To amend the Internal Revenue Code of 1986 to help rebuild and renew rural communities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 14, 2016

Mr. GARDNER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to help rebuild and renew rural communities, and for other purposes.

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.

(a) Short Title.—This Act may be cited as the “Rebuilding and Renewing Rural America Act of 2016”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REVITALIZING RURAL COMMUNITIES

Subtitle A—Philanthropic Facilitation

Sec. 101. Facilitation of program-related investments.
Sec. 102. Declaratory judgment remedy.
Subtitle B—Rebuilding Rural Main Street

Sec. 111. Tax credits for reduction of lead, radon, and asbestos hazards in rural commercial structures.

Subtitle C—Renewing Rural America

Sec. 121. Additional new markets tax credit for rural renewal communities.

Subtitle D—Job Creator Credits

Sec. 131. Expensing for rural renewal community businesses.
Sec. 132. Reduced payroll taxes for individuals and businesses in rural renewal communities.

Subtitle E—Encouraging Small Business Start Ups

Sec. 141. Renewal community business start-up savings accounts.

TITLE II—SETTING RURAL AMERICA FREE FROM OVERREGULATION

Sec. 201. Short title.

TITLE I—REVITALIZING RURAL COMMUNITIES

Subtitle A—Philanthropic Facilitation

SEC. 101. FACILITATION OF PROGRAM-RELATED INVESTMENTS.

Subsection (c) of section 4944 of the Internal Revenue Code of 1986 is amended to read as follows:

“(c) PROGRAM-RELATED INVESTMENTS.—

“(1) TREATMENT OF PROGRAM-RELATED INVESTMENTS.—For purposes of this subchapter, program-related investments—
“(A) are not investments which jeopardize
the carrying out of one or more purposes de-
scribed in section 170(c)(2)(B),
“(B) are not business holdings under sec-
tion 4943, and
“(C) may be qualifying distributions under
section 4942.
“(2) Program-related investments de-

fined.—
“(A) In general.—For purposes of this
subchapter and chapter 61, an investment made
by a private foundation constitutes a program-
related investment if—
“(i) the primary purpose of the invest-
ment is to accomplish one or more of the
purposes described in section 170(c)(2)(B),
“(ii) no significant purpose of the in-
vestment is the production of income or
the appreciation of property, and
“(iii) no purpose of the investment is
to accomplish one or more of the purposes
described in section 170(c)(2)(D).
“(B) Special rules.—For purposes of
subparagraph (A)—
“(i) determinations of whether an investment qualifies as a program-related investment shall be based on consideration of all relevant facts and circumstances, and

“(ii) the fact that the entity produces significant income or capital appreciation shall not, in the absence of other factors, be conclusive evidence of a significant purpose involving the production of income or the appreciation of property.

“(3) Safe Harbor Determinations.—The Secretary shall establish a procedure which shall be substantially similar to the processes for recognition of exemption under section 501(a) or 4945(g) and under which an entity seeking to receive program-related investments may petition the Secretary for a determination that, based on consideration of all relevant facts and circumstances, investments by private foundations in such entity will be program-related investments meeting the requirements of paragraph (2). Under this procedure, the Secretary shall rule on all requests within 120 days of submission.

“(4) Effect of Determination.—Once a determination has been made that investments in an entity qualify as program-related investments, orga-
nizations making such investments shall be entitled
to rely on the determination, unless and until the
Secretary publishes notice of revocation of the deter-
mination.

“(5) Voluntary nature of process.—Entities seeking program-related investments are not re-
quired to seek a determination under paragraph (3),
and the absence of such a determination shall not
affect the ability of a private foundation to make a
program-related investment based on its own deter-
mination that the investment qualifies as a program-
related investment.

“(6) Organizations treated as private
foundations.—For purposes of this subsection and
section 6104A, all references to private foundations
include organizations that are treated as private
foundations under any of the provisions of sections
4940 through 4948, inclusive, whether created under
State law or the law of any federally recognized
tribe.”.

SEC. 102. DECLARATORY JUDGMENT REMEDY.

Paragraph (1) of section 7428(a) of the Internal Rev-
venue Code of 1986 is amended by striking “or” at the
end of subparagraph (C) and by adding after subpara-
graph (D) the following new subparagraph:
“(E) with respect to whether investments
in an entity are program-related investments
(as described in section 4944(c)(2)), or”.

SEC. 103. INFORMATION RETURNS.

Part III of subchapter A of chapter 61 of the Internal
Revenue Code of 1986 is amended by inserting after sec-
tion 6033 the following new section:

“SEC. 6033A. INFORMATION REPORTING BY FOR-PROFIT
ORGANIZATIONS RECEIVING PROGRAM-RELATED INVESTMENTS.

“(a) Organizations Required To File.—If in-
vestments in an entity have been determined to be pro-
gram-related investments through a determination of the
Internal Revenue Service pursuant to section 4944(c)(3)
or by a determination of a court pursuant to section
7428(a), the entity shall, in addition to any other applica-
ble filing obligations, file an annual return providing the
information specified in subsection (b) for any taxable
year in which it receives or retains one or more program-
related investments (as defined in section 4944(c)(2)).

“(b) Required Reporting.—The return described
in subsection (a) shall provide, in such manner and at
such time as the Secretary may by forms or regulations
prescribe, the following information—
“(1) the organization’s gross income for the year,

“(2) its expenses attributable to such income incurred within the year,

“(3) its disbursements within the year for one or more purposes described in section 170(c)(2)(B), together with a narrative statement describing the results obtained from the use of those assets for such one or more purposes described in section 170(c)(2)(B),

“(4) a balance sheet showing its assets, liabilities, and net worth as of the beginning and end of such year,

“(5) the names and addresses of all private foundations holding program-related investments in the organization,

“(6) a statement of the portion of its liabilities and net worth that represent capitalization obtained by means of program-related investments as of the beginning and end of such year,

“(7) a statement of any interest, dividends, or other distributions paid with respect to any program-related investments during the year, and

“(8) such other information as may be necessary for the return described in subsection (a) to
satisfy the annual financial reporting required by the expenditure responsibility rules pursuant to the regulations under section 4945 or as the Secretary may by forms or regulations prescribe.”.

SEC. 104. PUBLICITY OF INFORMATION.

Subchapter B of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after section 6104 the following new section:

“SEC. 6104A. PUBLICITY OF INFORMATION REGARDING ORGANIZATIONS RECEIVING PROGRAM-RELATED INVESTMENTS.

