right to life. It is a strong, commonsense, bipartisan step forward in providing urgent tax relief for working families and small businesses.

Parents and Main Street communities across this country will see lower taxes, more opportunity, and greater financial security after we pass this legislation.

I urge my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. ROY. Mr. Speaker, I rise in opposition to this legislation, and I do so reluctantly, because I know of the significant amount of work by my friend from Missouri; by those, frankly, on both sides of the aisle to reach agreement; and my friends on Ways and Means.

There are important provisions in this legislation that are critical for job growth, for economic growth, and critical for the well-being of our country. There are numerous businesses I know in Texas and around this country that understand the importance of the expensing provisions, the interest provisions, and research and development.

However, unfortunately, as happens in this town, this legislation comes with provisions that the people I represent are tired of. They are provisions that would continue to expand the welfare state—as The Wall Street Journal editorialized about—by expanding the child tax credit in ways that will continue to fund people directly through refundable credits, which we find to be problematic, and we think undermines the kind of economic activity and incentive to work and incentive to produce value that we think is critically important for economic growth.

Importantly, that provision is also available to parents who are here in this country illegally with children born in the United States. We think that is a problem. We think that is not just allowing, essentially, birthright citizenship anchor babies, but funding it. That is a problem.

Now, my colleagues on this side of the aisle will rejoin that that was a product of the 2017 bill that was pushed by and passed by Republicans, including President Trump, to which I say: Right. So what? It is still wrong. It is still bad policy. We shouldn't do it, and we should not be perpetuating it now.

All through the eleventh hour last night, I worked hard trying to find a way to come up with a provision that might be palatable on both sides of the aisle, this side of the aisle, to find a way to say: Let's get that provision pulled off so we can move the pieces that will be good for economic growth and prosperity that I think has bipartisan support and clear support on this side of the aisle.

Unfortunately, we have not done that.

I am getting a lot of correspondence from people that I represent who are sick of the same old game in this town. They are sick of everyone saying that we are just going to keep doing the same thing, and that we are going to, in this case, again, continue to expand the welfare state in a way that entices people to come and benefit from the United States illegally at a time when we have a heightened level of illegal traffic into the United States: 300,000 people crossing the border in December, and millions who have crossed under this President. We are now, in the middle of that crisis, going to continue to fuel the fire.

I think that is a mistake. I think it is a mistake for the country. I think it is a mistake on policy. I think it is a mistake politically.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska (Mr. SMITH).

Mr. SMITH of Nebraska. Mr. Speaker, I rise today in support of this tax bill.

I am particularly pleased this bill includes language that I introduced to ensure capital-intensive industries can fully deduct the cost of interest from their taxes. This is particularly important right now as Americans continue to deal with recent high inflation and higher interest rates.

Alongside provisions ensuring domestic research and development in small business capital expenses are fully deductible, this bill enhances the opportunity to develop new products in America, create jobs, making those products here, and then sell those products around the world.

I am also glad this bill includes language ensuring Americans living, working, and investing in companies within our ally, Taiwan, do not face double taxation.

Also, I especially appreciate that the language of the Tax Cuts and Jobs Act applying to the child tax credit is continued in this bill.

Mr. Speaker, this is a strong bill. It deserves strong bipartisan support. I look forward to voting for it. I urge my colleagues to do the same.

Mr. SMITH of Missouri. Mr. Speaker, I ask unanimous consent that debate on the pending motion be extended by 20 minutes, to be controlled by the gentleman from Massachusetts (Mr. NEAL).

Mr. GAETZ. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. ROY. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. GAETZ).

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Mr. ROY. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. GAETZ).

Mr. GAETZ. To the extent that this is a tax bill, there are good provisions in it on business expensing for economic growth. Nonetheless, Mr. Speaker, this is not a tax bill. This is a welfare bill masquerading as a tax bill. The Wall Street Journal was correct to identify the ways in which this legislation vastly expands the welfare state.

This is how the bipartisan agreement came together: If the Republicans were willing to give the Democrats what they wanted for illegal aliens to get massive subsidies and welfare, then the Democrats were willing to give the Republicans what they wanted on a bunch of business welfare.

The child tax credit, as currently contemplated, will be a massive pull factor to bring people into this country illegally, and we could have, as the majority party, demanded constraints to stop them from being able to use the money that way. Nevertheless, bipartisanship was more important than good policy.

As my friend from Kentucky (Mr. MASSIE) noted recently, Mr. Speaker, if you aren't paying taxes and you get a refundable tax credit in the form of a check, that is not a tax cut. That is not even tax policy. That is just welfare. That is just giving people money who didn't initially pay it in, and a bunch of them are here illegally.

It is not just a welfare bill in that respect. It is also corporate welfare. Indeed, these tax credits they have put in there are so targeted, they are bought and paid for by the lobbyists who fund their campaigns and give them donations, and it is entirely wrong. We should have a flat tax code.

The R&D tax credits they are putting in are deeply misguided. They continue to distort the economy, and, frankly, it is just another flavor of a lot of the Green New Deal tax credits that you act like you are against, but, indeed, Mr. Speaker, that is not the case.

This is not a tax bill. It is a welfare bill in drag, and that may be appealing to some of the proponents.

Mr. SMITH of Missouri. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts (Mr. NEAL), who is the ranking member of the Ways and Means Committee.

Mr. NEAL. Mr. Speaker, this is not the bill I would have written, but this is sensible policy. There is no denying the fact that, despite what the two previous speakers have said, 16 million children will benefit immediately from the expansion of the child tax credit.

This is not welfare. Addressing childhood poverty in America ought to be a priority for us every single day. Low-

income housing tax credit is sound policy. Our economy grew 3.1 percent last year thanks, in some measure, to Joe Biden's economic policies.

I can't believe that we would sit here tonight and hear that addressing childhood poverty is welfare. The number of children in America who live outside of the mainstream because of concerns that they did not create tells much of the whole story.

This is a bipartisan piece of legislation. It is not perfection. It is not what I would have written, but this is a decent tax package to go forward.

Mr. ROY. Mr. Speaker, I yield 1 minute to the gentleman Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, this corporate tax windfall bill, thinly disguised as help for children, offers even more tax advantages to corporations that are paying today a mere 7.8 percent tax rate.

