

1 *less than 12¹/₂ percent, but not more than 16²/₃*
 2 *percent,”; and*

3 *(D) in subparagraph (H), by striking “no*
 4 *less than 12 and ¹/₂ per centum” and inserting*
 5 *“not less than 12¹/₂ percent, but not more than*
 6 *16²/₃ percent,”.*

7 *(e) LIMITATIONS ON AMOUNT OF DISTRIBUTED QUALI-*
 8 *FIED OUTER CONTINENTAL SHELF REVENUES.—Section*
 9 *105(f)(1) of the Gulf of Mexico Energy Security Act of 2006*
 10 *(43 U.S.C. 1331 note; Public Law 109–432) is amended—*

11 *(1) in subparagraph (B), by striking “and” at*
 12 *the end;*

13 *(2) in subparagraph (C), by striking “2055.”*
 14 *and inserting “2024,”; and*

15 *(3) by adding at the end the following:*

16 *“(D) \$650,000,000 for each of fiscal years*
 17 *2025 through 2034; and*

18 *“(E) \$500,000,000 for each of fiscal years*
 19 *2035 through 2055.”.*

20 **SEC. 50103. ROYALTIES ON EXTRACTED METHANE.**

21 *Section 50263 of Public Law 117–169 (30 U.S.C.*
 22 *1727) is repealed.*

23 **SEC. 50104. ALASKA OIL AND GAS LEASING.**

24 *(a) DEFINITIONS.—In this section:*

1 (1) *COASTAL PLAIN*.—*The term “Coastal Plain”*
 2 *has the meaning given the term in section 20001(a)*
 3 *of Public Law 115–97 (16 U.S.C. 3143 note).*

4 (2) *OIL AND GAS PROGRAM*.—*The term “oil and*
 5 *gas program” means the oil and gas program estab-*
 6 *lished under section 20001(b)(2) of Public Law 115–*
 7 *97 (16 U.S.C. 3143 note).*

8 (3) *SECRETARY*.—*The term “Secretary” means*
 9 *the Secretary of the Interior, acting through the Bu-*
 10 *reau of Land Management.*

11 (b) *LEASE SALES REQUIRED*.—

12 (1) *IN GENERAL*.—*Subject to paragraph (3), in*
 13 *addition to the lease sales required under section*
 14 *20001(c)(1)(A) of Public Law 115–97 (16 U.S.C.*
 15 *3143 note), the Secretary shall conduct not fewer than*
 16 *4 lease sales area-wide under the oil and gas program*
 17 *by not later than 10 years after the date of enactment*
 18 *of this Act.*

19 (2) *TERMS AND CONDITIONS*.—*In conducting*
 20 *lease sales under paragraph (1), the Secretary shall*
 21 *offer the same terms and conditions as contained in*
 22 *the record of decision described in the notice of avail-*
 23 *ability of the Bureau of Land Management entitled*
 24 *“Notice of Availability of the Record of Decision for*
 25 *the Final Environmental Impact Statement for the*

1 *Coastal Plain Oil and Gas Leasing Program, Alaska*”
 2 *(85 Fed. Reg. 51754 (August 21, 2020))*.

3 (3) *SALE ACREAGES; SCHEDULE*.—

4 (A) *ACREAGES*.—*In conducting the lease*
 5 *sales required under paragraph (1), the Sec-*
 6 *retary shall offer for lease under the oil and gas*
 7 *program—*

8 (i) *not fewer than 400,000 acres area-*
 9 *wide in each lease sale; and*

10 (ii) *those areas that have the highest*
 11 *potential for the discovery of hydrocarbons.*

12 (B) *SCHEDULE*.—*The Secretary shall*
 13 *offer—*

14 (i) *the initial lease sale under para-*
 15 *graph (1) not later than 1 year after the*
 16 *date of enactment of this Act;*

17 (ii) *a second lease sale under para-*
 18 *graph (1) not later than 3 years after the*
 19 *date of enactment of this Act;*

20 (iii) *a third lease sale under para-*
 21 *graph (1) not later than 5 years after the*
 22 *date of enactment of this Act; and*

23 (iv) *a fourth lease sale under para-*
 24 *graph (1) not later than 7 years after the*
 25 *date of enactment of this Act.*

1 (4) *RIGHTS-OF-WAY.*—Section 20001(c)(2) of
 2 *Public Law 115–97 (16 U.S.C. 3143 note)* shall apply
 3 to leases awarded under this subsection.

4 (5) *SURFACE DEVELOPMENT.*—Section
 5 20001(c)(3) of *Public Law 115–97 (16 U.S.C. 3143*
 6 *note)* shall apply to leases awarded under this sub-
 7 section.

8 (c) *RECEIPTS.*—Notwithstanding section 35 of the
 9 *Mineral Leasing Act (30 U.S.C. 191)* and section
 10 20001(b)(5) of *Public Law 115–97 (16 U.S.C. 3143 note)*,
 11 of the amount of adjusted bonus, rental, and royalty re-
 12 ceipts derived from the oil and gas program and operations
 13 on the Coastal Plain pursuant to this section—

14 (1)(A) for each of fiscal years 2025 through
 15 2033, 50 percent shall be paid to the State of Alaska;
 16 and

17 (B) for fiscal year 2034 and each fiscal year
 18 thereafter, 70 percent shall be paid to the State of
 19 Alaska; and

20 (2) the balance shall be deposited into the Treas-
 21 ury as miscellaneous receipts.

22 **SEC. 50105. NATIONAL PETROLEUM RESERVE–ALASKA.**

23 (a) *DEFINITIONS.*—In this section:

24 (1) *NPR–A FINAL ENVIRONMENTAL IMPACT*
 25 *STATEMENT.*—The term “NPR–A final environmental

1 *impact statement” means the final environmental im-*
 2 *pact statement published by the Bureau of Land*
 3 *Management entitled “National Petroleum Reserve in*
 4 *Alaska Integrated Activity Plan Final Environmental*
 5 *Impact Statement” and dated June 2020, including*
 6 *the errata sheet dated October 6, 2020, and excluding*
 7 *the errata sheet dated September 20, 2022.*

8 (2) *NPR–A RECORD OF DECISION.*—*The term*
 9 *“NPR–A record of decision” means the record of deci-*
 10 *sion published by the Bureau of Land Management*
 11 *entitled “National Petroleum Reserve in Alaska Inte-*
 12 *grated Activity Plan Record of Decision” and dated*
 13 *December 2020.*

14 (3) *PROGRAM.*—*The term “Program” means the*
 15 *competitive oil and gas leasing, exploration, develop-*
 16 *ment, and production program established under sec-*
 17 *tion 107 of the Naval Petroleum Reserves Production*
 18 *Act of 1976 (42 U.S.C. 6506a).*

19 (4) *SECRETARY.*—*The term “Secretary” means*
 20 *the Secretary of the Interior.*

21 (b) *RESTORATION OF NPR–A OIL AND GAS LEASING*
 22 *PROGRAM.*—*Effective beginning on the date of enactment*
 23 *of this Act, the Secretary shall expeditiously restore and re-*
 24 *sume oil and gas lease sales under the Program for domestic*
 25 *energy production and Federal revenue in the areas des-*

1 *ignated for oil and gas leasing as described in the NPR—*
 2 *A final environmental impact statement and the NPR—A*
 3 *record of decision.*

4 *(c) RESUMPTION OF NPR—A LEASE SALES.—*

5 *(1) IN GENERAL.—Subject to paragraph (2), the*
 6 *Secretary shall conduct not fewer than 5 lease sales*
 7 *under the Program by not later than 10 years after*
 8 *the date of enactment of this Act.*

9 *(2) SALES ACREAGES; SCHEDULE.—*

10 *(A) ACREAGES.—In conducting the lease*
 11 *sales required under paragraph (1), the Sec-*
 12 *retary shall offer not fewer than 4,000,000 acres*
 13 *in each lease sale.*

14 *(B) SCHEDULE.—The Secretary shall*
 15 *offer—*

16 *(i) an initial lease sale under para-*
 17 *graph (1) not later than 1 year after the*
 18 *date of enactment of this Act; and*

19 *(ii) an additional lease sale under*
 20 *paragraph (1) not later than every 2 years*
 21 *after the date of enactment of this Act.*

22 *(d) TERMS AND STIPULATIONS FOR NPR—A LEASE*
 23 *SALES.—In conducting lease sales under subsection (c), the*
 24 *Secretary shall offer the same lease form, lease terms, eco-*
 25 *nomie conditions, and stipulations as described in the*

1 *NPR—A final environmental impact statement and the*
 2 *NPR—A record of decision.*

3 (e) *RECEIPTS.*—Section 107(l) of the Naval Petroleum
 4 *Reserves Production Act of 1976 (42 U.S.C. 6506a(l)) is*
 5 *amended—*

6 (1) *by striking “All receipts from” and inserting*
 7 *the following:*

8 “(1) *IN GENERAL.*—Except as provided in para-
 9 *graph (2), all receipts from”;* and

10 (2) *by adding at the end the following:*

11 “(2) *PERCENT SHARE FOR FISCAL YEAR 2034 AND*
 12 *THEREAFTER.*—Beginning in fiscal year 2034, of the
 13 *receipts from sales, rentals, bonuses, and royalties on*
 14 *leases issued pursuant to this section after the date of*
 15 *enactment of the Act entitled ‘An Act to provide for*
 16 *reconciliation pursuant to title II of H. Con. Res. 14’*
 17 *(119th Congress)—*

18 “(A) 70 percent shall be paid to the State
 19 *of Alaska; and*

20 “(B) 30 percent shall be paid into the
 21 *Treasury of the United States.”.*

22 ***Subtitle B—Mining***

23 ***SEC. 50201. COAL LEASING.***

24 (a) *DEFINITIONS.*—In this section:

1 (1) *COAL LEASE*.—The term “coal lease” means
 2 a lease entered into by the United States as lessor,
 3 through the Bureau of Land Management, and an ap-
 4 plicant on Bureau of Land Management Form 3400-
 5 012 (or a successor form that contains the terms of a
 6 coal lease).

7 (2) *QUALIFIED APPLICATION*.—The term “quali-
 8 fied application” means an application for a coal
 9 lease pending as of the date of enactment of this Act
 10 or submitted within 90 days thereafter under the lease
 11 by application program administered by the Bureau
 12 of Land Management pursuant to the Mineral Leas-
 13 ing Act (30 U.S.C. 181 et seq.) for which any re-
 14 quired environmental review has commenced or the
 15 Director of the Bureau of Land Management deter-
 16 mines can commence within 90 days after receiving
 17 the application.

18 (b) *COAL LEASING ACTIVITIES*.—Not later than 90
 19 days after the date of enactment of this Act, the Secretary
 20 of the Interior—

21 (1) shall—

22 (A) with respect to each qualified applica-
 23 tion—

1 (i) if not previously published for pub-
 2 lic comment, publish any required environ-
 3 mental review;

4 (ii) establish the fair market value of
 5 the applicable coal tract;

6 (iii) hold a lease sale with respect to
 7 the applicable coal tract; and

8 (iv) identify the highest bidder at or
 9 above the fair market value and take all
 10 other intermediate actions necessary to
 11 identify the winning bidder and grant the
 12 qualified application; and

13 (2) may—

14 (A) with respect to a previously issued coal
 15 lease, grant any additional approvals of the De-
 16 partment of the Interior required for mining ac-
 17 tivities to commence; and

18 (B) after completing the actions required by
 19 clauses (i) through (iv) of paragraph (1)(A),
 20 grant the qualified application and issue the ap-
 21 plicable lease to the person that submitted the
 22 qualified application if that person submitted
 23 the winning bid in the lease sale held under
 24 clause (iii) of paragraph (1)(A).

1 **SEC. 50202. COAL ROYALTY.**

2 (a) *RATE*.—Section 7(a) of the Mineral Leasing Act
3 (30 U.S.C. 207(a)) is amended, in the fourth sentence, by
4 striking “12½ per centum” and inserting “12½ percent,
5 except such amount shall be not more than 7 percent during
6 the period that begins on the date of enactment of the Act
7 entitled ‘An Act to provide for reconciliation pursuant to
8 title II of H. Con. Res. 14’ (119th Congress) and ends Sep-
9 tember 30, 2034,”.

10 (b) *APPLICABILITY TO EXISTING LEASES*.—The
11 amendment made by subsection (a) shall apply to a coal
12 lease—

13 (1) issued under section 2 of the Mineral Leasing
14 Act (30 U.S.C. 201) before, on, or after the date of the
15 enactment of this Act; and

16 (2) that has not been terminated.