“(a) INSPECTION OF PETITIONS FOR DETERMINATION OF PROGRAM-RELATED INVESTMENT STATUS.—If an entity seeks a determination pursuant to section 4944(c)(3) that investments by private foundations in such organization will be program-related investments, the petition seeking such a determination, together with any documents submitted in support of such petition and any determination or other document issued by the Internal Revenue Service with respect to such petition, shall be open to public inspection at the national office of the Internal Revenue Service.

“(b) INSPECTION OF ANNUAL INFORMATION RETURNS.—The information required to be furnished by section 6033A, together with the names and addresses of
such entity, shall be made available to the public at such
times and in such places as the Secretary may prescribe.

“(c) Public Inspection of Petitions and An-
uual Information Returns.—Any entity that receives
a determination from the Internal Revenue Service that
private foundation investments shall be program-related
investments pursuant to section 4944(c)(3) shall make
copies available at the organization’s principal office, dur-
ing regular business hours, of the petition for such deter-
mination (together with supporting materials provided
with the petition and documents issued by the Internal
Revenue Service with respect to such petition), as well as
the annual returns required by section 6033A filed by such
organization. Upon request of an individual made at such
principal office, copies of such petition materials and an-
nual reports shall be provided to such individual without
charge other than a reasonable fee for any reproduction
and mailing costs. The inspection and duplication rights
granted in this subsection shall apply to an annual return
only during the three-year period beginning on the last
day prescribed for filing such return (determined with re-
gard to any extension of time for filing).

“(d) Limitation on Providing Copies.—Para-
graph (c) shall not apply to any request if, in accordance
with regulations promulgated by the Secretary, the entity
has made the requested documents widely available, or the Secretary determines, upon application by an entity, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.”.

SEC. 105. CONFORMING AMENDMENTS.

(a) CONFORMING CHANGE TO SECTION 501(n).—Paragraph (4)(A) of section 501(n) of the Internal Revenue Code of 1986 is amended by inserting “paragraph (2) of” before “section 4944(c).”

(b) CONFORMING CHANGE TO SECTION 514(b).—Paragraph (1) of section 514(b) of the Internal Revenue Code of 1986 is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F) and by inserting after subparagraph (C) the following new subparagraph:

“(D) any property owned or treated as owned by a private foundation by virtue of its having made an investment in an entity that has received a determination from the Internal Revenue Service pursuant to section 4944(c)(3), or by a court pursuant to section 7428(a), that such investments in such entity qualify as program-related investments;”.
(c) Conforming Change to Section 4943(d).—

Paragraph (3) of section 4943(d) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

“(B) any program-related investment, as defined in section 4944(c)(2), or”.

SEC. 106. REGULATIONS.

The Secretary of the Treasury shall, not later than 1 year after the date of the enactment of this Act, amend any applicable regulations as may be necessary or appropriate to implement any amendments contained in this subtitle or to carry out the purposes of this subtitle, including providing additional examples of qualifying program-related investments.

SEC. 107. EFFECTIVE DATE.

The amendments made by this subtitle shall apply to investments made after the date of the enactment of this Act in taxable years ending after such date.
Subtitle B—Rebuilding Rural Main Street

SEC. 111. TAX CREDITS FOR REDUCTION OF LEAD, RADON, AND ASBESTOS HAZARDS IN RURAL COMMERCIAL STRUCTURES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new sections:

“SEC. 45S. LEAD HAZARD REDUCTION ACTIVITY.

“(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the lead hazard reduction activity cost paid or incurred by the taxpayer during the taxable year for each eligible commercial structure.

“(b) LIMITATION.—The amount of the credit allowed under subsection (a) for any eligible commercial structure for any taxable year shall not exceed $1,000.

“(c) DEFINITIONS.—For purposes of this section:

“(1) CERTIFIED LEAD ABATEMENT SUPERVISOR.—The term ‘certified lead abatement supervisor’ means an individual certified by the Environmental Protection Agency pursuant to section 745.226 of title 40, Code of Federal Regulations, or
an appropriate State agency pursuant to section 745.325 of title 40, Code of Federal Regulations.

“(2) CERTIFIED INSPECTOR.—The term ‘certified inspector’ means an inspector certified by the Environmental Protection Agency pursuant to section 745.226 of title 40, Code of Federal Regulations, or an appropriate State agency pursuant to section 745.325 of title 40, Code of Federal Regulations.

“(3) CERTIFIED RISK ASSESSOR.—The term ‘certified risk assessor’ means a risk assessor certified by the Environmental Protection Agency pursuant to section 745.226 of title 40, Code of Federal Regulations, or an appropriate State agency pursuant to section 745.325 of title 40, Code of Federal Regulations.

“(4) ELIGIBLE COMMERCIAL STRUCTURE.—The term ‘eligible commercial structure’ means, with respect to any taxable year, any building which is—

“(A) within the scope of Standard 90.1–2007 (as defined in section 179(c)(2)),

“(B) placed in service before 2002, and

“(C) located in a rural renewal community (as defined in section 45D(f)(4)(C)).
“(5) LEAD HAZARD REDUCTION ACTIVITY COST.—

“(A) IN GENERAL.—The term ‘lead hazard reduction activity cost’ means, with respect to any eligible commercial structure—

“(i) the cost for a certified risk assessor to conduct an assessment to determine the presence of lead pipes or a lead-based paint hazard,

“(ii) the cost for performing lead abatement measures by a certified lead abatement supervisor, including the removal of lead pipes, the removal of paint and dust, the permanent enclosure or encapsulation of lead-based paint, the replacement of painted surfaces, windows, or fixtures, or the removal or permanent covering of soil when lead-based paint hazards are present in such paint, dust, or soil, and

“(iii) the cost for a certified lead abatement supervisor, those working under the supervision of such supervisor, or a qualified contractor to perform all preparation, cleanup, disposal, and clearance test-
ing activities associated with the lead abatement measures.

“(B) LIMITATIONS.—

“(i) OTHER FUNDING.—The term ‘lead hazard reduction activity cost’ does not include any cost to the extent such cost is funded by any grant, contract, or otherwise by another person or any governmental agency.

“(ii) INITIAL COSTS MUST BE INCURRED BEFORE 2020.—In the case of an eligible commercial structure for which no significant lead hazard reduction activity cost has been incurred before January 1, 2020, the term ‘lead hazard reduction activity cost’ shall not include any cost paid or incurred on or after such date.

“(6) LEAD-BASED PAINT HAZARD.—The term ‘lead-based paint hazard’ has the meaning given such term by section 745.63 of title 40, Code of Federal Regulations.