A working mother of two earning the average wage pays a Federal effective rate of 20 percent. Even The Wall Street Journal called one provision in this bill a retroactive sop. It is minimal help for children and maximum benefits for those who are failing to pay their fair share. For every \$1 that goes to children under this bill, \$5 goes to corporations.

Republicans are enabled to lock in \$600 billion in extended Trump tax breaks while millions of children are left in preventable poverty and are denied a full tax credit. While bipartisan, this bill is no more equitable than our broken bipartisan tax code overflowing with loopholes and special advantages for the well-connected.

This deal only continues slanting our tax system against working families. Reject the unjustified corporate ransom and lock in genuine relief for children.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to gentleman from Illinois (Mr. LAHOOD).

Mr. LAHOOD. Mr. Speaker, I thank Chairman SMITH for negotiating this good, monumental tax bill.

I particularly want to highlight the inclusion of two affordable housing provisions in the bill. They are provisions that stem from my bill, the Affordable Housing Credit Improvement Act, which has garnered the support of 212 cosponsors in the House equally divided between Republicans and Democrats.

We are facing an affordable housing crisis in this country, and strengthening the low-income housing tax credit, LIHTC, established by Ronald Reagan is key in this and will be very successful to bridging the gap to more affordable housing in this country.

Mr. Speaker, I urge a "yes" vote on this very good tax bill.

Mr. ROY. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. MASSIE).

Mr. MASSIE. Mr. Speaker, I thank the gentleman from Texas for yielding.

Mr. Speaker, there is something in this bill called tax credits, but they are also called refundable.

So what is a refundable tax credit? It is welfare by a different name.

We are going to give cash payments—checks—to people who don't even pay taxes. The hardworking constituents whom I represent in Kentucky are tired of getting up at 6:00 a.m., driving an hour or two to work and working their hind ends off to watch their neighbors collect these checks of which there will be more of after this bill. It is just wrong.

Now, does anybody find it interesting that the Democratic leadership has not even claimed time in opposition to this bill?

Why is that?

Why aren't they opposed?

Now, there are a few Democrats opposed. Maybe some don't think it goes far enough, or some are opposed to what they call corporate welfare in here, but, by and large, the Democrats are not opposed to this because this is an expansion of the welfare state. That is what it is.

So here is my concern about that: Is it mean to give away money?

No. It is not mean. We could consider it compassionate until you think about the implications.

Now, they say this tax bill is paid for.

What does that mean?

What does it mean when it is paid for?

There are some gimmicks in here that are not going to reduce the debt. This is actually going to cost. Now, by Washington, D.C., math, it is paid for. Nonetheless, Mr. Speaker, when you look at the national debt, it will go up as a result of this bill. Everybody in here knows it. We know these are gimmicks when you call it a pay-for. This bill will increase our debt.

What is that going to do?

It is going to cause inflation to go up. That is going to affect everybody, including the people you are trying to give the money to for having kids.

This is bad policy. I am opposed to it, and I urge a "no" vote.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentlewoman from Washington (Ms. DELBENE).

Ms. DELBENE. Mr. Speaker, the tax bill we are considering today contains several wins for families and our economy, but one piece falls short. The child tax credit expansion would still leave behind millions of kids in families that need it the most.

Democrats offered a solution proven to cut child poverty in half, but Republicans rejected it. I will still continue leading the effort to fully expand the child tax credit, invest in our children, and lift up families.

While today's bill is imperfect, it does include policies I have championed, including the largest expansion of the low-income housing tax credit in several decades and policies to reduce double taxation on American and Taiwanese businesses and workers.

Mr. Speaker, I urge my colleagues to support this bill.

Mr. ROY. Mr. Speaker, may I inquire how much time is remaining.

The SPEAKER pro tempore. The gentleman from Texas has 12 minutes remaining.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Arizona (Mr. SCHWEIKERT).

Mr. SCHWEIKERT. Mr. Speaker, this is sort of elementary school economics. A dozen things have been said here that are absolutely wrong.

Mr. Speaker, if you look at the 2017 tax reform, where did we get the greatest economic boost with the least amount of cost?

It was actually the R&D and the expensing. We actually have models that make it perfectly clear the expensing actually was the one portion of the tax reform that actually paid for itself. That is because in a higher interest rate world—and I believe higher interest rates came from Democrat spending, but that is a different discussion—the fact of the matter is that if you do research and development then you have to finance it. This is where you get the economic growth that actually knocks down inflation and makes our society more prosperous. It is a good bill.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Mr. Chairman, I agree with my Democratic colleagues that the child tax credit portion of this bill should be stronger. Be that as it may, in a divided government, you don't always get exactly what you want, and this bill is an improvement over the status quo.

I am especially pleased at the inclusion of my legislation providing critical relief to wildfire survivors which passed the Ways and Means Committee unanimously.

Mr. Speaker, I urge my colleagues to pass this bill.

Mr. SMITH of Missouri. Mr. Speaker, I reserve the balance of my time.

Mr. ROY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, I always support good-faith efforts to improve our Nation's tax code.

I don't oppose reasonable benefits for the American businesses that drive economic growth and strength. However, I can't support a bill that provides generous tax breaks to large corporations while offering only minimal tax relief for working families.

Republicans have refused again and again to enact Democratic tax writers' proposals that would enact a more generous version of the poverty-busting child tax credit.

Under President Biden's American Rescue Plan, the child tax credit lifted millions of kids out of poverty and helped their families buy groceries, pay for healthcare, and cover their rent.

As a mother and a legislator, I will never stop fighting on behalf of our

country's poorest babies and children and the moms, dads, grandparents, and other caregivers who raise them.

Unfortunately, I have to vote against this tax scheme because I, for one, recognize that working families matter, or should matter, just as much as businesses.

Mr. SMITH of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. FERGUSON).

Mr. FERGUSON. Mr. Speaker, I rise today in support of this piece of legislation. I do not worry one single bit about making sure that American business is more competitive on the global stage. Making sure that our businesses are competitive through research and development and then having the capital to turn those ideas into a product and then turn those products into jobs here in America is something that we should be doing.