17 (c) *ADVANCE ROYALTIES*.—With respect to a lease
18 issued under section 2 of the Mineral Leasing Act (30
19 U.S.C. 201) for which the lessee has paid advance royalties
20 under section 7(b) of that Act (30 U.S.C. 207(b)), the Sec-
21 retary of the Interior shall provide to the lessee a credit
22 for the difference between the amount paid by the lessee in
23 advance royalties for the lease before the date of the enact-
24 ment of this Act and the amount the lessee would have been
25 required to pay if the amendment made by subsection (a)

1 *had been made before the lessee paid advance royalties for*
 2 *the lease.*

3 **SEC. 50203. LEASES FOR KNOWN RECOVERABLE COAL RE-**
 4 **SOURCES.**

5 *Notwithstanding section 2(a)(3)(A) of the Mineral*
 6 *Leasing Act (30 U.S.C. 201(a)(3)(A)) and section 202(a)*
 7 *of the Federal Land Policy and Management Act of 1976*
 8 *(43 U.S.C. 1712(a)), not later than 90 days after the date*
 9 *of enactment of this Act, the Secretary of the Interior shall*
 10 *make available for lease known recoverable coal resources*
 11 *of not less than 4,000,000 additional acres on Federal land*
 12 *located in the 48 contiguous States and Alaska subject to*
 13 *the jurisdiction of the Secretary, but which shall not include*
 14 *any Federal land within—*

- 15 *(1) a National Monument;*
- 16 *(2) a National Recreation Area;*
- 17 *(3) a component of the National Wilderness Pres-*
 18 *ervation System;*
- 19 *(4) a component of the National Wild and Sce-*
 20 *nic Rivers System;*
- 21 *(5) a component of the National Trails System;*
- 22 *(6) a National Conservation Area;*
- 23 *(7) a unit of the National Wildlife Refuge Sys-*
 24 *tem;*

1 (8) *a unit of the National Fish Hatchery Sys-*
 2 *tem; or*

3 (9) *a unit of the National Park System.*

4 **SEC. 50204. AUTHORIZATION TO MINE FEDERAL COAL.**

5 (a) *AUTHORIZATION.*—*In order to provide access to*
 6 *coal reserves in adjacent State or private land that without*
 7 *an authorization could not be mined economically, Federal*
 8 *coal reserves located in Federal land subject to a mining*
 9 *plan previously approved by the Secretary of the Interior*
 10 *as of the date of enactment of this Act and adjacent to coal*
 11 *reserves in adjacent State or private land are authorized*
 12 *to be mined.*

13 (b) *REQUIREMENT.*—*Not later than 90 days after the*
 14 *date of enactment of this Act, the Secretary of the Interior*
 15 *shall, without substantial modification, take such steps as*
 16 *are necessary to authorize the mining of Federal land de-*
 17 *scribed in subsection (a).*

18 (c) *NEPA.*—*Nothing in this section shall prevent a re-*
 19 *view under the National Environmental Policy Act of 1969*
 20 *(42 U.S.C. 4321 et seq.).*

21 **Subtitle C—Lands**

22 **SEC. 50301. TIMBER SALES AND LONG-TERM CONTRACTING**
 23 **FOR THE FOREST SERVICE AND THE BUREAU**
 24 **OF LAND MANAGEMENT.**

25 (a) *FOREST SERVICE.*—

1 (1) *DEFINITIONS.—In this subsection:*

2 (A) *FOREST PLAN.—The term “forest plan”*
 3 *means a land and resource management plan*
 4 *prepared by the Secretary for a unit of the Na-*
 5 *tional Forest System pursuant to section 6 of the*
 6 *Forest and Rangeland Renewable Resources*
 7 *Planning Act of 1974 (16 U.S.C. 1604).*

8 (B) *NATIONAL FOREST SYSTEM.—*

9 (i) *IN GENERAL.—The term “National*
 10 *Forest System” means land of the National*
 11 *Forest System (as defined in section 11(a)*
 12 *of the Forest and Rangeland Renewable Re-*
 13 *sources Planning Act of 1974 (16 U.S.C.*
 14 *1609(a))) administered by the Secretary.*

15 (ii) *EXCLUSIONS.—The term “National*
 16 *Forest System” does not include any forest*
 17 *reserve not created from the public domain.*

18 (C) *SECRETARY.—The term “Secretary”*
 19 *means the Secretary of Agriculture, acting*
 20 *through the Chief of the Forest Service.*

21 (2) *TIMBER SALES ON PUBLIC DOMAIN FOREST*
 22 *RESERVES.—*

23 (A) *IN GENERAL.—For each of fiscal years*
 24 *2026 through 2034, the Secretary shall sell tim-*
 25 *ber annually on National Forest System land in*

1 *a total quantity that is not less than 250,000,000*
 2 *board-feet greater than the quantity of board-feet*
 3 *sold in the previous fiscal year.*

4 *(B) LIMITATION.—The timber sales under*
 5 *subparagraph (A) shall be subject to the max-*
 6 *imum allowable sale quantity of timber or the*
 7 *projected timber sale quantity under the applica-*
 8 *ble forest plan in effect on the date of enactment*
 9 *of this Act.*

10 *(3) LONG-TERM CONTRACTING FOR THE FOREST*
 11 *SERVICE.—*

12 *(A) LONG-TERM CONTRACTING.—For the pe-*
 13 *riod of fiscal years 2025 through 2034, the Sec-*
 14 *retary shall enter into not fewer than 40 long-*
 15 *term timber sale contracts with private persons*
 16 *or other public or private entities under sub-*
 17 *section (a) of section 14 of the National Forest*
 18 *Management Act of 1976 (16 U.S.C. 472a) for*
 19 *the sale of national forest materials (as defined*
 20 *in subsection (e)(1) of that section) in the Na-*
 21 *tional Forest System.*

22 *(B) CONTRACT LENGTH.—The period of a*
 23 *timber sale contract entered into to meet the re-*
 24 *quirement under subparagraph (A) shall be not*

1 *less than 20 years, with options for extensions or*
 2 *renewals, as determined by the Secretary.*

3 (C) *RECEIPTS.*—*Any monies derived from a*
 4 *timber sale contract entered into to meet the re-*
 5 *quirements under subparagraphs (A) and (B)*
 6 *shall be deposited in the general fund of the*
 7 *Treasury.*

8 (b) *BUREAU OF LAND MANAGEMENT.*—

9 (1) *DEFINITIONS.*—*In this subsection:*

10 (A) *PUBLIC LANDS.*—*The term “public*
 11 *lands” has the meaning given the term in section*
 12 *103 of the Federal Land Policy and Management*
 13 *Act of 1976 (43 U.S.C. 1702).*

14 (B) *RESOURCE MANAGEMENT PLAN.*—*The*
 15 *term “resource management plan” means a land*
 16 *use plan prepared for public lands under section*
 17 *202 of the Federal Land Policy and Management*
 18 *Act of 1976 (43 U.S.C. 1712).*

19 (C) *SECRETARY.*—*The term “Secretary”*
 20 *means the Secretary of the Interior, acting*
 21 *through the Director of the Bureau of Land*
 22 *Management.*

23 (2) *TIMBER SALES ON PUBLIC LANDS.*—

24 (A) *IN GENERAL.*—*For each of fiscal years*
 25 *2026 through 2034, the Secretary shall sell tim-*

ber annually on public lands in a total quantity that is not less than 20,000,000 board-feet greater than the quantity of board-feet sold in the previous fiscal year.

(B) *LIMITATION.*—The timber sales under subparagraph (A) shall be subject to the applicable resource management plan in effect on the date of enactment of this Act.

(3) *LONG-TERM CONTRACTING FOR THE BUREAU OF LAND MANAGEMENT.*—

(A) *LONG-TERM CONTRACTING.*—For the period of fiscal years 2025 through 2034, the Secretary shall enter into not fewer than 5 long-term contracts with private persons or other public or private entities under section 1 of the Act of July 31, 1947 (commonly known as the “Materials Act of 1947”) (61 Stat. 681, chapter 406; 30 U.S.C. 601), for the disposal of vegetative materials described in that section on public lands.

(B) *CONTRACT LENGTH.*—The period of a contract entered into to meet the requirement under subparagraph (A) shall be not less than 20 years, with options for extensions or renewals, as determined by the Secretary.

1 (C) *RECEIPTS*.—Any monies derived from a
 2 contract entered into to meet the requirements
 3 under subparagraphs (A) and (B) shall be depos-
 4 ited in the general fund of the Treasury.

5 **SEC. 50302. RENEWABLE ENERGY FEES ON FEDERAL LAND.**

6 (a) *DEFINITIONS*.—In this section:

7 (1) *ANNUAL ADJUSTMENT FACTOR*.—The term
 8 “Annual Adjustment Factor” means 3 percent.

9 (2) *ENCUMBRANCE FACTOR*.—The term “Encum-
 10 brance Factor” means—

11 (A) 100 percent for a solar energy genera-
 12 tion facility; and

13 (B) an amount determined by the Sec-
 14 retary, but not less than 10 percent for a wind
 15 energy generation facility.

16 (3) *NATIONAL FOREST SYSTEM*.—

17 (A) *IN GENERAL*.—The term “National For-
 18 est System” means land of the National Forest
 19 System (as defined in section 11(a) of the Forest
 20 and Rangeland Renewable Resources Planning
 21 Act of 1974 (16 U.S.C. 1609(a))) administered
 22 by the Secretary of Agriculture.

23 (B) *EXCLUSION*.—The term “National For-
 24 est System” does not include any forest reserve
 25 not created from the public domain.

1 (4) *PER-ACRE RATE*.—The term “Per-Acre
2 *Rate*”, with respect to a right-of-way, means the aver-
3 age of the per-acre pastureland rental rates published
4 in the Cash Rents Survey by the National Agricul-
5 tural Statistics Service for the State in which the
6 right-of-way is located over the 5 calendar-year pe-
7 riod preceding the issuance or renewal of the right-of-
8 way.

9 (5) *PROJECT*.—The term “project” means a sys-
10 tem described in section 2801.9(a)(4) of title 43, Code
11 of Federal Regulations (as in effect on the date of en-
12 actment of this Act).

13 (6) *PUBLIC LAND*.—The term “public land”
14 means—

15 (A) public lands (as defined in section 103
16 of the Federal Land Policy and Management Act
17 of 1976 (43 U.S.C. 1702)); and

18 (B) National Forest System land.

19 (7) *RENEWABLE ENERGY PROJECT*.—The term
20 “renewable energy project” means a project located on
21 public land that uses wind or solar energy to generate
22 energy.

23 (8) *RIGHT-OF-WAY*.—The term “right-of-way”
24 has the meaning given the term in section 103 of the

1 *Federal Land Policy and Management Act of 1976*
 2 *(43 U.S.C. 1702).*

3 (9) *SECRETARY.—The term “Secretary”*
 4 *means—*

5 (A) *the Secretary of the Interior, with re-*
 6 *spect to land controlled or administered by the*
 7 *Secretary of the Interior; and*

8 (B) *the Secretary of Agriculture, with re-*
 9 *spect to National Forest System land.*

10 (b) *ACREAGE RENT FOR WIND AND SOLAR RIGHTS-*
 11 *OF-WAY.—*

12 (1) *IN GENERAL.—Pursuant to section 504(g) of*
 13 *the Federal Land Policy and Management Act of*
 14 *1976 (43 U.S.C. 1764(g)), the Secretary shall, subject*
 15 *to paragraph (3) and not later than January 1 of*
 16 *each calendar year, collect from the holder of a right-*
 17 *of-way for a renewable energy project an acreage rent*
 18 *in an amount determined by the equation described*
 19 *in paragraph (2).*

20 (2) *CALCULATION OF ACREAGE RENT RATE.—*

21 (A) *EQUATION.—The amount of an acreage*
 22 *rent collected under paragraph (1) shall be deter-*
 23 *mined using the following equation: Acreage rent*
 24 *= $A \times B \times ((1 + C)^D)$.*

1 (B) *DEFINITIONS.—For purposes of the*
 2 *equation described in subparagraph (A):*

3 (i) *The letter “A” means the Per-Acre*
 4 *Rate.*

5 (ii) *The letter “B” means the Encum-*
 6 *brance Factor.*

7 (iii) *The letter “C” means the Annual*
 8 *Adjustment Factor.*

9 (iv) *The letter “D” means the year in*
 10 *the term of the right-of-way.*

11 (3) *PAYMENT UNTIL PRODUCTION.—The holder of*
 12 *a right-of-way for a renewable energy project shall*
 13 *pay an acreage rent collected under paragraph (1)*
 14 *until the date on which energy generation begins.*

15 (c) *CAPACITY FEES.—*

16 (1) *IN GENERAL.—The Secretary shall, subject to*
 17 *paragraph (3), annually collect a capacity fee from*
 18 *the holder of a right-of-way for a renewable energy*
 19 *project based on the amount described in paragraph*
 20 *(2).*

21 (2) *CALCULATION OF CAPACITY FEE.—The*
 22 *amount of a capacity fee collected under paragraph*
 23 *(1) shall be equal to the greater of—*

24 (A) *an amount equal to the acreage rent de-*
 25 *scribed in subsection (b); and*

1 (B) 3.9 percent of the gross proceeds from
 2 the sale of electricity produced by the renewable
 3 energy project.

4 (3) *MULTIPLE-USE REDUCTION FACTOR.*—

5 (A) *APPLICATION.*—The holder of a right-of-
 6 way for a wind energy generation project may
 7 request that the Secretary apply a multiple-use
 8 reduction factor of 10-percent to the amount of
 9 a capacity fee determined under paragraph (2)
 10 by submitting to the Secretary an application at
 11 such time, in such manner, and containing such
 12 information as the Secretary may require.

13 (B) *APPROVAL.*—The Secretary may ap-
 14 prove an application submitted under subpara-
 15 graph (A) only if not less than 25 percent of the
 16 land within the area of the right-of-way is au-
 17 thorized for use, occupancy, or development with
 18 respect to an activity other than the generation
 19 of wind energy for the entirety of the year in
 20 which the capacity fee is collected.