“(7) QUALIFIED CONTRACTOR.—The term ‘qualified contractor’ means a Lead-Safe Certified Firm or certified renovator under the Lead Renova-
tion, Repair and Painting Program of the Environmental Protection Agency.

“(d) **SPECIAL RULES.**—

“(1) **DOCUMENTATION REQUIRED FOR CREDIT ALLOWANCE.**—No credit shall be allowed under subsection (a) with respect to any eligible commercial structure for any taxable year unless—

“(A) after lead hazard reduction activity is complete, a certified inspector or certified risk assessor provides written documentation to the taxpayer that includes—

“(i) evidence that the eligible commercial structure meets lead hazard evaluation criteria established by the Environmental Protection Agency or under an authorized State or local program, and

“(ii) documentation showing that the lead hazard reduction activity meets the requirements of this section, and

“(B) the taxpayer files with the appropriate State agency and attaches to the tax return for the taxable year—

“(i) the documentation described in subparagraph (A),
“(ii) documentation of the lead hazard reduction activity costs paid or incurred during the taxable year with respect to the eligible commercial structure, and

“(iii) a statement certifying that the commercial structure qualifies as an eligible commercial structure for such taxable year.

“(2) BASIS REDUCTION.—The basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit.

“(3) NO DOUBLE BENEFIT.—Any deduction allowable for costs taken into account in computing the amount of the credit for lead-based paint abatement shall be reduced by the amount of such credit attributable to such costs.

“SEC. 45T. RADON HAZARD REDUCTION ACTIVITY.

“(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the radon hazard reduction activity cost paid or incurred by the taxpayer during the taxable year for each eligible commercial structure.
“(b) LIMITATION.—The amount of the credit allowed under subsection (a) for any eligible commercial structure for any taxable year shall not exceed $1,000.

“(c) DEFINITIONS.—For purposes of this section:

“(1) ELIGIBLE COMMERCIAL STRUCTURE.—The term ‘eligible commercial structure’ means, with respect to any taxable year, any building which is—

“(A) within the scope of Standard 90.1–2007 (as defined in section 179(c)(2)),

“(B) placed in service before 2002, and

“(C) located in a rural renewal community (as defined in section 45D(f)(4)(C)).

“(2) QUALIFIED RADON MEASUREMENT PROFESSIONAL.—The term ‘qualified radon measurement professional’ means an individual who has demonstrated the minimum degree of appropriate technical knowledge and skills specific to radon measurement in conformance with the requirements of—

“(A) a certification standard promulgated by the American National Standards Institute or International Organization for Standardization,

“(B) a State, local or other governmental licensing (or equivalent) program, or
“(C) any other recognized or accredited certification process as determined by the Secretary.

“(3) QUALIFIED RADON MITIGATION PROFESSIONAL.—The term ‘qualified radon mitigation professional’ means an individual who has demonstrated the minimum degree of appropriate technical knowledge and skills specific to radon mitigation in conformance with the requirements of—

“(A) a certification standard promulgated by the American National Standards Institute or International Organization for Standardization,

“(B) a State, local or other governmental licensing (or equivalent) program, or

“(C) any other recognized or accredited certification process as determined by the Secretary.

“(4) RADON.—The term ‘radon’ has the meaning given the term in section 302 of the Toxic Substances Control Act (15 U.S.C. 2662).

“(5) RADON HAZARD REDUCTION ACTIVITY COST.—
“(A) IN GENERAL.—The term ‘radon hazard reduction activity cost’ means, with respect to any eligible commercial structure—

“(i) the cost for a qualified radon measurement professional to conduct an assessment to determine the indoor radon level of the commercial structure, and

“(ii) if the indoor radon level of the commercial structure is not less than 2 picocuries per liter of air, as determined by a qualified radon measurement professional, the cost for performing radon abatement measures by a qualified radon mitigation professional.

“(B) LIMITATIONS.—

“(i) OTHER FUNDING.—The term ‘radon hazard reduction activity cost’ does not include any cost to the extent such cost is funded by any grant, contract, or otherwise by another person or any governmental agency.

“(ii) INITIAL COSTS MUST BE INCURRED BEFORE 2020.—In the case of an eligible commercial structure for which no significant radon hazard reduction activity
cost has been incurred before January 1, 2020, the term ‘radon hazard reduction activity cost’ shall not include any cost paid or incurred on or after such date.

“(d) Special Rules.—

“(1) Documentation Required for Credit Allowance.—No credit shall be allowed under subsection (a) with respect to any eligible commercial structure for any taxable year unless—

“(A) after radon hazard reduction activity is complete, a qualified radon measurement professional provides written documentation to the taxpayer that includes—

“(i) evidence that the eligible commercial structure meets radon hazard evaluation criteria established under an authorized State or local program, and

“(ii) documentation showing that the radon hazard reduction activity meets the requirements of this section, and

“(B) the taxpayer files with the appropriate State agency and attaches to the tax return for the taxable year—

“(i) the documentation described in subparagraph (A),
“(ii) documentation of the radon hazard reduction activity costs paid or incurred during the taxable year with respect to the eligible commercial structure, and

“(iii) a statement certifying that the commercial structure qualifies as an eligible commercial structure for such taxable year.

“(2) Basis reduction.—The basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit.

“(3) No double benefit.—Any deduction allowable for costs taken into account in computing the amount of the credit for radon abatement shall be reduced by the amount of such credit attributable to such costs.

“SEC. 45U. ASBESTOS HAZARD REDUCTION ACTIVITY.

“(a) Allowance of Credit.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the asbestos hazard reduction activity cost paid or incurred by the taxpayer during the taxable year for each eligible commercial structure.
“(b) LIMITATION.—The amount of the credit allowed under subsection (a) for any eligible commercial structure for any taxable year shall not exceed $1,000.

“(c) DEFINITIONS.—For purposes of this section:

“(1) ACCREDITED ASBESTOS ABATEMENT CONTRACTOR OR SUPERVISOR.—The term ‘accredited asbestos abatement contractor or supervisor’ means any person accredited as a contractor or supervisor under the Asbestos Model Accreditation Plan of the Environmental Protection Agency.

“(2) ACCREDITED ASBESTOS INSPECTOR.—The term ‘accredited asbestos inspector’ means any person accredited as an inspector under the Asbestos Model Accreditation Plan of the Environmental Protection Agency.

“(3) ASBESTOS.—The term ‘asbestos’ has the meaning given the term in section 202 of the Toxic Substances Control Act (15 U.S.C. 2642).