Staying competitive against our adversaries on the global stage is something that we should be doing.

This is not about giving businesses a tax break. This is about investing in America and American jobs.

Moreover, the complete mischaracterization about the child tax credit is the most intellectually dishonest conversation that I have heard on this floor in a very long time.

This is about making sure that people who work and their families have the ability to get ahead.

Let me tell you something, Mr. Speaker, we all believe on this side of the aisle that you should work in order to receive Federal benefits. That is something that this bill does, and I think it is important.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SMITH of Missouri. Mr. Speaker, I yield an additional 15 seconds to the gentleman from Georgia.

Mr. FERGUSON. Mr. Speaker, the gentleman from Florida just characterized the child tax credit piece of this bill, which is something that President Trump signed into law, as giving people who are here illegally a check. I hate to see that mischaracterization from my colleague from Florida about President Trump's signature bill.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. Mr. Speaker, I rise in strong support of this bill. I especially want to commend my colleague, RON ESTES, for working directly on this R&D tax credit.

Mr. Speaker, what you are hearing today on this floor is what happens when we work and pull together. We are in a race with China, and we had better be well aware of what we have to do with R&D, because that is critical to it.

I also commend ROSA DELAURO, whom you will hear from as well, Mr. Speaker. I thank Dr. FERGUSON for what he has to say just about the child

tax credit and how important that is. Children need to be protected.

Mr. ROY. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. GAETZ).

Mr. GAETZ. Mr. Speaker, if my characterization of the child tax credit is intellectually dishonest, then I would love to hear the warrant behind that claim because none of my colleagues can state how a huge sum of this money is not going to end up in the hands of illegal immigrants.

When it comes to evaluating that context in the era of Trump versus the era of Biden, it is somewhat embarrassing that I would have to remind a Republican colleague that it is the Biden administration that has let in 10 million additional people which vastly blows out the cost of this particular endeavor.

Under Trump, we didn't have an open border, so there was less of a concern about drawing more people here illegally to this child tax credit.

□ 1730

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentlewoman from Texas (Ms. VAN DUYNE).

Ms. VAN DUYNE. Mr. Speaker, I rise in support of the Tax Relief for American Families Act. This is actually paid for. It will extend the Trump-era tax cuts that brought us record employment, economic growth, and wages that grew at a rate nearly 5 percent higher than inflation.

If we do not make these important reforms to our tax code, my home State of Texas will lose more than 8,000 jobs and nearly \$700 million in wages.

Importantly, this bill will maintain Trump-era safeguards in work requirements to the child tax credit to ensure that it only goes to American citizens, making it one of the few tax credits to actually have the strong requirement for block claims from illegal immigrants and noncitizens.

Mr. Speaker, I stand with north Texas families.

Mr. ROY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the truth is, illegal immigrants are eligible for the CTC expansion because they can get an individual taxpayer identification number in lieu of a Social Security number.

In fact, in the USA Today, somebody who is a proponent of this actually opined and wrote in the USA Today, "How the Child Tax Credit Could Lift Undocumented Immigrants out of Poverty."

That is just the truth. It is what we actually did in 2017. I don't care if my colleagues on this side of the aisle think that is a good idea. I don't care if they are willing to weigh that against what they believe is good for the corporate changes to the law, but don't try to snow the American people. That is what we are doing.

But my colleagues on this side of the aisle will thump their chest about being so great on the border, and yet,

the border is wide open. There was still 300,000 pouring across in December.

Oh, what have we done? We had some votes, but we are still funding it. Here, we are not just funding it, we are juicing it. We are actually encouraging it. We are supplementing it. We are saying: Come on over here, have children, and get a tax credit.

How is that a policy that the American people want to support?

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, listening on the floor of the House, there are arguments that are legitimate in terms of the shortcomings of this. It is not perfect, but I don't want the perfect to be the enemy of the good. I don't want to deny 16 million children an opportunity for this Federal support in order to make a point.

I hope we will come to the point we are able to deal with tax policy in a more rational fashion. Under Chairman NEAL, I think we will, but in the meantime, it is important to pass this legislation to meet the needs of American families.

Mr. ROY. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. PERRY).

Mr. PERRY. Mr. Speaker, I applaud my colleagues on our side of the aisle for working hard to try and return some of the money to hardworking people. I am always for that. If you are working, you should keep the money that you earn. Whether you are corporate or whether you are an individual, but here is where I have a problem—this refundable tax credit.

See, my folks get up every day. They get up early. It is usually dark. They put their kids on the schoolbus and they go to work to afford their bills, which they can barely afford right now. They can't afford their groceries, their gasoline, their credit card bills. They can't afford them because the Federal Government is flooding the economy with money.

Now, we are getting ready to flood more because, Mr. Speaker, regardless of what anybody thinks, if you are here illegally with a Social Security number, you are going to get the money.

I have a news flash for you: Little kids don't get the checks sent to them, even though they got a Social Security number, but their parents, who are here illegally, do, and it is going to happen by the millions.

My folks, the folks that are working hard to put food on their table, are tired of paying for that. We should reject this.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Kansas (Mr. ESTES), who has led the legislation on research and development.

Mr. ESTES. Mr. Speaker, I thank Chairman SMITH for his tireless work on this tax package that we are about to pass. American families and small businesses are in desperate need of economic relief. High costs of goods and services and burdensome regulations have strained pocketbooks and the economy, and Americans need a break.

The Tax Relief for American Families and Workers Act provides the win we need. This bill includes a provision that I have been advocating for—the immediate R&D expensing. Without this, we have seen the growth rate of R&D spending slow, and since three-quarters of R&D spending is on wages and salaries, R&D amortization is primarily a jobs issue.

Countless Kansas small businesses expressed their grave concern about this expired provision. I am glad we are taking a positive step to restore immediate R&D expenses.

Mr. ROY. Mr. Speaker, I yield 1 minute to the gentlewoman from Wisconsin (Ms. MOORE).

Ms. MOORE of Wisconsin. Mr. Speaker, do you all remember when our good friend, MITT ROMNEY, talked about the 47 percent of the takers?