21 (C) *LATE DETERMINATION.*—

22 (i) *IN GENERAL.*—If the Secretary ap-
 23 proves an application under subparagraph
 24 (B) for a wind energy generation project
 25 after the date on which the holder of the

1 *right-of-way for the project begins paying a*
 2 *capacity fee, the Secretary shall apply the*
 3 *multiple-use reduction factor described in*
 4 *subparagraph (A) to the capacity fee for the*
 5 *first year beginning after the date of ap-*
 6 *proval and each year thereafter for the pe-*
 7 *riod during which the right-of-way remains*
 8 *in effect.*

9 (ii) *REFUND.*—*The Secretary may not*
 10 *refund the holder of a right-of-way for the*
 11 *difference in the amount of a capacity fee*
 12 *paid in a previous year.*

13 (d) *LATE PAYMENT FEE; TERMINATION.*—

14 (1) *IN GENERAL.*—*The Secretary may charge the*
 15 *holder of a right-of-way for a renewable energy*
 16 *project a late payment fee if the Secretary does not*
 17 *receive payment for the acreage rent under subsection*
 18 *(b) or the capacity fee under subsection (c) by the*
 19 *date that is 15 days after the date on which the pay-*
 20 *ment was due.*

21 (2) *TERMINATION OF RIGHT-OF-WAY.*—*The Sec-*
 22 *retary may terminate a right-of-way for a renewable*
 23 *energy project if the Secretary does not receive pay-*
 24 *ment for the acreage rent under subsection (b) or the*

1 *capacity fee under subsection (c) by the date that is*
 2 *90 days after the date on which the payment was due.*

3 **SEC. 50303. RENEWABLE ENERGY REVENUE SHARING.**

4 *(a) DEFINITIONS.—In this section:*

5 *(1) COUNTY.—The term “county” includes a*
 6 *parish, township, borough, and any other similar,*
 7 *independent unit of local government.*

8 *(2) COVERED LAND.—The term “covered land”*
 9 *means land that is—*

10 *(A) public land administered by the Sec-*
 11 *retary; and*

12 *(B) not excluded from the development of*
 13 *solar or wind energy under—*

14 *(i) a land use plan; or*

15 *(ii) other Federal law.*

16 *(3) NATIONAL FOREST SYSTEM.—*

17 *(A) IN GENERAL.—The term “National For-*
 18 *est System” means land of the National Forest*
 19 *System (as defined in section 11(a) of the Forest*
 20 *and Rangeland Renewable Resources Planning*
 21 *Act of 1974 (16 U.S.C. 1609(a))) administered*
 22 *by the Secretary of Agriculture.*

23 *(B) EXCLUSION.—The term “National For-*
 24 *est System” does not include any forest reserve*
 25 *not created from the public domain.*

1 (4) *PUBLIC LAND*.—The term “public land”
2 *means—*

3 (A) *public lands (as defined in section 103*
4 *of the Federal Land Policy and Management Act*
5 *of 1976 (43 U.S.C. 1702)); and*

6 (B) *National Forest System land.*

7 (5) *RENEWABLE ENERGY PROJECT*.—The term
8 “renewable energy project” means a system described
9 in section 2801.9(a)(4) of title 43, Code of Federal
10 Regulations (as in effect on the date of enactment of
11 this Act), located on covered land that uses wind or
12 solar energy to generate energy.

13 (6) *SECRETARY*.—The term “Secretary”
14 *means—*

15 (A) *the Secretary of the Interior, with re-*
16 *spect to land controlled or administered by the*
17 *Secretary of the Interior; and*

18 (B) *the Secretary of Agriculture, with re-*
19 *spect to National Forest System land.*

20 (b) *DISPOSITION OF REVENUE*.—

21 (1) *DISPOSITION OF REVENUES*.—Beginning on
22 January 1, 2026, the amounts collected from a renew-
23 able energy project as bonus bids, rentals, fees, or
24 other payments under a right-of-way, permit, lease,
25 or other authorization shall—

1 (A) be deposited in the general fund of the
2 Treasury; and

3 (B) without further appropriation or fiscal
4 year limitation, be allocated as follows:

5 (i) 25 percent shall be paid from
6 amounts in the general fund of the Treasury
7 to the State within the boundaries of which
8 the revenue is derived.

9 (ii) 25 percent shall be paid from
10 amounts in the general fund of the Treasury
11 to each county in a State within the bound-
12 aries of which the revenue is derived, to be
13 allocated among each applicable county
14 based on the percentage of county land from
15 which the revenue is derived.

16 (2) *PAYMENTS TO STATES AND COUNTIES.*—

17 (A) *IN GENERAL.*—Amounts paid to States
18 and counties under paragraph (1) shall be used
19 in accordance with the requirements of section
20 35 of the Mineral Leasing Act (30 U.S.C. 191).

21 (B) *PAYMENTS IN LIEU OF TAXES.*—A pay-
22 ment to a county under paragraph (1) shall be
23 in addition to a payment in lieu of taxes re-
24 ceived by the county under chapter 69 of title 31,
25 United States Code.

1 (C) *TIMING.*—*The amounts required to be*
 2 *paid under paragraph (1)(B) for an applicable*
 3 *fiscal year shall be made available in the fiscal*
 4 *year that immediately follows the fiscal year for*
 5 *which the amounts were collected.*

6 **SEC. 50304. RESCISSION OF NATIONAL PARK SERVICE AND**
 7 **BUREAU OF LAND MANAGEMENT FUNDS.**

8 *There are rescinded the unobligated balances of*
 9 *amounts made available by the following sections of Public*
 10 *Law 117–169 (commonly known as the “Inflation Reduc-*
 11 *tion Act of 2022”)* (136 Stat. 1818):

12 (1) *Section 50221 (136 Stat. 2052).*

13 (2) *Section 50222 (136 Stat. 2052).*

14 (3) *Section 50223 (136 Stat. 2052).*

15 **SEC. 50305. CELEBRATING AMERICA’S 250TH ANNIVERSARY.**

16 *In addition to amounts otherwise available, there is*
 17 *appropriated to the Secretary of the Interior (acting*
 18 *through the Director of the National Park Service) for fiscal*
 19 *year 2025, out of any money in the Treasury not otherwise*
 20 *appropriated, \$150,000,000 for events, celebrations, and ac-*
 21 *tivities surrounding the observance and commemoration of*
 22 *the 250th anniversary of the founding of the United States,*
 23 *to remain available through fiscal year 2028.*

Subtitle D—Energy

SEC. 50401. STRATEGIC PETROLEUM RESERVE.

(a) *ENERGY POLICY AND CONSERVATION ACT DEFINITIONS.*—*In this section, the terms “related facility”, “storage facility”, and “Strategic Petroleum Reserve” have the meanings given those terms in section 152 of the Energy Policy and Conservation Act (42 U.S.C. 6232).*

(b) *APPROPRIATIONS.*—*In addition to amounts otherwise available, there is appropriated to the Department of Energy for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—*

(1) *\$218,000,000 for maintenance of, including repairs to, storage facilities and related facilities of the Strategic Petroleum Reserve; and*

(2) *\$171,000,000 to acquire, by purchase, petroleum products for storage in the Strategic Petroleum Reserve.*

(c) *REPEAL OF STRATEGIC PETROLEUM RESERVE DRAWDOWN AND SALE MANDATE.*—*Section 20003 of Public Law 115–97 (42 U.S.C. 6241 note) is repealed.*

SEC. 50402. REPEALS; RESCISSIONS.

(a) *REPEAL AND RESCISSION.*—*Section 50142 of Public Law 117–169 (136 Stat. 2044) (commonly known as the “Inflation Reduction Act of 2022”) is repealed and the un-*

1 *obligated balance of amounts made available under that sec-*
 2 *tion (as in effect on the day before the date of enactment*
 3 *of this Act) is rescinded.*

4 *(b) RESCISSIONS.—*

5 *(1) IN GENERAL.—The unobligated balances of*
 6 *amounts made available under the sections described*
 7 *in paragraph (2) are rescinded.*

8 *(2) SECTIONS DESCRIBED.—The sections referred*
 9 *to in paragraph (1) are the following sections of Pub-*
 10 *lic Law 117–169 (commonly known as the “Inflation*
 11 *Reduction Act of 2022”):*

12 *(A) Section 50123 (42 U.S.C. 18795b).*

13 *(B) Section 50141 (136 Stat. 2042).*

14 *(C) Section 50144 (136 Stat. 2044).*

15 *(D) Section 50145 (136 Stat. 2045).*

16 *(E) Section 50151 (42 U.S.C. 18715).*

17 *(F) Section 50152 (42 U.S.C. 18715a).*

18 *(G) Section 50153 (42 U.S.C. 18715b).*

19 *(H) Section 50161 (42 U.S.C. 17113b).*

20 **SEC. 50403. ENERGY DOMINANCE FINANCING.**

21 *(a) IN GENERAL.—Section 1706 of the Energy Policy*
 22 *Act of 2005 (42 U.S.C. 16517) is amended—*

23 *(1) in subsection (a)—*

24 *(A) in paragraph (1), by striking “or” at*
 25 *the end;*

1 (B) in paragraph (2), by striking “avoid”
 2 and all that follows through the period at the end
 3 and inserting “increase capacity or output; or”;
 4 and

5 (C) by adding at the end the following:

6 “(3) support or enable the provision of known or
 7 forecastable electric supply at time intervals necessary
 8 to maintain or enhance grid reliability or other sys-
 9 tem adequacy needs.”;

10 (2) by striking subsection (c);

11 (3) by redesignating subsections (d) through (f)
 12 as subsections (c) through (e), respectively;

13 (4) in subsection (c) (as so redesignated)—

14 (A) in paragraph (1), by adding “and” at
 15 the end;

16 (B) by striking paragraph (2); and

17 (C) by redesignating paragraph (3) as
 18 paragraph (2);

19 (5) in subsection (e) (as so redesignated), by
 20 striking “for—” in the matter preceding paragraph
 21 (1) and all that follows through the period at the end
 22 of paragraph (2) and inserting “for enabling the
 23 identification, leasing, development, production, proc-
 24 essing, transportation, transmission, refining, and

1 *generation needed for energy and critical minerals.”;*
 2 *and*

3 *(6) by adding at the end the following:*

4 “(f) *FUNDING.*—

5 “(1) *IN GENERAL.*—*In addition to amounts oth-*
 6 *erwise available, there is appropriated to the Sec-*
 7 *retary for fiscal year 2025, out of any money in the*
 8 *Treasury not otherwise appropriated, \$1,000,000,000,*
 9 *to remain available through September 30, 2028, to*
 10 *carry out activities under this section.*

11 “(2) *ADMINISTRATIVE COSTS.*—*Of the amount*
 12 *made available under paragraph (1), the Secretary*
 13 *shall use not more than 3 percent for administrative*
 14 *expenses.”.*

15 (b) *COMMITMENT AUTHORITY.*—*Section 50144(b) of*
 16 *Public Law 117–169 (commonly known as the “Inflation*
 17 *Reduction Act of 2022”)* (136 Stat. 2045) *is amended by*
 18 *striking “2026” and inserting “2028”.*

19 **SEC. 50404. TRANSFORMATIONAL ARTIFICIAL INTEL-**
 20 **LIGENCE MODELS.**

21 (a) *DEFINITIONS.*—*In this section:*

22 (1) *AMERICAN SCIENCE CLOUD.*—*The term*
 23 *“American science cloud” means a system of United*
 24 *States government, academic, and private sector pro-*
 25 *grams and infrastructures utilizing cloud computing*

1 *technologies to facilitate and support scientific re-*
2 *search, data sharing, and computational analysis*
3 *across various disciplines while ensuring compliance*
4 *with applicable legal, regulatory, and privacy stand-*
5 *ards.*

6 (2) *ARTIFICIAL INTELLIGENCE.*—*The term “arti-*
7 *ficial intelligence” has the meaning given the term in*
8 *section 5002 of the National Artificial Intelligence*
9 *Initiative Act of 2020 (15 U.S.C. 9401).*

10 (b) *TRANSFORMATIONAL MODELS.*—*The Secretary of*
11 *Energy shall—*

12 (1) *mobilize National Laboratories to partner*
13 *with industry sectors within the United States to cu-*
14 *rate the scientific data of the Department of Energy*
15 *across the National Laboratory complex so that the*
16 *data is structured, cleaned, and preprocessed in a*
17 *way that makes it suitable for use in artificial intel-*
18 *ligence and machine learning models; and*

19 (2) *initiate seed efforts for self-improving artifi-*
20 *cial intelligence models for science and engineering*
21 *powered by the data described in paragraph (1).*

22 (c) *USES.*—

23 (1) *MICROELECTRONICS.*—*The curated data de-*
24 *scribed in subsection (b)(1) may be used to rapidly*
25 *develop next-generation microelectronics that have*

(2) *NEW ENERGY TECHNOLOGIES.*—*The artificial intelligence models developed under subsection (b)(2) shall be provided to the scientific community through the American science cloud to accelerate innovation in discovery science and engineering for new energy technologies.*

9 (d) *APPROPRIATIONS.*—*There is appropriated, out of*
10 *any funds in the Treasury not otherwise appropriated,*
11 *\$150,000,000, to remain available through September 30,*
12 *2026, to carry out this section.*

14 *SEC. 50501. WATER CONVEYANCE AND SURFACE WATER*
15 *STORAGE ENHANCEMENT.*

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1 *water storage facilities, in a manner as determined by the*
 2 *Secretary of the Interior, acting through the Commissioner*
 3 *of Reclamation: Provided, That, for the purposes of section*
 4 *203 of the Reclamation Reform Act of 1982 (43 U.S.C.*
 5 *390cc) or section 3404(a) of the Reclamation Projects Au-*
 6 *thorization and Adjustment Act of 1992 (Public Law 102–*
 7 *575; 106 Stat. 4708), a contract or agreement entered into*
 8 *pursuant to this section shall not be treated as a new or*
 9 *amended contract: Provided further, That none of the funds*
 10 *provided under this section shall be reimbursable or subject*
 11 *to matching or cost-sharing requirements.*

12 **TITLE VI—COMMITTEE ON ENVI-**
 13 **RONMENT AND PUBLIC**
 14 **WORKS**

15 **SEC. 60001. RESCISSION OF FUNDING FOR CLEAN HEAVY-**
 16 **DUTY VEHICLES.**

17 *The unobligated balances of amounts made available*
 18 *to carry out section 132 of the Clean Air Act (42 U.S.C.*
 19 *7432) are rescinded.*

20 **SEC. 60002. REPEAL OF GREENHOUSE GAS REDUCTION**
 21 **FUND.**

22 *Section 134 of the Clean Air Act (42 U.S.C. 7434) is*
 23 *repealed and the unobligated balances of amounts made*
 24 *available to carry out that section (as in effect on the day*
 25 *before the date of enactment of this Act) are rescinded.*

1 **SEC. 60003. RESCISSION OF FUNDING FOR DIESEL EMIS-**
 2 **SIONS REDUCTIONS.**

3 *The unobligated balances of amounts made available*
 4 *to carry out section 60104 of Public Law 117–169 (136*
 5 *Stat. 2067) are rescinded.*