“(4) ASBESTOS HAZARD.—The term ‘asbestos hazard’ has the meaning given the term ‘imminent hazard to the health and safety’ in section 11 of the Asbestos School Hazard Detection and Control Act of 1980 (20 U.S.C. 3610).

“(5) ASBESTOS HAZARD REDUCTION ACTIVITY COST.—
“(A) IN GENERAL.—The term ‘asbestos hazard reduction activity cost’ means, with respect to any eligible commercial structure—

“(i) the cost for an accredited asbestos inspector to conduct an assessment to determine the presence of a asbestos hazard,

“(ii) the cost for performing asbestos abatement measures by an accredited asbestos abatement contractor or supervisor,

“(iii) the cost for performing interim asbestos control measures to reduce exposure or likely exposure to asbestos hazards, but only if such measures are evaluated and completed by an accredited asbestos abatement contractor or supervisor using accepted methods, are conducted by an accredited asbestos abatement contractor or supervisor, and have an expected useful life of more than 10 years, and

“(iv) the cost for an accredited asbestos abatement supervisor, those working under the supervision of such supervisor, or an accredited asbestos abatement contractor or supervisor to perform all prepa-
ration, cleanup, disposal, and clearance
testing activities associated with the asbes-
tos abatement measures or interim asbes-
tos control measures.

“(B) LIMITATIONS.—

“(i) OTHER FUNDING.—The term ‘as-
bestos hazard reduction activity cost’ does
not include any cost to the extent such cost
is funded by any grant, contract, or other-
wise by another person or any govern-
mental agency.

“(ii) INITIAL COSTS MUST BE IN-
curred before 2020.—In the case of an
eligible commercial structure for which no
significant asbestos hazard reduction activ-
ity cost has been incurred before January
1, 2020, the term ‘asbestos hazard reduc-
tion activity cost’ shall not include any cost
paid or incurred on or after such date.

“(6) ELIGIBLE COMMERCIAL STRUCTURE.—The
term ‘eligible commercial structure’ means, with re-
spect to any taxable year, any building which is—

“(A) within the scope of Standard 90.1–
2007 (as defined in section 179(c)(2)),

“(B) placed in service before 2002, and
“(C) located in a rural renewal community
(as defined in section 45D(f)(4)(C)).

“(d) Special Rules.—

“(1) Documentation required for credit
allowance.—No credit shall be allowed under sub-
section (a) with respect to any eligible commercial
structure for any taxable year unless—

“(A) after asbestos hazard reduction activ-
ity is complete, an accredited asbestos inspector
provides written documentation to the taxpayer
that includes—

“(i) evidence that the eligible commer-
cial structure meets asbestos hazard eval-
uation criteria established under an au-
thorized State or local program, and

“(ii) documentation showing that the
asbestos hazard reduction activity meets
the requirements of this section, and

“(B) the taxpayer files with the appro-
priate State agency and attaches to the tax re-
turn for the taxable year—

“(i) the documentation described in
subparagraph (A),

“(ii) documentation of the asbestos
hazard reduction activity costs paid or in-
curred during the taxable year with respect
to the eligible commercial structure, and

“(iii) a statement certifying that the
commercial structure qualifies as an eligi-
ble commercial structure for such taxable
year.

“(2) Basis reduction.—The basis of any
property for which a credit is allowable under sub-
section (a) shall be reduced by the amount of such
credit.

“(3) No double benefit.—Any deduction al-
lowable for costs taken into account in computing
the amount of the credit for asbestos abatement
shall be reduced by the amount of such credit attrib-
utable to such costs.”.

(b) Technical Amendments.—

(1) Section 38(b) is amended—

(A) in paragraph (35), by striking “plus”
at the end,

(B) in paragraph (36), by striking the pe-
riod at the end and inserting a comma, and

(C) by adding at the end the following new
paragraphs:

“(37) the lead hazard reduction activity credit
determined under section 45S(a),
“(38) the radon hazard reduction activity credit determined under section 45T(a), plus

“(39) the asbestos hazard reduction activity credit determined under section 45U(a).”.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new items:

“Sec. 45S. Lead hazard reduction activity.
Sec. 45T. Radon hazard reduction activity.
Sec. 45U. Asbestos hazard reduction activity.”.

(c) Effective Date.—The amendments made by this section shall apply to costs incurred after December 31, 2016, in taxable years ending after that date.

Subtitle C—Renewing Rural America

Sec. 121. Additional New Markets Tax Credit for Rural Renewal Communities.

(a) Allocations Designated for Rural Renewal.—Section 45D(f) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(4) Additional limitation for rural renewal communities.—

“(A) In general.—The new markets tax credit limitation otherwise determined under paragraph (1) shall be increased by $3,500,000,000 for 2017, 2018, and 2019. A
qualified community development entity shall be eligible for an allocation under paragraph (2) of the increase described in the preceding sentence only if a significant mission of such entity is serving, or providing investment capital for, rural renewal communities.

“(B) Application of carryover.—Paragraph (3) shall be applied separately with respect to the increase provided under this paragraph.

“(C) Rural renewal community.—For purposes of this paragraph, the term ‘rural renewal community’ means any low-income community—

“(i) which—

“(I) has a population of at least 200 people but not more than 25,000 people, and

“(II) is not located in a metropolitan area which has a population of 200,000 or more, or

“(ii) which is entirely within an Indian reservation (as determined by the Secretary of the Interior).”
(b) EFFECTIVE DATE.—The amendment made by this section shall apply to calendar years beginning after December 31, 2016.

Subtitle D—Job Creator Credits

SEC. 131. EXPENSING FOR RURAL RENEWAL COMMUNITY BUSINESSES.

(a) IN GENERAL.—Part IV of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 179E the following new section:

“SEC. 179F. EXPENSING FOR RURAL RENEWAL COMMUNITY BUSINESSES.

“(a) IN GENERAL.—A rural renewal community business may elect to treat the cost of any qualified property as property which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the qualified property is placed in service.

“(b) QUALIFIED PROPERTY.—For purposes of this section, the term ‘qualified property’ means property—

“(1) which is—

“(A) tangible property (to which section 168 applies), or

“(B) computer software (as defined in section 197(e)(3)(B)) which is described in section
197(e)(3)(A)(i) and to which section 167 applies,

“(2) which is section 1245 property (as defined in section 1245(a)(3)), and

“(3) which is acquired by purchase (as defined in section 179(d)(2)) for use in the active conduct of a trade or business.

Such term shall not include any property described in section 50(b).

“(c) RURAL RENEWAL COMMUNITY BUSINESS.—For purposes of this section—

“(1) IN GENERAL.—The term ‘rural renewal community business’ means—

“(A) any rural renewal community business entity, and

“(B) any rural renewal community proprietorship.