This bill locks in the principle that we have takers and makers. We have \$600 billion of permanent tax cuts to the wealthiest people, and yet some woman who gets up in a rural area and marches off to the grocery store and works 30 hours a week won't see a dime of this tax credit because she is too poor. She is a taker; she is not a maker.

You know, I think it is all right. This is a compromised bill. It is better than current law where that same minimum wage worker would have to work 70 hours a week in order to get this tax credit now only has to work 40 hours a week, plus do a little Uber on the side to get the tax credit.

So I think we need to compromise, but we don't need to capitulate. We are not going to expand this tax credit for poor children, but the poorest will be even poorer.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Pennsylvania (Mr. SMUCKER).

Mr. SMUCKER. Mr. Speaker, the Tax Cuts and Jobs Act worked. It grew the economy. It increased revenue and it helped every American family to achieve a better life. It also, for those in opposition to this bill, for the first time, required a Social Security number for the child in order for a family to receive the child tax credit.

Many who are in opposition to this bill today voted for the Tax Cuts and Jobs Act. Are you telling me you regret that vote? This continues the provision to require children to have a Social Security number for the family to benefit from the child tax credit.

Mr. ROY. Mr. Speaker, may I inquire as to the time remaining.

The SPEAKER pro tempore. The gentleman from Texas has 6 minutes remaining.

Mr. ROY. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. GOOD).

Mr. GOOD of Virginia. Mr. Speaker, I thank the gentleman from Texas for yielding me the time. I appreciate it.

Mr. Speaker, here we are again where the minority party isn't even using their time to oppose the bill put forward by the majority.

Just 2 weeks ago, the last major piece of legislation that we passed by suspension of the rules, the Democrat minority party voted for it 207–2. It will be interesting tonight to see how many Democrats vote for this and how many Republicans vote for it.

I am against this because of the suspension of the rules, the process that we are using. I am against it because the expansion of the welfare state. I am against it because we are not correcting the fact that illegals can have access to the child tax credit.

I have never done this on the House floor before, but I am going to read what someone else wrote about this bill.

This is from Kevin Roberts with Heritage Foundation. I commend them for what they said: "Although, the bill claims that its aim is to provide 'tax relief' to families with children, it contains very little relief for working families. Instead, nearly 91.5 percent of the 'family benefits' in this bill are cash welfare payments to families who pay no Federal income taxes.

... the bill provides \$30.6 billion in new welfare cash payments. If these new cash welfare benefits were extended over 10 years (which is very likely) the total cost would exceed \$140 billion."

The Ways and Means bill moves toward fulfilling President Biden's aims. The bill embraces the premise and goals of Biden's plan to greatly increase cash welfare payments, predominantly for single parents while weakening the already poorest work requirements.

This bill obviously sets the ground for a future compromise that would fully enact the Biden child allowance program. Overall, this portion of the Ways and Means bill represents an enormous political victory for President Biden.

Under current law, illegal aliens who have children that were born in the U.S., and many do, can claim welfare payments from the additional child tax credit. The Ways and Means bill expands these welfare payments for millions of people who are in the U.S. illegally and for millions more entering in the future. The bill weakens welfare work requirements and continues a longstanding push by Congress to dress up welfare benefits as tax relief.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I have been told that a half a loaf is better than none, but this isn't even a half a loaf, but I am going to vote for it because our families and businesses need

help. While it does help, it does not create a 50 percent reduction in child poverty as we did in 2021. It is more like a deal than a bill, but I am going to vote for it.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. HERN).

Mr. HERN. Mr. Speaker, as a result of President Trump's tax reform, our economy was strong, wages were up, unemployment was at all-time lows. We have a critical tax cliff fast approaching at the end of 2025—just 20 months from now—with the majority of President Trump's progrowth policies expiring.

Extending these expired provisions is not just an economic issue, one could argue this is a national security issue.

Mr. Speaker, we can't expect to compete with China when it is more expensive to invest, innovate, and grow here in the United States. I urge all of my colleagues to support this bill, which extends President Trump's progrowth policy agenda and increases U.S. competitiveness and resilience against China's economic influence.

Mr. ROY. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO), the ranking member of the Appropriations Committee.

Ms. DELAURO. Mr. Speaker, I cannot vote for a deal that so lopsidedly benefits big corporations while failing to ensure a substantial tax cut to middle- and working-class families.

The deal is inequitable at a time when we have seen the greatest rise in inequality. Big corporations made super profits at the expense of the consumer. It is a mockery of who representative government works for: massive tax cuts for the biggest corporations, while denying middle-class families the economic security they had under the expanded, monthly child tax credit.

Let us be unequivocal. This is a reversal of the largest middle-class tax cut in history. This bill provides billions of dollars in tax relief for the wealthy, pennies for the poor.

The biggest corporations, who have paid no Federal income tax, are the beneficiaries of this deal. Big corporations are richer than ever. This is no even split.

Families today live paycheck to paycheck, not seeing their wages keep up with rising costs. The economy is not working for them. The bill fails to improve the child tax credit, leaving millions of middle-class families without the tax cut they received in 2021. It keeps millions of children in preventable poverty while giving the biggest tax breaks to the biggest corporations.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentlewoman from West Virginia (Mrs. MILLER).

Mrs. MILLER of West Virginia. Mr. Speaker, I commend Chairman SMITH for his diligent work. It is a huge win

for working families, small businesses, and employers throughout our country. This has set the tone for the Ways and Means' agenda where we are able to make the best package possible.

The child tax credit expansion will help working families, while protecting the important guardrails that we fought so hard to ensure that the program is going to help Americans in need.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentlewoman from Alabama (Ms. SEWELL).

Ms. SEWELL. Mr. Speaker, Democrats today will make good on a promise to deliver tax relief for American families.

This bill expands the child tax credit for 16 million children, including 280,000 children in Alabama.

The tax credit is one of the most effective antipoverty programs in the country and will, again, provide much-needed assistance to families throughout Alabama.

This bill will also provide much-needed disaster tax relief to the families of the Black Belt, Dallas County, Hale County, Greene County, and Sumter County that fight to rebuild in the wake of last year's tornado.

Mr. Speaker, I ask my colleagues to support this measure.