6 **SEC. 60004. RESCISSION OF FUNDING TO ADDRESS AIR POL-**
 7 **LUTION.**

8 *The unobligated balances of amounts made available*
 9 *to carry out section 60105 of Public Law 117–169 (136*
 10 *Stat. 2067) are rescinded.*

11 **SEC. 60005. RESCISSION OF FUNDING TO ADDRESS AIR POL-**
 12 **LUTION AT SCHOOLS.**

13 *The unobligated balances of amounts made available*
 14 *to carry out section 60106 of Public Law 117–169 (136*
 15 *Stat. 2069) are rescinded.*

16 **SEC. 60006. RESCISSION OF FUNDING FOR THE LOW EMIS-**
 17 **SIONS ELECTRICITY PROGRAM.**

18 *The unobligated balances of amounts made available*
 19 *to carry out section 135 of the Clean Air Act (42 U.S.C.*
 20 *7435) are rescinded.*

21 **SEC. 60007. RESCISSION OF FUNDING FOR SECTION 211(O)**
 22 **OF THE CLEAN AIR ACT.**

23 *The unobligated balances of amounts made available*
 24 *to carry out section 60108 of Public Law 117–169 (136*
 25 *Stat. 2070) are rescinded.*

1 **SEC. 60008. RESCISSION OF FUNDING FOR IMPLEMENTA-**
 2 **TION OF THE AMERICAN INNOVATION AND**
 3 **MANUFACTURING ACT.**

4 *The unobligated balances of amounts made available*
 5 *to carry out section 60109 of Public Law 117–169 (136*
 6 *Stat. 2071) are rescinded.*

7 **SEC. 60009. RESCISSION OF FUNDING FOR ENFORCEMENT**
 8 **TECHNOLOGY AND PUBLIC INFORMATION.**

9 *The unobligated balances of amounts made available*
 10 *to carry out section 60110 of Public Law 117–169 (136*
 11 *Stat. 2071) are rescinded.*

12 **SEC. 60010. RESCISSION OF FUNDING FOR GREENHOUSE**
 13 **GAS CORPORATE REPORTING.**

14 *The unobligated balances of amounts made available*
 15 *to carry out section 60111 of Public Law 117–169 (136*
 16 *Stat. 2072) are rescinded.*

17 **SEC. 60011. RESCISSION OF FUNDING FOR ENVIRON-**
 18 **MENTAL PRODUCT DECLARATION ASSIST-**
 19 **ANCE.**

20 *The unobligated balances of amounts made available*
 21 *to carry out section 60112 of Public Law 117–169 (42*
 22 *U.S.C. 4321 note; 136 Stat. 2072) are rescinded.*

1 **SEC. 60012. RESCISSION OF FUNDING FOR METHANE EMIS-**
 2 **SIONS AND WASTE REDUCTION INCENTIVE**
 3 **PROGRAM FOR PETROLEUM AND NATURAL**
 4 **GAS SYSTEMS.**

5 (a) *RESCISSION.*—*The unobligated balances of*
 6 *amounts made available to carry out subsections (a) and*
 7 *(b) of section 136 of the Clean Air Act (42 U.S.C. 7436)*
 8 *are rescinded.*

9 (b) *PERIOD.*—*Section 136(g) of the Clean Air Act (42*
 10 *U.S.C. 7436(g)) is amended by striking “calendar year*
 11 *2024” and inserting “calendar year 2034”.*

12 **SEC. 60013. RESCISSION OF FUNDING FOR GREENHOUSE**
 13 **GAS AIR POLLUTION PLANS AND IMPLEMEN-**
 14 **TATION GRANTS.**

15 *The unobligated balances of amounts made available*
 16 *to carry out section 137 of the Clean Air Act (42 U.S.C.*
 17 *7437) are rescinded.*

18 **SEC. 60014. RESCISSION OF FUNDING FOR ENVIRON-**
 19 **MENTAL PROTECTION AGENCY EFFICIENT,**
 20 **ACCURATE, AND TIMELY REVIEWS.**

21 *The unobligated balances of amounts made available*
 22 *to carry out section 60115 of Public Law 117–169 (136*
 23 *Stat. 2077) are rescinded.*

1 **SEC. 60015. RESCISSION OF FUNDING FOR LOW-EMBODIED**
 2 **CARBON LABELING FOR CONSTRUCTION MA-**
 3 **TERIALS.**

4 *The unobligated balances of amounts made available*
 5 *to carry out section 60116 of Public Law 117–169 (42*
 6 *U.S.C. 4321 note; 136 Stat. 2077) are rescinded.*

7 **SEC. 60016. RESCISSION OF FUNDING FOR ENVIRON-**
 8 **MENTAL AND CLIMATE JUSTICE BLOCK**
 9 **GRANTS.**

10 *The unobligated balances of amounts made available*
 11 *to carry out section 138 of the Clean Air Act (42 U.S.C.*
 12 *7438) are rescinded.*

13 **SEC. 60017. RESCISSION OF FUNDING FOR ESA RECOVERY**
 14 **PLANS.**

15 *The unobligated balances of amounts made available*
 16 *to carry out section 60301 of Public Law 117–169 (136*
 17 *Stat. 2079) are rescinded.*

18 **SEC. 60018. RESCISSION OF FUNDING FOR ENVIRON-**
 19 **MENTAL AND CLIMATE DATA COLLECTION.**

20 *The unobligated balances of amounts made available*
 21 *to carry out section 60401 of Public Law 117–169 (136*
 22 *Stat. 2079) are rescinded.*

1 **SEC. 60019. RESCISSION OF NEIGHBORHOOD ACCESS AND**
 2 **EQUITY GRANT PROGRAM.**

3 *The unobligated balances of amounts made available*
 4 *to carry out section 177 of title 23, United States Code,*
 5 *are rescinded.*

6 **SEC. 60020. RESCISSION OF FUNDING FOR FEDERAL BUILD-**
 7 **ING ASSISTANCE.**

8 *The unobligated balances of amounts made available*
 9 *to carry out section 60502 of Public Law 117–169 (136*
 10 *Stat. 2083) are rescinded.*

11 **SEC. 60021. RESCISSION OF FUNDING FOR LOW-CARBON**
 12 **MATERIALS FOR FEDERAL BUILDINGS.**

13 *The unobligated balances of amounts made available*
 14 *to carry out section 60503 of Public Law 117–169 (136*
 15 *Stat. 2083) are rescinded.*

16 **SEC. 60022. RESCISSION OF FUNDING FOR GSA EMERGING**
 17 **AND SUSTAINABLE TECHNOLOGIES.**

18 *The unobligated balances of amounts made available*
 19 *to carry out section 60504 of Public Law 117–169 (136*
 20 *Stat. 2083) are rescinded.*

21 **SEC. 60023. RESCISSION OF ENVIRONMENTAL REVIEW IM-**
 22 **PLEMENTATION FUNDS.**

23 *The unobligated balances of amounts made available*
 24 *to carry out section 178 of title 23, United States Code,*
 25 *are rescinded.*

1 **SEC. 60024. RESCISSION OF LOW-CARBON TRANSPOR-**
 2 **TATION MATERIALS GRANTS.**

3 *The unobligated balances of amounts made available*
 4 *to carry out section 179 of title 23, United States Code,*
 5 *are rescinded.*

6 **SEC. 60025. JOHN F. KENNEDY CENTER FOR THE PER-**
 7 **FORMING ARTS.**

8 *(a) IN GENERAL.—In addition to amounts otherwise*
 9 *available, there is appropriated for fiscal year 2025, out*
 10 *of any money in the Treasury not otherwise appropriated,*
 11 *\$256,657,000, to remain available until September 30,*
 12 *2029, for necessary expenses for capital repair, restoration,*
 13 *maintenance backlog, and security structures of the build-*
 14 *ing and site of the John F. Kennedy Center for the Per-*
 15 *forming Arts.*

16 *(b) ADMINISTRATIVE COSTS.—Of the amounts made*
 17 *available under subsection (a), not more than 3 percent*
 18 *may be used for administrative costs necessary to carry out*
 19 *this section.*

20 **SEC. 60026. PROJECT SPONSOR OPT-IN FEES FOR ENVIRON-**
 21 **MENTAL REVIEWS.**

22 *Title I of the National Environmental Policy Act of*
 23 *1969 (42 U.S.C. 4331 et seq.) is amended by adding at the*
 24 *end the following:*

1 **“SEC. 112. PROJECT SPONSOR OPT-IN FEES FOR ENVIRON-**
 2 **MENTAL REVIEWS.**

3 “(a) *PROCESS.*—

4 “(1) *PROJECT SPONSOR.*—*A project sponsor that*
 5 *intends to pay a fee under this section for the prepa-*
 6 *ration, or supervision of the preparation, of an envi-*
 7 *ronmental assessment or environmental impact state-*
 8 *ment for a project shall submit to the Council—*

9 “(A) *a description of the project; and*

10 “(B) *a declaration of whether the project*
 11 *sponsor intends to prepare the environmental as-*
 12 *essment or environmental impact statement*
 13 *under section 107(f).*

14 “(2) *COUNCIL ON ENVIRONMENTAL QUALITY.*—
 15 *Not later than 15 days after the date on which the*
 16 *Council receives information described in paragraph*
 17 *(1) from a project sponsor, the Council shall provide*
 18 *to the project sponsor notice of the amount of the fee*
 19 *to be paid under this section, as determined under*
 20 *subsection (b).*

21 “(3) *PAYMENT OF FEE.*—*A project sponsor may*
 22 *pay a fee under this section after receipt of the notice*
 23 *described in paragraph (2).*

24 “(4) *DEADLINE FOR ENVIRONMENTAL REVIEWS*
 25 *FOR WHICH A FEE IS PAID.*—*Notwithstanding section*
 26 *107(g)(1)—*

1 “(A) an environmental assessment for which
2 a fee is paid under this section shall be com-
3 pleted not later than 180 days after the date on
4 which the fee is paid; and

5 “(B) an environmental impact statement
6 for which a fee is paid under this section shall
7 be completed not later than 1 year after the date
8 of publication of the notice of intent to prepare
9 the environmental impact statement.

10 “(b) *FEE AMOUNT.*—The amount of a fee under this
11 section shall be—

12 “(1) 125 percent of the anticipated costs to pre-
13 pare the environmental assessment or environmental
14 impact statement; and

15 “(2) in the case of an environmental assessment
16 or environmental impact statement to be prepared in
17 whole or in part by a project sponsor under section
18 107(f), 125 percent of the anticipated costs to super-
19 vise preparation of, and, as applicable, prepare, the
20 environmental assessment or environmental impact
21 statement.”.

TITLE VII—FINANCE

Subtitle A—Tax

SEC. 70001. REFERENCES TO THE INTERNAL REVENUE

CODE OF 1986, ETC.

(a) *REFERENCES.*—Except as otherwise expressly provided, whenever in this title, 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.

(b) *CERTAIN RULES REGARDING EFFECT OF RATE CHANGES NOT APPLICABLE.*—Section 15 of the Internal Revenue Code of 1986 shall not apply to any change in rate of tax by reason of any provision of, or amendment made by, this title.

CHAPTER 1—PROVIDING PERMANENT TAX

RELIEF FOR MIDDLE-CLASS FAMILIES AND WORKERS

SEC. 70101. EXTENSION AND ENHANCEMENT OF REDUCED

RATES.

(a) *IN GENERAL.*—Section 1(j) is amended—

(1) in paragraph (1), by striking “, and before January 1, 2026”, and

(2) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”.

1 (b) *INFLATION ADJUSTMENT.*—Section 1(j)(3)(B)(i) is
 2 amended by inserting “solely for purposes of determining
 3 the dollar amounts at which any rate bracket higher than
 4 12 percent ends and at which any rate bracket higher than
 5 22 percent begins,” before “subsection (f)(3)”.

6 (c) *EFFECTIVE DATE.*—The amendments made by this
 7 section shall apply to taxable years beginning after Decem-
 8 ber 31, 2025.

9 **SEC. 70102. EXTENSION AND ENHANCEMENT OF INCREASED**
 10 **STANDARD DEDUCTION.**

11 (a) *IN GENERAL.*—Section 63(c)(7) is amended—

12 (1) by striking “, and before January 1, 2026”
 13 in the matter preceding subparagraph (A), and

14 (2) by striking “2018 THROUGH 2025” in the
 15 heading and inserting “BEGINNING AFTER 2017”.

16 (b) *ADDITIONAL INCREASE IN STANDARD DEDUC-*
 17 *TION.*—Paragraph (7) of section 63(c) is amended—

18 (1) by striking “\$18,000” both places it appears
 19 in subparagraphs (A)(i) and (B)(ii) and inserting
 20 “\$23,625”,

21 (2) by striking “\$12,000” both places it appears
 22 in subparagraphs (A)(ii) and (B)(ii) and inserting
 23 “\$15,750”,

24 (3) by striking “2018” in subparagraph (B)(ii)
 25 and inserting “2025”, and

1 (4) by striking “2017” in subparagraph
2 (B)(ii)(II) and inserting “2024”.

3 (c) *EFFECTIVE DATE.*—*The amendments made by this*
4 *section shall apply to taxable years beginning after Decem-*
5 *ber 31, 2024.*

6 **SEC. 70103. TERMINATION OF DEDUCTION FOR PERSONAL**
7 **EXEMPTIONS OTHER THAN TEMPORARY SEN-**
8 **IOR DEDUCTION.**

9 (a) *IN GENERAL.*—*Section 151(d)(5) is amended—*

10 (1) by striking “2018 THROUGH 2025” in the
11 heading and inserting “BEGINNING AFTER 2017”,

12 (2) by striking “, and before January 1, 2026”,
13 and

14 (3) by adding at the end the following new sub-
15 paragraph:

16 “(C) *DEDUCTION FOR SENIORS.*—

17 “(i) *IN GENERAL.*—*In the case of a*
18 *taxable year beginning before January 1,*
19 *2029, there shall be allowed a deduction in*
20 *an amount equal to \$6,000 for each quali-*
21 *fied individual with respect to the taxpayer.*

22 “(ii) *QUALIFIED INDIVIDUAL.*—*For*
23 *purposes of clause (i), the term ‘qualified*
24 *individual’ means—*

1 “(I) the taxpayer, if the taxpayer
2 has attained age 65 before the close of
3 the taxable year, and

4 “(II) in the case of a joint return,
5 the taxpayer’s spouse, if such spouse
6 has attained age 65 before the close of
7 the taxable year.