“(2) RURAL RENEWAL COMMUNITY BUSINESS ENTITY.—The term ‘rural renewal community business entity’ means, with respect to any taxable year, any corporation or partnership if for such year—

“(A) every trade or business of such entity is the active conduct of a qualified business within a rural renewal community,
“(B) at least 50 percent of the total gross
income of such entity is derived from the active
conduct of such business,

“(C) a substantial portion of the use of the
tangible property of such entity (whether owned
or leased) is within an rural renewal commu-

“(D) a substantial portion of the intangible
property of such entity is used in the active
conduct of any such business,

“(E) a substantial portion of the services
performed for such entity by its employees are
performed in a rural renewal community,

“(F) at least 35 percent of its employees
are residents of a rural renewal community,

“(G) less than 5 percent of the average of
the aggregate unadjusted bases of the property
of such entity is attributable to collectibles (as
defined in section 408(m)(2)) other than col-
lectibles that are held primarily for sale to cus-
tomers in the ordinary course of such business,

“(H) less than 5 percent of the average of
the aggregate unadjusted bases of the property
of such entity is attributable to nonqualified fi-
nancial property (as defined in section 1397C(e)).

“(3) RURAL RENEWAL COMMUNITY PROPRI-
ETORSHIP.—The term ‘rural renewal community
proprietorship’ means, with respect to any taxable
year, any qualified business carried on by an indi-
vidual as a proprietorship if for such year—

“(A) at least 50 percent of the total gross
income of such individual from such business is
derived from the active conduct of such busi-
ness in a rural renewal community,

“(B) a substantial portion of the use of the
tangible property of such individual in such
business (whether owned or leased) is within a
rural renewal community,

“(C) a substantial portion of the intangible
property of such business is used in the active
conduct of such business,

“(D) a substantial portion of the services
performed for such individual in such business
by employees of such business are performed in
a rural renewal community,

“(E) at least 35 percent of such employees
are residents of a rural renewal community,
“(F) less than 5 percent of the average of the aggregate unadjusted bases of the property of such individual which is used in such business is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

“(G) less than 5 percent of the average of the aggregate unadjusted bases of the property of such individual which is used in such business is attributable to nonqualified financial property.

For purposes of this paragraph, the term ‘employee’ includes the proprietor.

“(4) RURAL RENEWAL COMMUNITY.—The term ‘rural renewal community’ has the meaning given such term under section 45D(f)(4)(C).

“(5) TREATMENT OF BUSINESSES STRADDLING CENSUS TRACT LINES.—For purposes of paragraphs (2) and (3), rules similar to the rules of section 1397C(f) shall apply.

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

“(1) COST.—Rules similar to the rules of section 179(d)(3) shall apply.
“(2) Recapture.—Rules similar to the rules of section 179(d)(10) shall apply.

“(e) Termination.—This section shall not apply to property placed in service after December 31, 2019.”.

(b) Conforming Amendments.—

(1) Section 263(a)(1) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting “, or”, and by adding at the end the following new subparagraph:

“(M) expenditures for which a deduction is allowed under section 179F.”.

(2) Subparagraph (B) of section 312(k)(3) is amended by striking “or 179E” each places it appears and inserting “179E, or 179F”.

(3) Paragraphs (2)(C) and (3)(C) of section 1245(a) of such Code are each amended by inserting “179F,” after “179E,”.

(4) The table of contents for part VI of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 179E the following new item:

“Sec. 179F. Expensing for rural renewal community businesses.”.
(c) **Effective Date.**—The amendments made by this section shall apply to property placed in service after December 31, 2016.

**SEC. 132. REDUCED PAYROLL TAXES FOR INDIVIDUALS AND BUSINESSES IN RURAL RENEWAL COMMUNITIES.**

(a) **In General.**—

(1) **Employees.**—In the case of employment during 2017, 2018, and 2019, the rate of tax under 3101(a) of the Internal Revenue Code of 1986 (including for purposes of determining the applicable percentage under sections 3201(a) and 3211(a)(1) of such Code) shall be 4.2 percent for any remuneration received during any period in which the individual’s principal residence (within the meaning of section 121 of such Code) is located in a rural renewal community.

(2) **Employers.**—

(A) **In General.**—In the case of employment during 2017, 2018, and 2019, the rate of tax under section 3111(a) of the Internal Revenue Code of 1986 (including for purposes of determining the applicable percentage under sections 3221(a) of such Code) for any rural renewal community business entity shall be 4.2
percent with respect to remuneration paid for qualified services.

(B) QUALIFIED SERVICES.—For purposes of this section, the term “qualified services” means services performed—

(i) in a trade or business of a rural renewal community business entity, or

(ii) in the case of a rural renewal community business entity exempt from tax under section 501(a) of the Internal Revenue Code of 1986, in furtherance of the activities related to the purpose or function constituting the basis of the employer’s exemption under section 501 of such Code.

(3) SELF-EMPLOYED INDIVIDUALS.—In the case of self-employment income for taxable years beginning in 2017, 2018, or 2019 which is attributable to a rural renewal community proprietorship, the rate of tax under section 1401(a) shall be 8.40 percent.

(b) DEFINITIONS.—For purposes of this section—

(1) RURAL RENEWAL COMMUNITY.—The term “rural renewal community” has the meaning given
such term under section 45D(f)(4)(C) of the Internal Revenue Code of 1986.

(2) **Rural renewal community business entity.**—The term “rural renewal community business entity” has the meaning given such term under section 179F(e)(2) of the Internal Revenue Code of 1986.

(3) **Rural renewal community proprietorship.**—The term “rural renewal community proprietorship” has the meaning given such term under section 179F(e)(3) of the Internal Revenue Code of 1986.

(c) **Transfers of Funds.**—

(1) **Transfers to Federal Old-Age and Survivors Insurance Trust Fund.**—There are hereby appropriated to the Federal Old-Age and Survivors Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) amounts equal to the reduction in revenues to the Treasury by reason of the application of subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have oc-
curred to such Trust Fund had such amendments not been enacted.

(2) Transfers to Social Security Equivalent Benefit Account.—There are hereby appropriated to the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n–1(a)) amounts equal to the reduction in revenues to the Treasury by reason of the application of paragraphs (1) and (2) of subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Account had such amendments not been enacted.