□ 1745

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Florida (Mr. STEUBE), the author of the disaster tax language.

Mr. STEUBE. Mr. Speaker, in September 2022, my district in southwest Florida was devastated by Hurricane Ian. Totalling over \$112 billion in damages, Ian was the third costliest hurricane in American history and the most expensive ever to hit Florida. Over a year later, my constituents are still working toward rebuilding their lives.

I introduced the Federal Disaster Tax Relief Act, which is included in this bill, to deliver relief for American families in 45 States who were victims of federally declared disasters. This includes victims of wildfires, chemical spills, and hurricanes that have affected millions of Americans over the past several years.

Mr. Speaker, we should pass this important tax relief for victims of natural disasters. I urge my colleagues to support this legislation.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Virginia (Mr. BEYER).

Mr. BEYER. Mr. Speaker, this bill is not perfect, but no bill ever is. This act is win-win-win. There will be 400,000 children who will be lifted out of poverty. There will be 200,000 new affordable homes built. Research and development, the absolute essential invest-

ment for economic prosperity, will be incentivized again.

Politics is the art of the possible. In a divided Congress, this is the best we can accomplish. I urge a "yes" vote.

Mr. ROY. Mr. Speaker, The Wall Street Journal editorial last week said about this bill:

"Up to \$1,600 of the \$2,000 credit is refundable, and the bipartisan bill would make \$2,000 refundable by 2025." Now, in fairness, "A \$1,400 limit was tethered to inflation under the 2017 GOP tax law and is thus increasing over time anyway."

The general point here is: "But at least admit this is income redistribution, not 'tax relief' . . ." It is income redistribution.

"Worse, the deal undermines the incentive to work in return for the credit. The current credit at least requires a small amount of income—a mere \$2,500—to begin to claim it. That means it gives low-income Americans an incentive to work more to earn more, which is good for them and their children."

However, this would allow parents to "rely on the prior year's income to trigger the credit for 2024 and 2025. Work one year—and earn benefits for two. The practical effect is to 'cut the work requirement in half,'" according to a report by the American Enterprise Institute.

The fact is the editorial closes: "The business lobby wants the tax breaks." By the way, this is The Wall Street Journal editorial. "The business lobby wants the tax breaks, and some Democrats in Congress want them as well. But those policies ought to stand or fall on their merits, not on a political trade that will do more harm than good."

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, this legislation strengthens our workforce.

There is a report from experts at the Joint Committee on Taxation which confirms that the child tax credit changes will have a net positive effect on jobs and workforce participation can be found in the following location: <https://www.jct.gov/getattachment/dce63c47-9b1d-4f10-8a55-2471681f7685/x-6-24.pdf>

Mr. Speaker, I yield 30 seconds to the gentleman from Utah (Mr. MOORE).

Mr. MOORE of Utah. Mr. Speaker, I rise in strong support of the Tax Relief for American Families and Workers Act of 2024.

Not a lot of legislation actually affects every single American. Today, we get a chance to actually pass a piece that does. Folks back home hear a lot of the drama that we do, and they hear what gets put in the headlines, but never have I seen neighbors of mine, literally coaches that I coach with say: Look, this is a killer for my small business. Losing the R&D tax credit has destroyed my ability to grow my small business.

This affects every single American and will be one of the most productive, positive, progrowth tax policies that this Congress and Congresses to come will do.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Pennsylvania (Mr. EVANS).

Mr. EVANS. Mr. Speaker, I rise to discuss an underappreciated part of this bill, improvements to the low-income housing tax credit. This is urgently needed. Millions of American families struggle to pay their rent or buy a house. We must do more.

This bill is one step toward eliminating housing insecurity in America. I urge my colleagues to support it. We must make sure that no child goes without a roof over their head in this country. I will continue to work to make that a reality.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Iowa (Mr. FEENSTRA).

Mr. FEENSTRA. Mr. Speaker, agriculture is the economic engine of my district, and our tax policies must help our farmers grow, invest, and compete with China. This legislation does exactly that.

Our farmers will benefit from two key provisions in this bill: 100 percent bonus appreciation and the expansion of the section 179 deduction limit. Our producers rely on these tools to buy farm equipment and invest in their operations.

This legislation is a victory for our farmers and rural communities.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Illinois (Mr. SCHNEIDER).

Mr. SCHNEIDER. Mr. Speaker, today I rise in support of this truly meaningful bipartisan legislation that will benefit millions of needy children.

This bipartisan bill is the most significant, if not the only significant legislation passed so far this Congress, helping lift kids out of poverty, lowering the tax burden for working families, supporting innovative businesses, and expanding the supply of affordable housing.

Mr. Speaker, despite the exotic arguments those opposed to this bill tonight are trying to make, these are things we should all be proud of. I urge my colleagues to support this bill.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Ms. MALLIOTAKIS).

Ms. MALLIOTAKIS. Mr. Speaker, I thank Chairman SMITH and the entire committee for their hard work on this. Trump's tax cuts created jobs, lifted wages, led to 50-year low unemployment, and lifted millions from poverty.

Today, we are building on that success with projobs, progrowth,

profamily policies by extending these priorities and increasing the child tax credit as well, but we are also helping build affordable housing by expanding Reagan's initiatives, and we are enabling Taiwanese investment in semiconductor manufacturing here in the United States to further create jobs, enhance our supply chain, and reduce dependency on China.

We still have so much work to do. Over the next 2 years, there will be more tax policies coming out of this House. I hope we will be able to increase the standard deduction; that we will be able to provide SALT—State and local tax—relief; and exempt more Social Security income from taxation to help our seniors, who have not seen that change in four decades.

Mr. Speaker, I thank everyone on this committee who worked so hard in a bipartisan manner to get this done. I look forward to seeing it pass in both Houses.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, this is a good bill. It includes tax credits for childcare, immediate expensing for small business R&D, tax-free settlement for natural disasters and, yes, more affordable housing. This is a good bill, not just for my district, but for our country and our country's faith in Congress' ability to actually affect the lives and livelihoods of all Americans.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I ask unanimous consent to include in the RECORD a letter signed by a dozen pro-life organizations, including Concerned Women for America, Susan B. Anthony Pro-Life America, and the Eagle Forum in support of this legislation and its important profamily and prowork provisions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

January 29, 2024.