8 “(iii) *LIMITATION BASED ON MODIFIED*
9 *ADJUSTED GROSS INCOME.—*

10 “(I) *IN GENERAL.—*In the case of
11 any taxpayer for any taxable year, the
12 \$6,000 amount in clause (i) shall be
13 reduced (but not below zero) by 6 per-
14 cent of so much of the taxpayer’s modi-
15 fied adjusted gross income as exceeds
16 \$75,000 (\$150,000 in the case of a
17 joint return).

18 “(II) *MODIFIED ADJUSTED GROSS*
19 *INCOME.—*For purposes of this clause,
20 the term ‘modified adjusted gross in-
21 come’ means the adjusted gross income
22 of the taxpayer for the taxable year in-
23 creased by any amount excluded from
24 gross income under section 911, 931, or
25 933.

1 “(iv) *SOCIAL SECURITY NUMBER RE-*
2 *QUIRED.—*

3 “(I) *IN GENERAL.—*Clause (i)
4 *shall not apply with respect to a quali-*
5 *fied individual unless the taxpayer in-*
6 *cludes such qualified individual’s so-*
7 *cial security number on the return of*
8 *tax for the taxable year.*

9 “(II) *SOCIAL SECURITY NUM-*
10 *BER.—*For purposes of subclause (I),
11 *the term ‘social security number’ has*
12 *the meaning given such term in section*
13 *24(h)(7).*

14 “(v) *MARRIED INDIVIDUALS.—*If the
15 *taxpayer is a married individual (within*
16 *the meaning of section 7703), this subpara-*
17 *graph shall apply only if the taxpayer and*
18 *the taxpayer’s spouse file a joint return for*
19 *the taxable year.”.*

20 (b) *OMISSION OF CORRECT SOCIAL SECURITY NUMBER*
21 *TREATED AS MATHEMATICAL OR CLERICAL ERROR.—*Sec-
22 *tion 6213(g)(2) is amended by striking “and” at the end*
23 *of subparagraph (U), by striking the period at the end of*
24 *subparagraph (V) and inserting “, and”, and by inserting*
25 *after subparagraph (V) the following new subparagraph:*

1 “(W) an omission of a correct social secu-
 2 rity number required under section 151(d)(5)(C)
 3 (relating to deduction for seniors).”.

4 (c) *EFFECTIVE DATE.*—The amendments made by this
 5 section shall apply to taxable years beginning after Decem-
 6 ber 31, 2024.

7 **SEC. 70104. EXTENSION AND ENHANCEMENT OF INCREASED**
 8 **CHILD TAX CREDIT.**

9 (a) *EXTENSION AND INCREASE OF EXPANDED CHILD*
 10 *TAX CREDIT.*—Section 24(h) is amended—

11 (1) in paragraph (1), by striking “, and before
 12 January 1, 2026”,

13 (2) in paragraph (2), by striking “\$2,000” and
 14 inserting “\$2,200”, and

15 (3) by striking “2018 THROUGH 2025” in the
 16 heading and inserting “BEGINNING AFTER 2017”.

17 (b) *SOCIAL SECURITY NUMBER REQUIRED.*—Section
 18 24(h)(7) is amended to read as follows:

19 “(7) *SOCIAL SECURITY NUMBER REQUIRED.*—

20 “(A) *IN GENERAL.*—No credit shall be al-
 21 lowed under this section to a taxpayer with re-
 22 spect to any qualifying child unless the taxpayer
 23 includes on the return of tax for the taxable
 24 year—

1 “(i) the taxpayer’s social security
2 number (or, in the case of a joint return,
3 the social security number of at least 1
4 spouse), and

5 “(ii) the social security number of such
6 qualifying child.

7 “(B) SOCIAL SECURITY NUMBER.—For pur-
8 poses of this paragraph, the term ‘social security
9 number’ means a social security number issued
10 to an individual by the Social Security Admin-
11 istration, but only if the social security number
12 is issued—

13 “(i) to a citizen of the United States or
14 pursuant to subclause (I) (or that portion of
15 subclause (III) that relates to subclause (I))
16 of section 205(c)(2)(B)(i) of the Social Secu-
17 rity Act, and

18 “(ii) before the due date for such re-
19 turn.”.

20 (c) INFLATION ADJUSTMENTS.—Section 24(i) is
21 amended to read as follows:

22 “(i) INFLATION ADJUSTMENTS.—

23 “(1) MAXIMUM AMOUNT OF REFUNDABLE CRED-
24 IT.—In the case of a taxable year beginning after

1 2024, the \$1,400 amount in subsection (h)(5) shall be
 2 increased by an amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
 5 mined under section 1(f)(3) for the calendar year
 6 in which the taxable year begins, determined by
 7 substituting ‘2017’ for ‘2016’ in subparagraph
 8 (A)(ii) thereof.

9 “(2) *SPECIAL RULE FOR ADJUSTMENT OF CRED-*
 10 *IT AMOUNT.*—In the case of a taxable year beginning
 11 after 2025, the \$2,200 amount in subsection (h)(2)
 12 shall be increased by an amount equal to—

13 “(A) such dollar amount, multiplied by

14 “(B) the cost-of-living adjustment deter-
 15 mined under section 1(f)(3) for the calendar year
 16 in which the taxable year begins, determined by
 17 substituting ‘2024’ for ‘2016’ in subparagraph
 18 (A)(ii) thereof.

19 “(3) *ROUNDING.*—If any increase under this
 20 subsection is not a multiple of \$100, such increase
 21 shall be rounded to the next lowest multiple of \$100.”.

22 (d) *CONFORMING AMENDMENT.*—Section 24(h)(5) is
 23 amended to read as follows:

24 “(5) *MAXIMUM AMOUNT OF REFUNDABLE CRED-*
 25 *IT.*—The amount determined under subsection

5 (e) OMISSION OF CORRECT SOCIAL SECURITY NUMBER
6 TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Sec-
7 tion 6213(g)(2)(I) is amended by striking “section 24(e)”
8 and inserting “section 24”.

9 (f) *EFFECTIVE DATE.*—The amendments made by this
10 section shall apply to taxable years beginning after Decem-
11 ber 31, 2024.

12 **SEC. 70105. EXTENSION AND ENHANCEMENT OF DEDUC-**
13 **TION FOR QUALIFIED BUSINESS INCOME.**

14 (a) INCREASE IN TAXABLE INCOME LIMITATION
15 PHASE-IN AMOUNTS.—

(1) *IN GENERAL.*—Subparagraph (B) of section 199A(b)(3) is amended by striking “\$50,000 (\$100,000 in the case of a joint return)” each place it appears and inserting “\$75,000 (\$150,000 in the case of a joint return)”.

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 199A(d) is amended by striking “\$50,000 (\$100,000 in the case of a joint return)” each place it appears and inserting “\$75,000 (\$150,000 in the case of a joint return)”.

1 (b) *MINIMUM DEDUCTION FOR ACTIVE QUALIFIED*
 2 *BUSINESS INCOME.*—

3 (1) *IN GENERAL.*—*Subsection (i) of section 199A*
 4 *is amended to read as follows:*

5 “(i) *MINIMUM DEDUCTION FOR ACTIVE QUALIFIED*
 6 *BUSINESS INCOME.*—

7 “(1) *IN GENERAL.*—*In the case of an applicable*
 8 *taxpayer for any taxable year, the deduction allowed*
 9 *under subsection (a) for the taxable year shall be*
 10 *equal to the greater of—*

11 “(A) *the amount of such deduction deter-*
 12 *mined without regard to this subsection, or*

13 “(B) *\$400.*

14 “(2) *APPLICABLE TAXPAYER.*—*For purposes of*
 15 *this subsection—*

16 “(A) *IN GENERAL.*—*The term ‘applicable*
 17 *taxpayer’ means, with respect to any taxable*
 18 *year, a taxpayer whose aggregate qualified busi-*
 19 *ness income with respect to all active qualified*
 20 *trades or businesses of the taxpayer for such tax-*
 21 *able year is at least \$1,000.*

22 “(B) *ACTIVE QUALIFIED TRADE OR BUSI-*
 23 *NESS.*—*The term ‘active qualified trade or busi-*
 24 *ness’ means, with respect to any taxpayer for*
 25 *any taxable year, any qualified trade or business*

1 *of the taxpayer in which the taxpayer materially*
 2 *participates (within the meaning of section*
 3 *469(h)).*

4 “(3) *INFLATION ADJUSTMENT.*—*In the case of*
 5 *any taxable year beginning after 2026, the \$400*
 6 *amount in paragraph (1)(B) and the \$1,000 amount*
 7 *in paragraph (2)(A) shall each be increased by an*
 8 *amount equal to —*

9 “(A) *such dollar amount, multiplied by*

10 “(B) *the cost-of-living adjustment deter-*
 11 *mined under section 1(f)(3) for the calendar year*
 12 *in which the taxable year begins, determined by*
 13 *substituting ‘calendar year 2025’ for ‘calendar*
 14 *year 2016’ in subparagraph (A)(ii) thereof.*

15 *If any increase under this paragraph is not a mul-*
 16 *tiple of \$5, such increase shall be rounded to the near-*
 17 *est multiple of \$5.”.*

18 (2) *CONFORMING AMENDMENT.*—*Section 199A(a)*
 19 *is amended by inserting “except as provided in sub-*
 20 *section (i),” before “there”.*

21 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 22 *section shall apply to taxable years beginning after Decem-*
 23 *ber 31, 2025.*

1 **SEC. 70106. EXTENSION AND ENHANCEMENT OF INCREASED**
 2 **ESTATE AND GIFT TAX EXEMPTION AMOUNTS.**

3 (a) *IN GENERAL.*—Section 2010(c)(3) is amended—

4 (1) in subparagraph (A) by striking
 5 “\$5,000,000” and inserting “\$15,000,000”,

6 (2) in subparagraph (B)—

7 (A) in the matter preceding clause (i), by
 8 striking “2011” and inserting “2026”, and

9 (B) in clause (ii), by striking “calendar
 10 year 2010” and inserting “calendar year 2025”,
 11 and

12 (3) by striking subparagraph (C).

13 (b) *EFFECTIVE DATE.*—The amendments made by this
 14 section shall apply to estates of decedents dying and gifts
 15 made after December 31, 2025.

16 **SEC. 70107. EXTENSION OF INCREASED ALTERNATIVE MIN-**
 17 **IMUM TAX EXEMPTION AMOUNTS AND MODI-**
 18 **FICATION OF PHASEOUT THRESHOLDS.**

19 (a) *IN GENERAL.*—Section 55(d)(4) is amended—

20 (1) in subparagraph (A), by striking “, and be-
 21 fore January 1, 2026”, and

22 (2) by striking “AND BEFORE 2026” in the head-
 23 ing.

24 (b) *MODIFICATION OF INFLATION ADJUSTMENT.*—Sec-
 25 tion 55(d)(4)(B) is amended—

4 (2) by striking “determined by substituting ‘cal-
5 endar year 2017’ for ‘calendar year 2016’ in subpara-
6 graph (A)(ii) thereof.” and inserting “determined by
7 substituting for ‘calendar year 2016’ in subparagraph
8 (A)(ii) thereof—

9 “(1) ‘calendar year 2017’, in the case of the
10 \$109,400 amount in subparagraph (A)(i)(I) and the
11 \$70,300 amount in subparagraph (A)(i)(II), and

12 “(2) ‘calendar year 2025’, in the case of the
13 \$1,000,000 amount in subparagraph (A)(ii)(I).”.

14 (c) *MODIFICATION OF PHASEOUT AMOUNT.*—Section
15 55(d)(4)(A)(ii) is amended by striking “and” at the end
16 of subclause (II), and by adding at the end the following
17 new subclause:

18 “(IV) by substituting ‘50 percent’
19 for ‘25 percent’, and”.

(d) *EFFECTIVE DATE.*—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

1 **SEC. 70108. EXTENSION AND MODIFICATION OF LIMITATION**
 2 **ON DEDUCTION FOR QUALIFIED RESIDENCE**
 3 **INTEREST.**

4 (a) *IN GENERAL.*—Section 163(h)(3)(F) is amended—

5 (1) *in clause (i)*—

6 (A) *by striking “, and before January 1,*
 7 *2026”*,

8 (B) *by redesignating subclauses (III) and*
 9 *(IV) as subclauses (IV) and (V), respectively*,

10 (C) *by striking “subclause (III)” in sub-*
 11 *clause (V), as so redesignated, and inserting*
 12 *“subclause (IV)”*, and

13 (D) *by inserting after subclause (II) the fol-*
 14 *lowing new subclause:*

15 “(III) *MORTGAGE INSURANCE*
 16 *PREMIUMS TREATED AS INTEREST.*—
 17 *Clause (iv) of subparagraph (E) shall*
 18 *not apply.*”

19 (2) *by striking clause (ii) and redesignating*
 20 *clauses (iii) and (iv) as clauses (ii) and (iii), respec-*
 21 *tively, and*

22 (3) *by striking “2018 THROUGH 2025” in the*
 23 *heading and inserting “BEGINNING AFTER 2017”.*

24 (b) *EFFECTIVE DATE.*—*The amendments made by this*
 25 *section shall apply to taxable years beginning after Decem-*
 26 *ber 31, 2025.*

1 **SEC. 70109. EXTENSION AND MODIFICATION OF LIMITATION**
 2 **ON CASUALTY LOSS DEDUCTION.**

3 (a) *IN GENERAL.*—Section 165(h)(5) is amended—

4 (1) in subparagraph (A), by striking “, and be-
 5 fore January 1, 2026”, and

6 (2) by striking “2018 THROUGH 2025” in the
 7 heading and inserting “BEGINNING AFTER 2017”.