(3) Coordination with other Federal laws.—For purposes of applying any provision of Federal law other than the provisions of the Internal Revenue Code of 1986, the rate of tax in effect under section 3101(a) shall be determined without regard to the reduction in such rate under this section.
Subtitle E—Encouraging Small Business Start Ups

SEC. 141. RENEWAL COMMUNITY BUSINESS START-UP SAVINGS ACCOUNTS.

(a) In general.—Part VIII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 224 as section 225 and inserting after section 223 the following new section:

"SEC. 224. RENEWAL COMMUNITY BUSINESS START-UP SAVINGS ACCOUNTS.

"(a) Allowance of deduction.—In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to amount of contributions made to the rural renewal community business start-up savings account of such individual.

"(b) Rural renewal community business start-up savings account.—The term 'rural renewal community business start-up savings account' means a trust created or organized in the United States exclusively for the purpose of paying the eligible costs of the individual who is the designated beneficiary of the trust (and designated as a renewal community business start-up savings account at the time created or organized), but only if the written governing instrument creating the trust meets the following requirements:
“(1) Except in the case of a rollover contribution described in subsection (d)(4), no contribution will be accepted unless it is in cash, and contributions will not be accepted if such contribution would result in aggregate contributions to all rural renewal community business start-up savings account of the individual for such taxable year and all prior taxable years exceeding $50,000.

“(2) The trustee is a bank (as defined in section 408(n)) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the trust will be consistent with the requirements of this section.

“(3) No part of the trust funds will be invested in life insurance contracts.

“(4) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

“(c) TAX TREATMENT OF ACCOUNTS.—

“(1) IN GENERAL.—A rural renewal community business start-up savings account shall be exempt from taxation under this subtitle. Notwithstanding the preceding sentence, the renewal community business start-up savings account shall be subject to the
taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable organizations).

“(2) ACCOUNT TERMINATIONS.—Rules similar to the rules of paragraphs (2) and (4) of section 408(e) shall apply to rural renewal community business start-up savings accounts, and any amount treated as distributed under such rules shall be treated as not used to pay for eligible costs.

“(d) TAX TREATMENT OF DISTRIBUTIONS.—

“(1) QUALIFIED DISTRIBUTIONS.—

“(A) IN GENERAL.—Any qualified distribution from a rural renewal community business start-up savings account shall not be included in gross income.

“(B) QUALIFIED DISTRIBUTION.—For purposes of this section, the term ‘qualified distribution’ means the amount of any payment or distribution made from a rural renewal community business start-up savings account during the taxable year to the extent that such distribution does not exceed the lesser of—

“(i) the eligible costs paid or incurred by the taxpayer during the taxable year which are made not later than the last day
of the 5th taxable year beginning after the
initial distribution from the account, or

“(ii) $50,000.

For purposes of clause (i), a taxpayer shall be
treated as having paid or incurred the tax-
payer’s allocable share of eligible costs of any
entity in which the taxpayer directly holds stock
or a capital or profits interest.

“(C) ELIGIBLE COSTS.—

“(i) IN GENERAL.—For purposes of
this section, the term ‘eligible costs’ means
costs paid or incurred by the taxpayer with
respect to the designated rural renewal
community business of the taxpayer for op-
erating capital, the purchase of equipment
or facilities, marketing, training, incorpo-
ration, and accounting fees.

“(ii) DESIGNATED RURAL RENEWAL
COMMUNITY BUSINESS.—For purposes of
clause (i), the term ‘designated rural re-
newal community business’ means—

“(I) any rural renewal commu-
nity business entity (as defined in sec-
tion 179F(c)) in which the taxpayer is
a shareholder or partner and which is
designated by the taxpayer for purposes of this section, or

“(II) any rural renewal community proprietorship of which the taxpayer is the owner and which is designated by the taxpayer for purposes of this section.

Any designation made under this clause, once made, may not be revoked.

“(D) Disallowance of Excluded Amounts as Deduction, Credit, or Exclusion.—No deduction, credit, or exclusion shall be allowed to the taxpayer under any other section of this chapter for any qualified distribution to the extent taken into account in determining the amount of the exclusion under this paragraph.

“(2) Nonqualified Distributions.—

“(A) In General.—Any amount paid or distributed out of a rural renewal community business start-up savings account which is not a qualified distribution, including any amount paid out pursuant to a termination of such an account, shall be included in the gross income of the taxpayer as provided in section 72.
“(B) Treatment of amounts remaining in account.—Any remaining amount in a small business start-up savings account following the date described in paragraph (1)(B)(i) shall be treated as distributed during the taxable year following such date and such distribution shall not be treated as a qualified distribution.

“(C) Additional tax.—

“(i) In general.—The tax imposed by this chapter on the account beneficiary for any taxable year in which there is a payment or distribution from a rural renewal community business start-up savings account of such beneficiary which is includible in income under subparagraph (A) shall be increased by 10 percent of the amount which is so includible.

“(ii) Exception.—Clause (i) shall not apply if the payment or distribution is made after the account beneficiary becomes disabled within the meaning of section 72(m)(7) or dies.

“(3) Excess contributions returned before due date of return.—
“(A) IN GENERAL.—If any excess contribution is contributed for a taxable year to any rural renewal community business start-up savings account of an individual, paragraph (2) shall not apply to distributions from the rural renewal community business start-up savings accounts of such individual (to the extent such distributions do not exceed the aggregate excess contributions to all such accounts of such individual for such year) if—

“(i) such distribution is received by the individual on or before the last day prescribed by law (including extensions of time) for filing such individual’s return for such taxable year, and

“(ii) such distribution is accompanied by the amount of net income attributable to such excess contribution.

“(B) EXCESS CONTRIBUTION.—For purposes of subparagraph (A), the term ‘excess contribution’ means any contribution (other than a rollover contribution described in paragraph (4)) which when added to all previous contributions for the taxable year exceeds the
amount allowable as a contribution under sub-
section (b)(1).

“(4) Rollover Contribution.—Paragraph
(2) shall not apply to any amount paid or distrib-
uted from a rural renewal community business start-
up savings account to the account beneficiary to the
extent the amount received is paid into a rural re-
newal community business start-up savings account
for the benefit of such beneficiary not later than the
60th day after the day on which the beneficiary re-
ceives the payment or distribution. For purposes of
this paragraph, rules similar to the rules of section
408(d)(3)(D) shall apply.