Hon. MIKE JOHNSON,  
Speaker, House of Representatives,  
Washington, DC.

Hon. CHARLES SCHUMER,  
Majority Leader, U.S. Senate,  
Washington, DC.

Hon. HAKEEM JEFFRIES,  
Minority Leader, House of Representatives,  
Washington, DC.

Hon. MITCH MCCONNELL,  
Minority Leader, U.S. Senate,  
Washington, DC.

DEAR SPEAKER JOHNSON, MINORITY LEADER JEFFRIES, MAJORITY LEADER SCHUMER, AND MINORITY LEADER MCCONNELL: As pro-life organizations, we support making sure mothers, fathers and their children have every tool and resource available to choose life and support families. American families face unprecedented challenges with higher costs of the most essential items for families such as food, gas, energy, health care, and housing. We write to you in support of an opportunity to advance a pro-family, pro-parent tax package that recognizes the unique challenges facing American parents today.

The Tax Relief for American Families and Workers Act (H.R. 7024) would enhance the Child Tax Credit (CTC) to financially bolster families, promote life, and support growing families. This is especially critical during this time of devastating inflation and paralyzing economic uncertainty.

H.R. 7024 improves the CTC to better serve all families in need by adjusting the CTC for inflation so that they receive tax relief. This means as the costs of having a family increase, so will the resources moms and dads have to make ends meet and provide for their kids.

The legislation would also stop penalizing parents for having more than one child by treating all children equally. This is not only fair for families no matter their size but also ensures support for growing families. The bill also promotes economic growth by strengthening incentives to work by reducing families' marginal rate by 15 percentage points per child for parents with earned income.

H.R. 7024 provides commonsense protection for families and supports growing families at a time when the cost of raising children continues to increase. If Congress does not act to pass H.R. 7024 now, the CTC will continue to discriminate against and financially penalize growing families. Congress has the opportunity within a limited window of time to enact a pro-family, pro-life tax policy that will provide immediate benefit to families in need.

We are grateful for your strong leadership to promote and protect American families and we urge you to resolve any outstanding differences and then support the enhanced CTC in the Tax Relief for American Families and Workers Act to support families who are struggling today while encouraging families to grow for tomorrow.

Sincerely,

Penny Nance, CEO and President, Concerned Women for America LAC; Marjorie Dannenfelser, President, Susan B. Anthony Pro-Life America; Walter Kim, President, National Association of Evangelicals; Gary L. Bauer, President, American Values; Joel Grewe, Executive Director, HSLDA Action; Kelsey Hazzard, Board President, Secular Pro-Life; Kristen A. Ullman, President, Eagle Forum; F. Brent Leatherwood, President, Ethics & Religious Liberty Commission of the Southern Baptist Convention; Steven H. Aden, Chief Legal Officer & General Counsel, Americans United For Life; Dave Donaldson, Co-founder & CEO, CityServe International; Robert P. George, McCormick Professor of Jurisprudence, Princeton University; Eric Metaxas, Host, The Eric Metaxas Show and Socrates in the City.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Pennsylvania (Mr. FITZPATRICK).

Mr. FITZPATRICK. Mr. Speaker, Americans across the Nation will benefit from this progrowth, pro-America, bipartisan tax bill.

The research and development provision will boost innovation here at home, making our Nation much more competitive against China. Enhanced small business expensing will allow our community businesses to thrive and prosper. Finally, more than 500,000 children in my home State of Pennsylvania will benefit from the expanded child tax credit.

Mr. Chairman, I commend Chairman SMITH and Ranking Member NEAL for working together to advance policies for all Americans.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.



Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentlewoman from New York (Ms. TENNEY).

Ms. TENNEY. Mr. Speaker, as a small business owner for a long time in upstate New York, I join my colleagues today in supporting H.R. 7024, the Tax Relief for American Families and Workers Act.

This comprehensive package was shaped by critical feedback that we received from everyday Americans across this Nation through field hearings conducted by the Ways and Means Committee. H.R. 7024 will have a meaningful impact on my constituents in upstate New York, way up in New York's 24th District, from hardworking families to manufacturers to multigenerational family farms, and the largest agricultural district in the Northeast. This package will have wide-ranging benefits for so many Americans.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL. Mr. Speaker, we have heard the arguments here. This is what is possible. Despite what some have said here, this does expand the child tax credit. It is clear.

No legislation that comes to this floor is perfect. We tried very hard, and we succeeded on the Democratic side in improving this legislation.

What is in front of us tonight is pretty simple: 16 million children will benefit from the improvement to the child tax credit. That is a fact.

Mr. ROY. Mr. Speaker, may I inquire how much time remains.

The SPEAKER pro tempore. The gentleman from Texas has 1¾ minutes remaining.

Mr. ROY. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I am prepared to close, and I reserve the balance of my time.

Mr. ROY. Mr. Speaker, I reiterate my appreciation to my friend, the chairman, and all those who worked on this bill in the Ways and Means Committee.

There are a lot of good provisions in this bill, many of which I support. There are good provisions in there to help economic growth—the expensing provisions, interest, R&D—but I have serious reservations. The fact of the matter is for all those watching at home, to my constituents, this bill does not fix the problem that allows illegal aliens who have children who were born in the United States to claim the tax credit. It takes the problem we have with so-called birthright citizenship and anchor babies and doubles down on it, makes it worse. That was a mistake in 2017. We should rectify that mistake.

However, worse, it goes on and expands the credit.

Mr. Speaker, 91½ percent of the relief in this bill are cash welfare payments to families that pay no Federal income taxes. It provides a total of just \$2.8

billion to working families that pay taxes over 3 years. The fact is, the credit does expand, and it gets to be refundable to the full tune of \$2,000 by 2025.

These provisions undermine the benefits that we are trying to provide for economic growth which, I might add, are only a 2-year extension. It puts all of this in one big basket in 2025, taking away any leverage we are going to have by giving the other side what they want on the child tax credit.