8 (b) *EXTENSION TO STATE DECLARED DISASTERS.*—

9 (1) *IN GENERAL.*—Subparagraph (A) of section
 10 165(h)(5), as amended by subsection (a), is further
 11 amended by striking “(i)(5))” and inserting “(i)(5))
 12 or a State declared disaster”.

13 (2) *EXCEPTION RELATED TO PERSONAL CAS-*
 14 *UALTY GAINS.*—Clause (i) of section 165(h)(5)(B) is
 15 amended by striking “(as so defined)” and inserting
 16 “(as so defined) or a State declared disaster”.

17 (3) *STATE DECLARED DISASTER.*—Paragraph
 18 (5) of section 165(h) is amended by adding at the end
 19 the following new subparagraph:

20 “(C) *STATE DECLARED DISASTER.*—For
 21 purposes of this paragraph—

22 “(i) *IN GENERAL.*—The term ‘State de-
 23 clared disaster’ means, with respect to any
 24 State, any natural catastrophe (including
 25 any hurricane, tornado, storm, high water,
 26 wind-driven water, tidal wave, tsunami,

1 earthquake, volcanic eruption, landslide,
 2 mudslide, snowstorm, or drought), or, re-
 3 gardless of cause, any fire, flood, or explo-
 4 sion, in any part of the State, which in the
 5 determination of the Governor of such State
 6 (or the Mayor, in the case of the District of
 7 Columbia) and the Secretary causes damage
 8 of sufficient severity and magnitude to war-
 9 rant the application of the rules of this sec-
 10 tion.

11 “(ii) *STATE*.—The term ‘State’ in-
 12 cludes the District of Columbia, the Com-
 13 monwealth of Puerto Rico, the Virgin Is-
 14 lands, Guam, American Samoa, and the
 15 Commonwealth of the Northern Mariana Is-
 16 lands.”.

17 (c) *EFFECTIVE DATE*.—The amendments made by this
 18 section shall apply to taxable years beginning after Decem-
 19 ber 31, 2025.

20 **SEC. 70110. TERMINATION OF MISCELLANEOUS ITEMIZED**
 21 **DEDUCTIONS OTHER THAN EDUCATOR EX-**
 22 **PENSES.**

23 (a) *IN GENERAL*.—Section 67(g) is amended—

24 (1) by striking “, and before January 1, 2026”,

25 and

1 (2) *by striking “2018 THROUGH 2025” in the*
 2 *heading and inserting “BEGINNING AFTER 2017”.*

3 (b) *DEDUCTION FOR EDUCATOR EXPENSES.—*

4 (1) *IN GENERAL.—Section 67(b) is amended by*
 5 *striking “and” at the end of paragraph (11), by strik-*
 6 *ing the period at the end of paragraph (12) and in-*
 7 *serting “, and”, and by adding at the end the fol-*
 8 *lowing new paragraph:*

9 *“(13) the deductions allowed by section 162 for*
 10 *educator expenses (as defined in subsection (g)).”.*

11 (2) *INCLUSION OF COACHES AND CERTAIN NON-*
 12 *ATHLETIC INSTRUCTIONAL EQUIPMENT.—Section 67*
 13 *is amended by redesignating subsection (g), as*
 14 *amended by this section, as subsection (h), and by in-*
 15 *serting after subsection (f) the following new section:*

16 “(g) *EDUCATOR EXPENSES.—For purposes of sub-*
 17 *section (b)(13), the term ‘educator expenses’ means expenses*
 18 *of a type which would be described in section 62(a)(2)(D)*
 19 *if—*

20 *“(1) such section were applied—*

21 *“(A) without regard to the dollar limita-*
 22 *tion,*

23 *“(B) without regard to ‘(other than nonath-*
 24 *letic supplies for courses of instruction in health*
 25 *or physical education)’ in clause (ii) thereof, and*

1 “(C) by substituting ‘as part of instruc-
 2 tional activity’ for ‘in the classroom’ in clause
 3 (ii) thereof, and

4 “(2) section 62(d)(1)(A) were applied by insert-
 5 ing ‘, interscholastic sports administrator or coach,’
 6 after ‘counselor’.”.

7 (c) *EFFECTIVE DATE.*—The amendments made by this
 8 section shall apply to taxable years beginning after Decem-
 9 ber 31, 2025.

10 **SEC. 70111. LIMITATION ON TAX BENEFIT OF ITEMIZED DE-**
 11 **DUCTIONS.**

12 (a) *IN GENERAL.*—Section 68 is amended to read as
 13 follows:

14 “(a) *IN GENERAL.*—In the case of an individual, the
 15 amount of the itemized deductions otherwise allowable for
 16 the taxable year (determined without regard to this section)
 17 shall be reduced by $\frac{2}{37}$ of the lesser of—

18 “(1) such amount of itemized deductions, or

19 “(2) so much of the taxable income of the tax-
 20 payer for the taxable year (determined without regard
 21 to this section and increased by such amount of
 22 itemized deductions) as exceeds the dollar amount at
 23 which the 37 percent rate bracket under section 1 be-
 24 gins with respect to the taxpayer.

(1) *IN GENERAL.*—Section 199A(e)(1) is amended by inserting “without regard to section 68 and” after “shall be computed”.

(2) *PATRONS OF SPECIFIED AGRICULTURAL AND HORTICULTURAL COOPERATIVES.*—Section 199A(g)(2)(B) is amended by inserting “section 68 or” after “without regard to”.

14 (c) *EFFECTIVE DATE.*—*The amendments made by this*
15 *section shall apply to taxable years beginning after Decem-*
16 *ber 31, 2025.*

19 (a) *IN GENERAL.*—Section 132(f) is amended—

20 (1) by striking subparagraph (D) of paragraph
21 (1),

(2) in paragraph (2), by inserting “and” at the end of subparagraph (A), by striking “, and” at the end of subparagraph (B) and inserting a period, and by striking subparagraph (C),

1 (3) by striking “(other than a qualified bicycle
2 commuting reimbursement)” in paragraph (4),

3 (4) by striking subparagraph (F) of paragraph
4 (5), and

5 (5) by striking paragraph (8).

6 (b) *INFLATION ADJUSTMENT*.—Clause (ii) of section
7 132(f)(6)(A) is amended by striking “1998” in clause (ii)
8 and inserting “1997”.

9 (c) *COORDINATION WITH DISALLOWANCE OF CERTAIN*
10 *EXPENSES*.—Subsection (l) of section 274 is amended—

11 (1) by striking “*BENEFITS*.—” and all that fol-
12 lows through “No deduction” and inserting “*BENE-*
13 *FITS*.—No deduction”, and

14 (2) by striking paragraph (2).

15 (d) *EFFECTIVE DATE*.—The amendments made by this
16 section shall apply to taxable years beginning after Decem-
17 ber 31, 2025.

18 **SEC. 70113. EXTENSION AND MODIFICATION OF LIMITATION**
19 **ON DEDUCTION AND EXCLUSION FOR MOV-**
20 **ING EXPENSES.**

21 (a) *EXTENSION OF LIMITATION ON DEDUCTION*.—Sec-
22 tion 217(k) is amended—

23 (1) by striking “, and before January 1, 2026”,
24 and

1 (2) *by striking “2018 THROUGH 2025” in the*
 2 *heading and inserting “BEGINNING AFTER 2017”.*

3 (b) *ALLOWANCE OF DEDUCTION FOR MEMBERS OF*
 4 *THE INTELLIGENCE COMMUNITY.—Section 217(k), as*
 5 *amended by subsection (a), is further amended—*

6 (1) *by striking “2017.—Except in the case” and*
 7 *inserting “2017.—*

8 *“(1) IN GENERAL.—Except in the case”, and*

9 (2) *by adding at the end the following new para-*
 10 *graph:*

11 *“(2) MEMBERS OF THE INTELLIGENCE COMMU-*
 12 *NITY.—An employee or new appointee of the intel-*
 13 *ligence community (as defined in section 3 of the Na-*
 14 *tional Security Act of 1947 (50 U.S.C. 3003)) (other*
 15 *than a member of the Armed Forces of the United*
 16 *States) who moves pursuant to a change in assign-*
 17 *ment which requires relocation shall be treated for*
 18 *purposes of this section in the same manner as an in-*
 19 *dividual to whom subsection (g) applies.”.*

20 (c) *EXTENSION OF LIMITATION ON EXCLUSION.—Sec-*
 21 *tion 132(g)(2) is amended—*

22 (1) *by striking “, and before January 1, 2026”,*
 23 *and*

24 (2) *by striking “2018 THROUGH 2025” in the*
 25 *heading and inserting “BEGINNING AFTER 2017”.*

1 (d) *ALLOWANCE OF EXCLUSION FOR MEMBERS OF THE*
 2 *INTELLIGENCE COMMUNITY.*—Section 132(g)(2) of the In-
 3 *ternal Revenue Code of 1986 is amended by inserting “,*
 4 *or an employee or new appointee of the intelligence commu-*
 5 *nity (as defined in section 3 of the National Security Act*
 6 *of 1947 (50 U.S.C. 3003)) (other than a member of the*
 7 *Armed Forces of the United States) who moves pursuant*
 8 *to a change in assignment that requires relocation” after*
 9 *“change of station”.*

10 (e) *EFFECTIVE DATE.*—The amendments made by this
 11 section shall apply to taxable years beginning after Decem-
 12 ber 31, 2025.

13 **SEC. 70114. EXTENSION AND MODIFICATION OF LIMITATION**
 14 **ON WAGERING LOSSES.**

15 (a) *IN GENERAL.*—Section 165 is amended by striking
 16 subsection (d) and inserting the following:

17 “(d) *WAGERING LOSSES.*—

18 “(1) *IN GENERAL.*—For purposes of losses from
 19 wagering transactions, the amount allowed as a de-
 20 duction for any taxable year—

21 “(A) shall be equal to 90 percent of the
 22 amount of such losses during such taxable year,
 23 and

1 “(B) shall be allowed only to the extent of
2 the gains from such transactions during such
3 taxable year.

4 “(2) *SPECIAL RULE.*—For purposes of paragraph
5 (1), the term ‘losses from wagering transactions’ in-
6 cludes any deduction otherwise allowable under this
7 chapter incurred in carrying on any wagering trans-
8 action.”.

9 (b) *EFFECTIVE DATE.*—The amendment made by this
10 section shall apply to taxable years beginning after Decem-
11 ber 31, 2025.

12 **SEC. 70115. EXTENSION AND ENHANCEMENT OF INCREASED**
13 **LIMITATION ON CONTRIBUTIONS TO ABLE**
14 **ACCOUNTS.**

15 (a) *IN GENERAL.*—Section 529A(b)(2)(B) is amend-
16 ed—

17 (1) in clause (i), by inserting “(determined by
18 substituting ‘1996’ for ‘1997’ in paragraph (2)(B)
19 thereof)” after “section 2503(b)”, and

20 (2) in clause (ii), by striking “before January 1,
21 2026”.

22 (b) *EFFECTIVE DATES.*—

23 (1) *IN GENERAL.*—Except as otherwise provided
24 in this subsection, the amendments made by this sec-

1 *tion shall apply to contributions made after December*
 2 *31, 2025.*

3 (2) *MODIFIED INFLATION ADJUSTMENT.—The*
 4 *amendment made by subsection (a)(1) shall apply to*
 5 *taxable years beginning after December 31, 2025.*

6 **SEC. 70116. EXTENSION AND ENHANCEMENT OF SAVERS**
 7 **CREDIT ALLOWED FOR ABLE CONTRIBU-**
 8 **TIONS.**

9 (a) *EXTENSION.—*

10 (1) *IN GENERAL.—Section 25B(d)(1) is amended*
 11 *to read as follows:*

12 “(1) *IN GENERAL.—The term ‘qualified retire-*
 13 *ment savings contributions’ means, with respect to*
 14 *any taxable year, the sum of—*

15 “(A) *the amount of contributions made by*
 16 *the eligible individual during such taxable year*
 17 *to the ABLE account (within the meaning of sec-*
 18 *tion 529A) of which such individual is the des-*
 19 *ignated beneficiary, and*

20 “(B) *in the case of any taxable year begin-*
 21 *ning before January 1, 2027—*

22 “(i) *the amount of the qualified retire-*
 23 *ment contributions (as defined in section*
 24 *219(e)) made by the eligible individual,*

25 “(ii) *the amount of—*

1 “(I) any elective deferrals (as de-
 2 fined in section 402(g)(3)) of such in-
 3 dividual, and

4 “(II) any elective deferral of com-
 5 pensation by such individual under an
 6 eligible deferred compensation plan (as
 7 defined in section 457(b)) of an eligible
 8 employer described in section
 9 457(e)(1)(A), and

10 “(iii) the amount of voluntary em-
 11 ployee contributions by such individual to
 12 any qualified retirement plan (as defined in
 13 section 4974(c)).”.