“(5) Transfer of Account Incident to Di-
vorce.—The transfer of an individual’s interest in
a rural renewal community business start-up savings
account to an individual’s spouse or former spouse
under a divorce or separation instrument described
in subparagraph (A) of section 71(b)(2) shall not be
considered a taxable transfer made by such indi-
vidual notwithstanding any other provision of this
subtitle, and such interest shall, after such transfer,
be treated as a rural renewal community business
start-up savings account with respect to which such
spouse is the account beneficiary.
“(6) Treatment after death of account beneficiary.—

“(A) Treatment if designated beneficiary is spouse.—If the account beneficiary’s surviving spouse acquires such beneficiary’s interest in a rural renewal community business start-up savings account by reason of being the designated beneficiary of such account at the death of the account beneficiary, such account shall be treated as if the spouse were the account beneficiary.

“(B) Other cases.—

“(i) In general.—If, by reason of the death of the account beneficiary, any person acquires the account beneficiary’s interest in a rural renewal community business start-up savings account in a case to which subparagraph (A) does not apply—

“(I) such account shall cease to be a rural renewal community business start-up savings account as of the date of death, and

“(II) an amount equal to the fair market value of the assets in such ac-
count on such date shall be includible, if such person is not the estate of such beneficiary, in such person’s gross income for the taxable year which includes such date, or if such person is the estate of such beneficiary, in such beneficiary’s gross income for the last taxable year of such beneficiary.

“(ii) SPECIAL RULES.—

“(I) REDUCTION OF INCLUSION FOR PREDEATH EXPENSES.—The amount includible in gross income under clause (i) by any person (other than the estate) shall be reduced by the amount of qualified distributions which were paid or incurred by the decedent before the date of the decedent’s death and paid by such person within 1 year after such date.

“(II) DEDUCTION FOR ESTATE TAXES.—An appropriate deduction shall be allowed under section 691(e) to any person (other than the decedent or the decedent’s spouse) with
respect to amounts included in gross income under clause (i) by such person.

“(e) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

“(f) REPORTS.—The trustee of a rural renewal community business start-up savings account shall make such reports regarding such account to the Secretary and to the individual for whom the account is, or is to be, maintained with respect to contributions (and the years to which they relate) and distributions aggregating $10 or more in any calendar year, and such other matters as the Secretary may require. The reports required by this subsection—

“(1) shall be filed at such time and in such manner as the Secretary prescribes, and

“(2) shall be furnished to individuals—

“(A) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

“(B) in such manner as the Secretary prescribes.

“(g) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary to carry
out this section, including for purposes of subsection
(d)(1)(B)(i) the making reports by regarding eligible costs
of an entity in which the taxpayer directly holds stock or
a capital or profits interest.”.

(b) Deduction Allowed Whether or Not Individual Itemizes Deductions.—Section 62(a) of the In-
ternal Revenue Code of 1986 is amended by inserting
after paragraph (21) the following new paragraph:
“(22) Rural renewal community business
start-up savings accounts.—The deduction al-
lowed by section 224.”.

(c) Tax on Prohibited Transactions.—
(1) In general.—Paragraph (1) of section
4975(e) of the Internal Revenue Code of 1986 is
amended by striking “or” at the end of subpara-
graph (F), by redesignating subparagraph (G) as
subparagraph (H), and by inserting after subpara-
graph (F) the following new subparagraph:
“(G) a rural renewal community business
start-up savings account described in section
224, or”.

(2) Special rule.—Subsection (c) of section
4975 of such Code is amended by adding at the end
of subsection (c) the following new paragraph:
“(7) SPECIAL RULE FOR RURAL RENEWAL COMMUNITY BUSINESS START-UP SAVINGS ACCOUNTS.—

An individual for whose benefit a rural renewal community business start-up savings account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if section 224(d)(2) applies with respect to such transaction.”.

(d) FAILURE TO PROVIDE REPORTS ON RURAL RENEWAL COMMUNITY BUSINESS START-UP SAVINGS ACCOUNTS.—Paragraph (2) of section 6693(a) of the Internal Revenue Code of 1986 is amended by redesignating subparagraphs (D), (E), and (F) as subparagraphs (E), (F), and (G), respectively, and by inserting after subparagraph (C) the following new subparagraph:

“(D) section 224(f) (relating to rural renewal community business start-up savings accounts),”.

(e) EXCESS CONTRIBUTIONS.—Section 4973 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (a), by striking “or” at the end of paragraph (5), by inserting “or” at the end
of paragraph (6), and inserting after paragraph (6) the following new paragraph:

“(7) a rural renewal community business start-up savings account (within the meaning of section 224(c)),”, and

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

“(i) EXCESS CONTRIBUTIONS TO RURAL RENEWAL COMMUNITY BUSINESS START-UP SAVINGS ACCOUNTS.—

For purposes of this section, in the case of contributions to a rural renewal community business start-up savings account (within the meaning of section 224(b)), the term ‘excess contributions’ means the sum of—

“(1) the excess (if any) of—

“(A) the amount contributed for the taxable year to such accounts (other than a rollover contribution described in section 224(d)(4)), over

“(B) the amount allowable as a contribution under section 224(b)(1), and

“(2) the amount determined under this subsection for the preceding taxable year, reduced by the sum of—

“(A) the distributions out of the accounts for the taxable year, and
“(B) the excess (if any) of the maximum amount allowable as a contribution under sections 224(b)(1) for the taxable year over the amount contributed to the accounts for the taxable year.

For purposes of this subsection, any contribution which is distributed from a rural renewal community business start-up savings account in a distribution described in section 224(d)(3) shall be treated as an amount not contributed.”.

(f) CLERICAL AMENDMENT.—The table of contents for part VIII of subchapter B of chapter 1 of such Code is amended by redesignating the item relating to section 224 as relating to section 225 and by inserting after the item relating to section 223 the following new item:

“Sec. 224. Rural renewal community business start-up savings accounts.”.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

TITLE II—SETTING RURAL AMERICA FREE FROM OVER-REGULATION

SEC. 201. SHORT TITLE.

This title may be cited as the “Reducing Excessive Government in Rural America Act of 2016”.

S 3243 IS
SEC. 202. REDUCING EXCESSIVE GOVERNMENT IN RURAL AMERICA.