The fact of the matter is, we should not be supporting this bill. We should be doing what we said we would do when we got into power: We should secure the border of the United States, we should cut spending, and we should honor what we campaigned on in this body.

Mr. Speaker, I yield back the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I confirm for my colleagues that this bill preserves existing safeguards of the child tax credit and does not open the door for illegal immigrants to claim the credit. No other tax credit or deduction can match the child tax credit's protections from improper claims combined with safeguards against payments to non-U.S. citizens.

Mr. Speaker, this is a win for millions of small businesses, a win for millions of working families. This is a win for America. I urge the body to support this great piece of legislation, and I yield back the balance of my time.

Mr. PASCRELL. Mr. Speaker, the enhanced Child Tax Credit enacted by Democrats in 2021 slashed childhood poverty in half. I repeat: in half. It is not hyperbole to call it one of the most successful policies ever passed by this Congress. And it is a tragedy its extension was blocked by the other side.

Restoring some of our policy, as this bill does, will be a lifeline for millions of families. And that is vital progress. I do not love every element in this package. In committee, Republicans unanimously voted to defeat my amendment to add real SALT relief for middle class families.

But this is a start, and we will keep pushing to bring back the full enhanced Child Tax Credit and enshrine it for good.

Mrs. GONZÁLEZ-COLÓN. Mr. Speaker, I join in support of H.R. 7024, the Tax Relief for American Families and Workers Act, being considered in the House today. This bipartisan bill, championed by House Ways and Means Committee Chairman JASON SMITH and Senate Finance Chairman RON WYDEN, improves existing pro-growth tax policies to support America's families, strengthen our economy, and boost innovation by helping U.S. companies compete against China.

One of the main provisions in this bill is the Child Tax Credit, which benefits more than 250,000 families in Puerto Rico. A study made by the Youth Development Institute (Instituto del Desarrollo de la Juventud), a non-profit organization focused in reducing child poverty on the island, found, youth poverty may

have declined from 55 to 39 percent in 2021 when eligibility for the Child Tax Credit was expanded to residents of Puerto Rico with one or two qualifying children. Previously this tax benefit only applied to three or more qualifying children. I am proud that my legislation recognizing the need to include families with one or two children was adopted, and families can claim this credit in the same manner as families in the rest of the country.

From hurricanes to earthquakes, Puerto Rico has suffered several natural disasters over the last few years. The support we have received from Congress and federal agencies has been instrumental in our recovery. As such, I sympathize with my colleagues who have been afflicted by recent disasters and support the tax provisions that are presented on this bill that would bring much needed relief to communities across the country.

I am encouraged by the bipartisan and bicameral work that produced this bill, and I strongly encourage my colleagues on the House and Ways and Means Committee and Senate Finance Committee to continue working on expired tax provisions, including the Rum Excise Tax Cover-Over.

Earlier this Congress, I reintroduced H.R. 3146, bipartisan and bicameral legislation that would modify the amount of money transferred to Puerto Rico and the U.S. Virgin Islands from the excise taxes collected on rum that is produced in or imported into the rest of the United States, known as "rum cover-over." It is used to support critical services such as healthcare and education, as well as agricultural and conservation efforts.

I was proud when Congress last approved my bill to extend the rum cover over for five years as part of the Bipartisan Budget Act of 2018. However, that increased rate of the rum cover over expired at the end of December 2021 and has yet to be renewed, resulting in continued uncertainty, and negatively impacting the economies of both jurisdictions.

Puerto Rico's rum industry is one of the major drivers of the island's economy, producing more than 70 percent of the rum that is consumed in the U.S. and 80 percent of the rum consumed around the world.

With that in mind is that Congress created the rum cover over program in 1917 and has continued to be part of tax extenders legislation since. I encourage my colleagues to include my bill in any forthcoming tax legislation.

The SPEAKER pro tempore. All time for debate has expired. The question is on the motion offered by the gentleman from Missouri (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 7024, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. ROY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 5 o'clock and 59 minutes p.m.), the House stood in recess.

□ 2000

### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. NEWHOUSE) at 8 p.m.

### TAX RELIEF FOR AMERICAN FAMILIES AND WORKERS ACT OF 2024

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 7024) to make improvements to the child tax credit, to provide tax incentives to promote economic growth, to provide special rules for the taxation of certain residents of Taiwan with income from sources within the United States, to provide tax relief with respect to certain Federal disasters, to make improvements to the low-income housing tax credit, and for other purposes, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. SMITH) that the House suspend the rules and pass the bill, as amended.

The vote was taken by electronic device, and there were—yeas 357, nays 70, not voting 5, as follows:

[Roll No. 30]

YEAS—357

Adams	Boyle (PA)	Cline
Aguilar	Brown	Clyburn
Alford	Brownley	Cohen
Allen	Buchanan	Cole
Allred	Bucshon	Collins
Amo	Budzinski	Comer
Amodei	Burchett	Connolly
Armstrong	Calvert	Correa
Arrington	Cammack	Costa
Auchincloss	Caraveo	Courtney
Babin	Carbajal	Craig
Bacon	Cárdenas	Crawford
Baird	Carey	Crenshaw
Balderson	Carson	Crockett
Balint	Carter (GA)	Crow
Barr	Carter (LA)	Cuellar
Barragán	Carter (TX)	Curtis
Bean (FL)	Cartwright	Davids (KS)
Beatty	Case	Davis (IL)
Bentz	Casten	Davis (NC)
Bera	Castor (FL)	De La Cruz
Bergman	Castro (TX)	Dean (PA)
Beyer	Chavez-DeRemer	DeGette
Bice	Cherfilus-	DelBene
Billirakis	McCormick	Deluzio
Bishop (GA)	Chu	DeSaulnier
Blumenauer	Ciscomani	Diaz-Balart
Blunt Rochester	Clark (MA)	Dingell
Bonamici	Clarke (NY)	Donalds
Boat	Cleaver	Duarte