14 (2) *COORDINATION WITH SECURE 2.0 ACT OF 2022*
 15 *AMENDMENT.*—Paragraph (1) of section 103(e) of the
 16 *SECURE 2.0 Act of 2022* is repealed, and the *Inter-*
 17 *nal Revenue Code of 1986* shall be applied and ad-
 18 *ministered as though such paragraph were never en-*
 19 *acted.*

20 (3) *EFFECTIVE DATE.*—The amendments and re-
 21 *peal made by this subsection shall apply to taxable*
 22 *years ending after December 31, 2025.*

23 (b) *INCREASE OF CREDIT AMOUNT.*—

24 (1) *IN GENERAL.*—Section 25B(a) is amended by
 25 *striking “\$2,000” and inserting “\$2,100”.*

1 (2) *EFFECTIVE DATE.*—*The amendment made by*
 2 *this subsection shall apply to taxable years beginning*
 3 *after December 31, 2026.*

4 **SEC. 70117. EXTENSION OF ROLLOVERS FROM QUALIFIED**
 5 **TUITION PROGRAMS TO ABLE ACCOUNTS**
 6 **PERMITTED.**

7 (a) *IN GENERAL.*—*Section 529(c)(3)(C)(i)(III) is*
 8 *amended by striking “before January 1, 2026,”.*

9 (b) *EFFECTIVE DATE.*—*The amendment made by this*
 10 *section shall apply to taxable years beginning after Decem-*
 11 *ber 31, 2025.*

12 **SEC. 70118. EXTENSION OF TREATMENT OF CERTAIN INDIVIDUALS**
 13 **PERFORMING SERVICES IN THE**
 14 **SINAI PENINSULA AND ENHANCEMENT TO IN-**
 15 **CLUDE ADDITIONAL AREAS.**

16 (a) *TREATMENT MADE PERMANENT.*—*Section*
 17 *11026(a) of Public Law 115–97 is amended by striking “,*
 18 *with respect to the applicable period”.*

19 (b) *KENYA, MALI, BURKINA FASO, AND CHAD IN-*
 20 *CLUDED AS HAZARDOUS DUTY AREAS.*—*Section 11026(b)*
 21 *of Public Law 115–97 is amended to read as follows:*

22 “(b) *QUALIFIED HAZARDOUS DUTY AREA.*—*For pur-*
 23 *poses of this section, the term ‘qualified hazardous duty*
 24 *area’ means each of the following locations, but only during*
 25 *the period for which any member of the Armed Forces of*

1 *the United States is entitled to special pay under section*
 2 *310 of title 37, United States Code (relating to special pay;*
 3 *duty subject to hostile fire or imminent danger), for services*
 4 *performed in such location:*

5 “(1) *the Sinai Peninsula of Egypt.*

6 “(2) *Kenya.*

7 “(3) *Mali.*

8 “(4) *Burkina Faso.*

9 “(5) *Chad.*”.

10 (c) *CONFORMING AMENDMENT.*—Section 11026 of
 11 *Public Law 115–97 is amended by striking subsections (c)*
 12 *and (d).*

13 (d) *EFFECTIVE DATE.*—The amendments made by this
 14 *section shall take effect on January 1, 2026.*

15 **SEC. 70119. EXTENSION AND MODIFICATION OF EXCLUSION**
 16 **FROM GROSS INCOME OF STUDENT LOANS**
 17 **DISCHARGED ON ACCOUNT OF DEATH OR**
 18 **DISABILITY.**

19 (a) *IN GENERAL.*—Section 108(f)(5) is amended to
 20 *read as follows:*

21 “(5) *DISCHARGES ON ACCOUNT OF DEATH OR*
 22 *DISABILITY.*—

23 “(A) *IN GENERAL.*—*In the case of an indi-*
 24 *vidual, gross income does not include any*
 25 *amount which (but for this subsection) would be*

1 *includible in gross income for such taxable year*
 2 *by reason of the discharge (in whole or in part)*
 3 *of any loan described in subparagraph (B), if*
 4 *such discharge was—*

5 *“(i) pursuant to subsection (a) or (d)*
 6 *of section 437 of the Higher Education Act*
 7 *of 1965 or the parallel benefit under part D*
 8 *of title IV of such Act (relating to the re-*
 9 *payment of loan liability),*

10 *“(ii) pursuant to section 464(c)(1)(F)*
 11 *of such Act, or*

12 *“(iii) otherwise discharged on account*
 13 *of death or total and permanent disability*
 14 *of the student.*

15 *“(B) LOANS DISCHARGED.—A loan is de-*
 16 *scribed in this subparagraph if such loan is—*

17 *“(i) a student loan (as defined in*
 18 *paragraph (2)), or*

19 *“(ii) a private education loan (as de-*
 20 *finied in section 140(a) of the Consumer*
 21 *Credit Protection Act (15 U.S.C. 1650(a)).*

22 *“(C) SOCIAL SECURITY NUMBER REQUIRE-*
 23 *MENT.—*

24 *“(i) IN GENERAL.—Subparagraph (A)*
 25 *shall not apply with respect to any dis-*

charge during any taxable year unless the taxpayer includes the taxpayer's social security number on the return of tax for such taxable year.

“(ii) *SOCIAL SECURITY NUMBER.*—For purposes of this subparagraph, the term ‘social security number’ has the meaning given such term in section 24(h)(7).”.

(b) *OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.*—Section 6213(g)(2), as amended by this Act, is further amended by striking “and” at the end of subparagraph (V), by striking the period at the end of subparagraph (W) and inserting “, and”, and by inserting after subparagraph (W) the following new subparagraph:

“(X) an omission of a correct social security number required under section 108(f)(5)(C) (relating to discharges on account of death or disability).”.

(c) *EFFECTIVE DATE.*—The amendments made by this section shall apply to discharges after December 31, 2025.

SEC. 70120. LIMITATION ON INDIVIDUAL DEDUCTIONS FOR CERTAIN STATE AND LOCAL TAXES, ETC.

(a) *IN GENERAL.*—Section 164(b)(6) is amended—

1 (1) by striking “and before January 1, 2026”,
 2 *and*

3 (2) by striking “\$10,000 (\$5,000 in the case of
 4 *a married individual filing a separate return)*” and
 5 inserting “*the applicable limitation amount (half the*
 6 *applicable limitation amount in the case of a married*
 7 *individual filing a separate return)*”.

8 (b) *APPLICABLE LIMITATION AMOUNT.*—Section
 9 164(b) is amended by adding at the end the following new
 10 paragraph:

11 “(7) *APPLICABLE LIMITATION AMOUNT.*—

12 “(A) *IN GENERAL.*—For purposes of para-
 13 graph (6), the term ‘*applicable limitation*
 14 *amount*’ means—

15 “(i) *in the case of any taxable year be-*
 16 *ginning in calendar year 2025, \$40,000,*

17 “(ii) *in the case of any taxable year*
 18 *beginning in calendar year 2026, \$40,400,*

19 “(iii) *in the case of any taxable year*
 20 *beginning after calendar year 2026 and be-*
 21 *fore 2030, 101 percent of the dollar amount*
 22 *in effect under this subparagraph for tax-*
 23 *able years beginning in the preceding cal-*
 24 *endar year, and*

1 “(iv) in the case of any taxable year
2 beginning after calendar year 2029,
3 \$10,000.

4 “(B) PHASEDOWN BASED ON MODIFIED AD-
5 JUSTED GROSS INCOME.—

6 “(i) IN GENERAL.—Except as provided
7 in clause (iii), in the case of any taxable
8 year beginning before January 1, 2030, the
9 applicable limitation amount shall be re-
10 duced by 30 percent of the excess (if any) of
11 the taxpayer’s modified adjusted gross in-
12 come over the threshold amount (half the
13 threshold amount in the case of a married
14 individual filing a separate return).

15 “(ii) THRESHOLD AMOUNT.—For pur-
16 poses of this subparagraph, the term ‘thresh-
17 old amount’ means—

18 “(I) in the case of any taxable
19 year beginning in calendar year 2025,
20 \$500,000,

21 “(II) in the case of any taxable
22 year beginning in calendar year 2026,
23 \$505,000, and

24 “(III) in the case of any taxable
25 year beginning after calendar year

1 2026, 101 percent of the dollar amount
 2 in effect under this subparagraph for
 3 taxable years beginning in the pre-
 4 ceding calendar year.

5 “(iii) *LIMITATION ON REDUCTION.*—
 6 The reduction under clause (i) shall not re-
 7 sult in the applicable limitation amount
 8 being less than \$10,000.

9 “(iv) *MODIFIED ADJUSTED GROSS IN-*
 10 *COME.*—For purposes of this paragraph, the
 11 term ‘modified adjusted gross income’
 12 means adjusted gross income increased by
 13 any amount excluded from gross income
 14 under section 911, 931, or 933.”.

15 (c) *EFFECTIVE DATE.*—The amendments made by this
 16 section shall apply to taxable years beginning after Decem-
 17 ber 31, 2024.

18 **CHAPTER 2—DELIVERING ON PRESI-**
 19 **DENTIAL PRIORITIES TO PROVIDE**
 20 **NEW MIDDLE-CLASS TAX RELIEF**

21 **SEC. 70201. NO TAX ON TIPS.**

22 (a) *DEDUCTION ALLOWED.*—Part VII of subchapter B
 23 of chapter 1 is amended by redesignating section 224 as
 24 section 225 and by inserting after section 223 the following
 25 new section:

1 **“SEC. 224. QUALIFIED TIPS.**

2 “(a) *IN GENERAL.*—*There shall be allowed as a deduc-*
 3 *tion an amount equal to the qualified tips received during*
 4 *the taxable year that are included on statements furnished*
 5 *to the individual pursuant to section 6041(d)(3),*
 6 *6041A(e)(3), 6050W(f)(2), or 6051(a)(18), or reported by*
 7 *the taxpayer on Form 4137 (or successor).*

8 “(b) *LIMITATION.*—

9 “(1) *IN GENERAL.*—*The amount allowed as a de-*
 10 *duction under this section for any taxable year shall*
 11 *not exceed \$25,000.*

12 “(2) *LIMITATION BASED ON ADJUSTED GROSS IN-*
 13 *COME.*—

14 “(A) *IN GENERAL.*—*The amount allowable*
 15 *as a deduction under subsection (a) (after appli-*
 16 *cation of paragraph (1)) shall be reduced (but*
 17 *not below zero) by \$100 for each \$1,000 by which*
 18 *the taxpayer’s modified adjusted gross income ex-*
 19 *ceeds \$150,000 (\$300,000 in the case of a joint*
 20 *return).*

21 “(B) *MODIFIED ADJUSTED GROSS IN-*
 22 *COME.*—*For purposes of this paragraph, the*
 23 *term ‘modified adjusted gross income’ means the*
 24 *adjusted gross income of the taxpayer for the tax-*
 25 *able year increased by any amount excluded*

1 *from gross income under section 911, 931, or*
 2 *933.*

3 “(c) *TIPS RECEIVED IN COURSE OF TRADE OR BUSI-*
 4 *NESS.—In the case of qualified tips received by an indi-*
 5 *vidual during any taxable year in the course of a trade*
 6 *or business (other than the trade or business of performing*
 7 *services as an employee) of such individual, such qualified*
 8 *tips shall be taken into account under subsection (a) only*
 9 *to the extent that the gross income for the taxpayer from*
 10 *such trade or business for such taxable year (including such*
 11 *qualified tips) exceeds the sum of the deductions (other than*
 12 *the deduction allowed under this section) allocable to the*
 13 *trade or business in which such qualified tips are received*
 14 *by the individual for such taxable year.*

15 “(d) *QUALIFIED TIPS.—For purposes of this section—*
 16 “(1) *IN GENERAL.—The term ‘qualified tips’*
 17 *means cash tips received by an individual in an occu-*
 18 *pation which customarily and regularly received tips*
 19 *on or before December 31, 2024, as provided by the*
 20 *Secretary.*

21 “(2) *EXCLUSIONS.—Such term shall not include*
 22 *any amount received by an individual unless—*

23 “(A) *such amount is paid voluntarily with-*
 24 *out any consequence in the event of nonpayment,*

1 *is not the subject of negotiation, and is deter-*
2 *mined by the payor,*

3 “(B) *the trade or business in the course of*
4 *which the individual receives such amount is not*
5 *a specified service trade or business (as defined*
6 *in section 199A(d)(2)), and*

7 “(C) *such other requirements as may be es-*
8 *tablished by the Secretary in regulations or other*
9 *guidance are satisfied.*

10 *For purposes of subparagraph (B), in the case of an*
11 *individual receiving tips in the trade or business of*
12 *performing services as an employee, such individual*
13 *shall be treated as receiving tips in the course of a*
14 *trade or business which is a specified service trade or*
15 *business if the trade or business of the employer is a*
16 *specified service trade or business.*

17 “(3) *CASH TIPS.—For purposes of paragraph*
18 *(1), the term ‘cash tips’ includes tips received from*
19 *customers that are paid in cash or charged and, in*
20 *the case of an employee, tips received under any tip-*
21 *sharing arrangement.*

22 “(e) *SOCIAL SECURITY NUMBER REQUIRED.—*

23 “(1) *IN GENERAL.—No deduction shall be al-*
24 *lowed under this section unless the taxpayer includes*

1 on the return of tax for the taxable year such individ-
2 ual’s social security number.

3 “(2) *SOCIAL SECURITY NUMBER DEFINED.*—For
4 purposes of paragraph (1), the term ‘social security
5 number’ shall have the meaning given such term in
6 section 24(h)(7).

7 “(f) *MARRIED INDIVIDUALS.*—If the taxpayer is a
8 married individual (within the meaning of section 7703),
9 this section shall apply only if the taxpayer and the tax-
10 payer’s spouse file a joint return for the taxable year.

11 “(g) *REGULATIONS.*—The Secretary shall prescribe
12 such regulations or other guidance as may be necessary to
13 prevent reclassification of income as qualified tips, includ-
14 ing regulations or other guidance to prevent abuse of the
15 deduction allowed by this section.

16 “(h) *TERMINATION.*—No deduction shall be allowed
17 under this section for any taxable year beginning after De-
18 cember 31, 2028.”.

19 “(b) *DEDUCTION ALLOWED TO NON-ITEMIZERS.*—Sec-
20 tion 63(b) is amended by striking “and” at the end of para-
21 graph (3), by striking the period at the end of paragraph
22 (4) and inserting “, and”, and by adding at the end the
23 following new paragraph:

24 “(5) the deduction provided in section 224.”.