(a) DEFINITIONS.—In this section—

(1) the term “cost to rural America” with respect to a rule, means all costs incurred by, and expenditures required of, individuals and entities located in a rural area in complying with the rule;

(2) the term “joint resolution” means a joint resolution—

(A) reported by the Committee on the Budget of the Senate or the House of Representatives in accordance with subsection (b)(3);

(B) which does not have a preamble;

(C) the title of which is as follows: “Joint resolution relating to repeal of costly rules for rural America.”;

(D) the matter after the resolving clause of which is as follows: “That the following rules shall have no force or effect: ____________.”, the blank space being filled in with the list of major rules affecting rural America recommended to be repealed under subsection (b) by the committees of the House in which the joint resolution is reported; and
(E) that will result in a reduction of the cost to rural America of all rules of not less than 10 percent during the 10-fiscal-year period beginning with the next full fiscal year;

(3) the term “major rule affecting rural America” means a rule having or likely to result in an annual cost to rural America of not less than $100,000,000;

(4) the term “rule” has the meaning given that term in section 804 of title 5, United States Code; and

(5) the term “rural area” means an area that—

(A) has a population of not less than 200 individuals and not more than 25,000 individuals; and

(B) is not located with a metropolitan statistical area which has a population of more than 200,000 individuals.

(b) ACTION BY COMMITTEES.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, each committee of the Senate and the House of Representatives shall submit to the Committee on the Budget of its House a list of the rules that—
(A) are within the jurisdiction of the com-
mittee;

(B) the committee determines are major
rules affecting rural America; and

(C) the committee recommends should be
repealed.

(2) CONSIDERATIONS.—In determining whether
to recommend repealing major rules affecting rural
America within its jurisdiction, a committee of the
Senate or the House of Representatives shall con-
sider—

(A) whether the major rule affecting rural
America achieved, or has been ineffective in
achieving, the original purpose of the major
rule affecting rural America;

(B) any adverse effects that could mate-
rialize if the major rule affecting rural America
is repealed, in particular if those adverse effects
are the reason the major rule affecting rural
America was originally enacted;

(C) whether the costs of the major rule af-
fecting rural America outweigh any benefits of
the major rule affecting rural America to the
United States;
(D) whether the major rule affecting rural America has become obsolete due to changes in technology, economic conditions, market practices, or any other factors; and

(E) whether the major rule affecting rural America overlaps with another rule.

(3) COMBINING OF RECOMMENDATIONS.—The Committee on the Budget of the Senate and the Committee on the Budget of the House of Representatives, upon receiving recommendations from all relevant committees under paragraph (1), shall report to its House a joint resolution carrying out all such recommendations without any substantive revision, if the committee determines the joint resolution meets the requirement under subsection (a)(2)(E).

(e) EXPEDITED PROCEDURES.—

(1) CONSIDERATION IN HOUSE OF REPRESENTATIVES.—

(A) PLACEMENT ON CALENDAR.—Upon a joint resolution being reported by the Committee on the Budget of the House of Representatives, or upon receipt of a joint resolution from the Senate, the joint resolution shall be placed immediately on the calendar.

(B) PROCEEDING TO CONSIDERATION.—
(i) IN GENERAL.—It shall be in order, not later than 60 days after the date on which a joint resolution is reported by the Committee on the Budget of the House of Representatives, to move to proceed to consider a joint resolution in the House of Representatives.

(ii) PROCEDURE.—For a motion to proceed to consider a joint resolution—

(I) all points of order against the motion are waived;

(II) such a motion shall not be in order after the House of Representatives has disposed of a motion to proceed to the joint resolution;

(III) the previous question shall be considered as ordered on the motion to its adoption without intervening motion;

(IV) the motion shall not be debatable; and

(V) a motion to reconsider the vote by which the motion is disposed of shall not be in order.
(C) CONSIDERATION.—The House of Representatives shall establish rules for consideration of a joint resolution in the House of Representatives.

(2) EXPEDITED CONSIDERATION IN SENATE.—

(A) PLACEMENT ON CALENDAR.—Upon a joint resolution being reported by the Committee on the Budget of the Senate, or upon receipt of a joint resolution from the House of Representatives, the joint resolution shall be placed immediately on the calendar.

(B) PROCEEDING TO CONSIDERATION.—

(i) IN GENERAL.—Notwithstanding rule XXII of the Standing Rules of the Senate, it is in order, not later than 60 days after the date on which a joint resolution is reported by the Committee on the Budget of the Senate (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of a joint resolution.

(ii) PROCEDURE.—For a motion to proceed to the consideration of a joint resolution—
(I) all points of order against the motion are waived;

(II) the motion is not debatable;

(III) the motion is not subject to a motion to postpone;

(IV) a motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order; and

(V) if the motion is agreed to, the joint resolution shall remain the unfinished business until disposed of.

(C) Floor Consideration Generally.—If the Senate proceeds to consideration of a joint resolution—

(i) all points of order against the joint resolution (and against consideration of the joint resolution) are waived;

(ii) consideration of the joint resolution, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority leaders or their designees;
(iii) a motion to postpone or a motion to commit the joint resolution is not in order; and

(iv) a motion to proceed to the consideration of other business is not in order.

(D) REQUIREMENTS FOR AMENDMENTS.—

(i) In general.—No amendment that is not germane to the provisions of a joint resolution shall be considered.

(ii) Repeal of major rules affecting rural America.—Notwithstanding clause (i) or any other rule, an amendment or series of amendments to a joint resolution shall always be in order if such amendment or series of amendments proposes to repeal a major rule affecting rural America that would result in a decrease in the total cost to rural America of all rules during the 10-fiscal-year period beginning with the next full fiscal year.

(E) Vote on passage.—The vote on passage shall occur immediately following the conclusion of the consideration of a joint resolution, and a single quorum call at the conclusion
of the debate if requested in accordance with
the rules of the Senate.

(F) Rulings of the Chair on Procedure.—Appeals from the decisions of the Chair
relating to the application of this subsection or
the rules of the Senate, as the case may be, to
the procedure relating to a joint resolution shall
be decided without debate.

(3) Consideration after Passage.—If the
President vetoes the joint resolution, consideration
of a veto message in the Senate under this section
shall be not more than 2 hours equally divided be-
tween the majority and minority leaders or their des-
ignees.

(4) Rules of House of Representatives
and Senate.—This subsection is enacted by Con-
gress—

(A) as an exercise of the rulemaking power
of the Senate and House of Representatives, re-
spectively, and as such is deemed a part of the
rules of each House, respectively, but applicable
only with respect to the procedure to be fol-
lowed in that House in the case of a joint reso-
lution, and supersede other rules only to the ex-
tent that they are inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(d) Effect of Joint Resolution.—

(1) In General.—A major rule affecting rural America shall cease to have force or effect if Congress enacts a joint resolution repealing the major rule affecting rural America.

(2) Limitation on Subsequent Rule-Making.—A rule that ceases to have force or effect under paragraph (1) may not be reissued in substantially the same form, and a new rule that is substantially the same as such a rule may not be issued, unless the reissued or new rule is specifically authorized by a law enacted after the date of the joint resolution repealing the original rule.