Dunn (FL)	Kilmer	Ramirez	Duncan	LaLota	Pocan
Edwards	Kim (CA)	Raskin	Frost	Lamborn	Posey
Elizy	Kim (NJ)	Reschenthaler	Fulcher	Lesko	Rogers (AL)
Emmer	Krishnamoorthi	Rodgers (WA)	Gaetz	Luna	Rosendale
Escobar	Kuster	Rose	Garcia (TX)	Massie	Roy
Eshoo	Kustoff	Ross	Golden (ME)	Mast	Sánchez
Espallat	LaHood	Rouzer	Good (VA)	McCollum	Schakowsky
Estes	LaMalfa	Ruiz	Gooden (TX)	Mills	Scott (VA)
Evans	Landsman	Ruppersberger	Gosar	Moore (AL)	Spartz
Ezell	Langworthy	Rutherford	Green (TN)	Moore (WI)	Takano
Fallon	Larsen (WA)	Ryan	Hageman	Napolitano	Tiffany
Feenstra	Larson (CT)	Salazar	Harris	Norman	Tlaib
Ferguson	Latta	Salinas	Jackson (IL)	Ocasio-Cortez	Wagner
Finstad	LaTurner	Sarbanes	Johnson (GA)	Ogles	Waltz
Fischbach	Lawler	Scanlon	Joyce (PA)	Pallone	Waters
Fitzgerald	Lee (CA)	Schiff	Kamrager-Dove	Palmer	
Fitzpatrick	Lee (FL)	Schneider	Kean (NJ)	Perry	
Fleischmann	Lee (NV)	Scholten			
Fletcher	Lee (PA)	Schrier			
Flood	Leger Fernandez	Schweikert			
Foster	Letlow	Scott, Austin			
Foushee	Levin	Scott, David			
Fox	Lieu	Self			
Frankel, Lois	Lofgren	Sewell			
Franklin, Scott	Loudermilk	Sherman			
Fry	Lucas	Sherrill			
Gallagher	Luetkemeyer	Simpson			
Gallego	Luttrell	Slotkin			
Garamendi	Lynch	Smith (MO)			
Garbarino	Mace	Smith (NE)			
Garcia (IL)	Magaziner	Smith (NJ)			
Garcia, Mike	Malliotakis	Smith (WA)			
Garcia, Robert	Maloy	Smucker			
Jimenez	Mann	Sorensen			
Goldman (NY)	Manning	Soto			
Gomez	Matsui	Spanberger			
Gonzales, Tony	McBath	Stansbury			
Gonzalez,	McCaul	Stanton			
Vicente	McClain	Staubert			
Gottheimer	McClellan	Steel			
Granger	McClintock	Stefanik			
Graves (LA)	McCormick	Steil			
Graves (MO)	McGarvey	Steube			
Green, Al (TX)	McGovern	Stevens			
Greene (GA)	McHenry	Strickland			
Griffith	Meeks	Strong			
Grijalva	Menendez	Swalwell			
Grothman	Meng	Sykes			
Guest	Meuser	Tenney			
Guthrie	Mfume	Thandekar			
Harder (CA)	Miller (IL)	Thompson (CA)			
Harshbarger	Miller (OH)	Thompson (MS)			
Hayes	Miller (WV)	Thompson (PA)			
Hern	Miller-Meeks	Timmons			
Higgins (LA)	Molinaro	Titus			
Higgins (NY)	Moolenaar	Tokuda			
Hill	Mooney	Tonko			
Himes	Moore (UT)	Torres (CA)			
Hinson	Moran	Torres (NY)			
Horsford	Morelle	Trahan			
Houchin	Moskowitz	Trone			
Houlahan	Moulton	Turner			
Hoyer	Mrvan	Underwood			
Hoyle (OR)	Mullin	Valadao			
Hudson	Murphy	Van Drew			
Huffman	Nadler	Van Dwyne			
Huizenga	Neal	Van Orden			
Hunt	Neguse	Vargas			
Issa	Nehls	Vasquez			
Ivey	Newhouse	Veasey			
Jackson (NC)	Nickel	Velázquez			
Jackson (TX)	Nunn (IA)	Walberg			
Jackson Lee	Oberholte	Wasserman			
Jacobs	Omar	Schultz			
James	Owens	Watson Coleman			
Jayapal	Panetta	Weber (TX)			
Jeffries	Pappas	Webster (FL)			
Johnson (LA)	Pascrell	Wenstrup			
Johnson (SD)	Payne	Westerman			
Jordan	Pelosi	Wexton			
Joyce (OH)	Peltola	Wild			
Kaptur	Pence	Williams (GA)			
Keating	Perez	Williams (NY)			
Kelly (IL)	Peters	Williams (TX)			
Kelly (MS)	Petterson	Wilson (FL)			
Kelly (PA)	Pfluger	Wilson (SC)			
Khanna	Pingree	Wittman			
Kiggans (VA)	Porter	Womack			
Kildee	Pressley	Yakym			
Kiley	Quigley	Zinke			

NAYS—70

Aderholt	Buck	Clyde
Banks	Burgess	Crane
Biggs	Burlison	D'Esposito
Bishop (NC)	Bush	Davidson
Boehert	Carl	DeLauro
Bowman	Casar	DesJarlais
Brecheen	Cloud	Doggett

NOT VOTING—5

Norcross	Rogers (KY)	Sessions
Phillips	Scalise	

□ 2028

Messrs. ADERHOLT and MOORE of Alabama changed their vote from “yea” to “nay.”

Messrs. CARSON, TORRES of New York, Ms. PORTER, and Messrs. FALLON and JACKSON of Texas changed their vote from “nay” to “yea.”

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. SESSIONS. Mr. Speaker, had I been present, I would have voted “yea” on rollcall No. 30.

### CAROLINE CHANG POST OFFICE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the unfinished business is the question on suspending the rules and passing the bill (H.R. 3728) to designate the facility of the United States Postal Service located at 25 Dorchester Avenue, Room 1, in Boston, Massachusetts, as the “Caroline Chang Post Office.”

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. DONALDS) that the House suspend the rules and pass the bill.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

### DOSAN AHN CHANG HO POST OFFICE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the unfinished business is the question on suspending the rules and passing the bill (H.R. 599) to designate the facility of the United States Postal Service located at 3500 West 6th Street, Suite 103 in Los Angeles, California, as the “Dosan Ahn Chang Ho Post Office,” as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by