1 (c) *OMISSION OF CORRECT SOCIAL SECURITY NUMBER*
 2 *TREATED AS MATHEMATICAL OR CLERICAL ERROR.*—Sec-
 3 tion 6213(g)(2), as amended by the preceding provisions of
 4 this Act, is amended by striking “and” at the end of sub-
 5 paragraph (W), by striking the period at the end of sub-
 6 paragraph (X) and inserting “, and”, and by inserting
 7 after subparagraph (X) the following new subparagraph:

8 “(Y) an omission of a correct social security
 9 number required under section 224(e) (relating
 10 to deduction for qualified tips).”.

11 (d) *EXCLUSION FROM QUALIFIED BUSINESS IN-*
 12 *COME.*—Section 199A(c)(4) is amended by striking “and”
 13 at the end of subparagraph (B), by striking the period at
 14 the end of subparagraph (C) and inserting “, and”, and
 15 by adding at the end the following new subparagraph:

16 “(D) any amount with respect to which a
 17 deduction is allowable to the taxpayer under sec-
 18 tion 224(a) for the taxable year.”.

19 (e) *EXTENSION OF TIP CREDIT TO BEAUTY SERVICE*
 20 *BUSINESS.*—

21 (1) *IN GENERAL.*—Section 45B(b)(2) is amended
 22 to read as follows:

23 “(2) *APPLICATION ONLY TO CERTAIN LINES OF*
 24 *BUSINESS.*—In applying paragraph (1) there shall be

1 *taken into account only tips received from customers*
 2 *or clients in connection with the following services:*

3 “(A) *The providing, delivering, or serving of*
 4 *food or beverages for consumption, if the tipping*
 5 *of employees delivering or serving food or bev-*
 6 *erages by customers is customary.*

7 “(B) *The providing of any of the following*
 8 *services to a customer or client if the tipping of*
 9 *employees providing such services is customary:*

10 “(i) *Barbering and hair care.*

11 “(ii) *Nail care.*

12 “(iii) *Esthetics.*

13 “(iv) *Body and spa treatments.”.*

14 (2) *CREDIT DETERMINED WITH RESPECT TO*
 15 *MINIMUM WAGE IN EFFECT.—Section 45B(b)(1)(B) is*
 16 *amended—*

17 (A) *by striking “as in effect on January 1,*
 18 *2007, and”, and*

19 (B) *by inserting “, and in the case of food*
 20 *or beverage establishments, as in effect on Janu-*
 21 *ary 1, 2007” after “without regard to section*
 22 *3(m) of such Act”.*

23 (f) *REPORTING REQUIREMENTS.—*

24 (1) *RETURNS FOR PAYMENTS MADE IN THE*
 25 *COURSE OF A TRADE OR BUSINESS.—*

1 (A) *STATEMENT FURNISHED TO SEC-*
 2 *RETARY.—Section 6041(a) is amended by insert-*
 3 *ing “(including a separate accounting of any*
 4 *such amounts reasonably designated as cash tips*
 5 *and the occupation described in section 224(d)(1)*
 6 *of the person receiving such tips)” after “such*
 7 *gains, profits, and income”.*

8 (B) *STATEMENT FURNISHED TO PAYEE.—*
 9 *Section 6041(d) is amended by striking “and” at*
 10 *the end of paragraph (1), by striking the period*
 11 *at the end of paragraph (2) and inserting “,*
 12 *and”, and by inserting after paragraph (2) the*
 13 *following new paragraph:*

14 *“(3) in the case of compensation to non-employ-*
 15 *ees, the portion of payments that have been reason-*
 16 *ably designated as cash tips and the occupation de-*
 17 *scribed in section 224(d)(1) of the person receiving*
 18 *such tips.”.*

19 (2) *RETURNS FOR PAYMENTS MADE FOR SERV-*
 20 *ICES AND DIRECT SALES.—*

21 (A) *STATEMENT FURNISHED TO SEC-*
 22 *RETARY.—Section 6041A(a) is amended by in-*
 23 *serting “(including a separate accounting of any*
 24 *such amounts reasonably designated as cash tips*
 25 *and the occupation described in section 224(d)(1)*

1 *of the person receiving such tips)” after “amount*
 2 *of such payments”.*

3 *(B) STATEMENT FURNISHED TO PAYEE.—*

4 *Section 6041A(e) is amended by striking “and”*
 5 *at the end of paragraph (1), by striking the pe-*
 6 *riod at the end of paragraph (2) and inserting*
 7 *“, and”, and by inserting after paragraph (2)*
 8 *the following new paragraph:*

9 *“(3) in the case of subsection (a), the portion of*
 10 *payments that have been reasonably designated as*
 11 *cash tips and the occupation described in section*
 12 *224(d)(1) of the person receiving such tips.”.*

13 *(3) RETURNS RELATING TO THIRD PARTY SET-*
 14 *TLEMENT ORGANIZATIONS.—*

15 *(A) STATEMENT FURNISHED TO SEC-*

16 *RETARY.—Section 6050W(a) is amended by*
 17 *striking “and” at the end of paragraph (1), by*
 18 *striking the period at the end of paragraph (2)*
 19 *and inserting “and”, and by adding at the end*
 20 *the following new paragraph:*

21 *“(3) in the case of a third party settlement orga-*
 22 *nization, the portion of reportable payment trans-*
 23 *actions that have been reasonably designated by*
 24 *payors as cash tips and the occupation described in*
 25 *section 224(d)(1) of the person receiving such tips.”.*

1 (B) *STATEMENT FURNISHED TO PAYEE.*—

2 Section 6050W(f)(2) is amended by inserting
 3 “(including a separate accounting of any such
 4 amounts that have been reasonably designated by
 5 payors as cash tips and the occupation described
 6 in section 224(d)(1) of the person receiving such
 7 tips)” after “reportable payment transactions”.

8 (4) *RETURNS RELATED TO WAGES.*—Section
 9 6051(a) is amended by striking “and” at the end of
 10 paragraph (16), by striking the period at the end of
 11 paragraph (17) and inserting “, and”, and by insert-
 12 ing after paragraph (17) the following new para-
 13 graph:

14 “(18) the total amount of cash tips reported by
 15 the employee under section 6053(a) and the occupa-
 16 tion described in section 224(d)(1) such person.”.

17 (g) *CLERICAL AMENDMENT.*—The table of sections for
 18 part VII of subchapter B of chapter 1 is amended by redes-
 19 ignating the item relating to section 224 as relating to sec-
 20 tion 225 and by inserting after the item relating to section
 21 223 the following new item:

“Sec. 224. Qualified tips.”.

22 (h) *PUBLISHED LIST OF OCCUPATIONS TRADITION-*
 23 *ALLY RECEIVING TIPS.*—Not later than 90 days after the
 24 date of the enactment of this Act, the Secretary of the Treas-
 25 ury (or the Secretary’s delegate) shall publish a list of occu-

1 *pations which customarily and regularly received tips on*
 2 *or before December 31, 2024, for purposes of section*
 3 *224(d)(1) of the Internal Revenue Code of 1986 (as added*
 4 *by subsection (a)).*

5 *(i) WITHHOLDING.—The Secretary of the Treasury (or*
 6 *the Secretary’s delegate) shall modify the procedures pre-*
 7 *scribed under section 3402(a) of the Internal Revenue Code*
 8 *of 1986 for taxable years beginning after December 31,*
 9 *2025, to take into account the deduction allowed under sec-*
 10 *tion 224 of such Code (as added by this Act).*

11 *(j) EFFECTIVE DATE.—The amendments made by this*
 12 *section shall apply to taxable years beginning after Decem-*
 13 *ber 31, 2024.*

14 *(k) TRANSITION RULE.—In the case of any cash tips*
 15 *required to be reported for periods before January 1, 2026,*
 16 *persons required to file returns or statements under section*
 17 *6041(a), 6041(d)(3), 6041A(a), 6041A(e)(3), 6050W(a), or*
 18 *6050W(f)(2) of the Internal Revenue Code of 1986 (as*
 19 *amended by this section) may approximate a separate ac-*
 20 *counting of amounts designated as cash tips by any reason-*
 21 *able method specified by the Secretary.*

22 **SEC. 70202. NO TAX ON OVERTIME.**

23 *(a) DEDUCTION ALLOWED.—Part VII of subchapter B*
 24 *of chapter 1, as amended by the preceding provisions of this*

1 *Act, is amended by redesignating section 225 as section 226*
 2 *and by inserting after section 224 the following new section:*

3 **“SEC. 225. QUALIFIED OVERTIME COMPENSATION.**

4 “(a) *IN GENERAL.*—*There shall be allowed as a deduc-*
 5 *tion an amount equal to the qualified overtime compensa-*
 6 *tion received during the taxable year and included on state-*
 7 *ments furnished to the individual pursuant to section*
 8 *6041(d)(4) or 6051(a)(19).*

9 “(b) *LIMITATION.*—

10 “(1) *IN GENERAL.*—*The amount allowed as a de-*
 11 *duction under this section for any taxable year shall*
 12 *not exceed \$12,500 (\$25,000 in the case of a joint re-*
 13 *turn).*

14 “(2) *LIMITATION BASED ON ADJUSTED GROSS IN-*
 15 *COME.*—

16 “(A) *IN GENERAL.*—*The amount allowable*
 17 *as a deduction under subsection (a) (after appli-*
 18 *cation of paragraph (1)) shall be reduced (but*
 19 *not below zero) by \$100 for each \$1,000 by which*
 20 *the taxpayer’s modified adjusted gross income ex-*
 21 *ceeds \$150,000 (\$300,000 in the case of a joint*
 22 *return).*

23 “(B) *MODIFIED ADJUSTED GROSS IN-*
 24 *COME.*—*For purposes of this paragraph, the*
 25 *term ‘modified adjusted gross income’ means the*

1 *adjusted gross income of the taxpayer for the tax-*
 2 *able year increased by any amount excluded*
 3 *from gross income under section 911, 931, or*
 4 *933.*

5 “(c) *QUALIFIED OVERTIME COMPENSATION.*—

6 “(1) *IN GENERAL.*—*For purposes of this section,*
 7 *the term ‘qualified overtime compensation’ means*
 8 *overtime compensation paid to an individual re-*
 9 *quired under section 7 of the Fair Labor Standards*
 10 *Act of 1938 that is in excess of the regular rate (as*
 11 *used in such section) at which such individual is em-*
 12 *ployed.*

13 “(2) *EXCLUSIONS.*—*Such term shall not include*
 14 *any qualified tip (as defined in section 224(d)).*

15 “(d) *SOCIAL SECURITY NUMBER REQUIRED.*—

16 “(1) *IN GENERAL.*—*No deduction shall be al-*
 17 *lowed under this section unless the taxpayer includes*
 18 *on the return of tax for the taxable year such individ-*
 19 *ual’s social security number.*

20 “(2) *SOCIAL SECURITY NUMBER DEFINED.*—*For*
 21 *purposes of paragraph (1), the term ‘social security*
 22 *number’ shall have the meaning given such term in*
 23 *section 24(h)(7).*

24 “(e) *MARRIED INDIVIDUALS.*—*If the taxpayer is a*
 25 *married individual (within the meaning of section 7703),*

1 *this section shall apply only if the taxpayer and the tax-*
 2 *payer's spouse file a joint return for the taxable year.*

3 “(f) *REGULATIONS.*—*The Secretary shall issue such*
 4 *regulations or other guidance as may be necessary or appro-*
 5 *priate to carry out the purposes of this section, including*
 6 *regulations or other guidance to prevent abuse of the deduc-*
 7 *tion allowed by this section.*

8 “(g) *TERMINATION.*—*No deduction shall be allowed*
 9 *under this section for any taxable year beginning after De-*
 10 *cember 31, 2028.”.*

11 (b) *DEDUCTION ALLOWED TO NON-ITEMIZERS.*—*Sec-*
 12 *tion 63(b), as amended by the preceding provisions of this*
 13 *Act, is amended by striking “and” at the end of paragraph*
 14 *(4), by striking the period at the end of paragraph (5) and*
 15 *inserting “, and”, and by adding at the end the following*
 16 *new paragraph:*

17 “(6) *the deduction provided in section 225.”.*

18 (c) *REPORTING.*—

19 (1) *REQUIREMENT TO INCLUDE OVERTIME COM-*
 20 *PENSATION ON W-2.*—*Section 6051(a), as amended by*
 21 *the preceding provision of this Act, is amended by*
 22 *striking “and” at the end of paragraph (17), by strik-*
 23 *ing the period at the end of paragraph (18) and in-*
 24 *serting “, and”, and by inserting after paragraph*
 25 *(18) the following new paragraph:*

1 “(19) the total amount of qualified overtime
2 compensation (as defined in section 225(c)).”.

3 (2) *PAYMENTS TO PERSONS NOT TREATED AS*
4 *EMPLOYEES UNDER TAX LAWS.*—

5 (A) *STATEMENT FURNISHED TO SEC-*
6 *RETARY.*—Section 6041(a), as amended by sec-
7 tion 70201(e)(1)(A), is amended by inserting
8 “and a separate accounting of any amount of
9 qualified overtime compensation (as defined in
10 section 225(c))” after “occupation of the person
11 receiving such tips”.

12 (B) *STATEMENT FURNISHED TO PAYEE.*—
13 Section 6041(d), as amended by section
14 70201(e)(1)(B), is amended by striking “and” at
15 the end of paragraph (2), by striking the period
16 at the end of paragraph (3) and inserting “,
17 and”, and by inserting after paragraph (3) the
18 following new paragraph:

19 “(4) the portion of payments that are qualified
20 overtime compensation (as defined in section
21 225(c)).”.

22 (d) *OMISSION OF CORRECT SOCIAL SECURITY NUM-*
23 *BER TREATED AS MATHEMATICAL OR CLERICAL ERROR.*—
24 Section 6213(g)(2), as amended by the preceding provisions
25 of this Act, is amended by striking “and” at the end of