To amend the Internal Revenue Code of 1986 to amend certain expiring provisions.

IN THE SENATE OF THE UNITED STATES

Mr. BAUCUS (for himself, Mr. GRASSLEY, Mr. SALAZAR, Mr. SCHUMER, Ms. STABENOW, Mr. SMITH, Mr. CRAPO, Mr. ROCKEFELLER, Mr. KYL, and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to amend certain expiring provisions.

1  Be it enacted by the Senate and House of Representa-
2  tives of the United States of America in Congress assembled,
3  SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE;
4  TABLE OF CONTENTS.
5   (a) Short Title.—This Act may be cited as the
6   “Alternative Minimum Tax and Extenders Tax Relief Act
7   of 2008”.
8   (b) Amendment of 1986 Code.—Except as other-
9   wise expressly provided, whenever in this Act an amend-
ment 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 provi-

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

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—ALTERNATIVE MINIMUM TAX RELIEF

Sec. 101. Extension of alternative minimum tax relief for nonrefundable per-
sonal credits.
Sec. 102. Extension of increased alternative minimum tax exemption amount.

TITLE II—INDIVIDUAL TAX PROVISIONS

Sec. 201. Election to include combat pay as earned income for purposes of the
earned income credit.
Sec. 202. Distributions from retirement plans to individuals called to active
duty.
Sec. 203. Deduction for State and local sales taxes.
Sec. 204. Deduction of qualified tuition and related expenses.
Sec. 205. Deduction for certain expenses of elementary and secondary school
teachers.
Sec. 206. Modification of mortgage revenue bonds for veterans.
Sec. 207. Tax-free distributions from individual retirement plans for charitable
purposes.
Sec. 208. Treatment of certain dividends of regulated investment companies.
Sec. 209. Stock in RIC for purposes of determining estates of nonresidents not
citizens.
Sec. 210. Qualified investment entities.
Sec. 211. Qualified conservation contributions.

TITLE III—BUSINESS TAX PROVISIONS

Sec. 301. Extension and modification of research credit.
Sec. 302. New markets tax credit.
Sec. 303. Subpart F exception for active financing income.
Sec. 304. Extension of look-thru rule for related controlled foreign corporations.
Sec. 305. Extension of 15-year straight-line cost recovery for qualified leasehold
improvements and qualified restaurant improvements.
Sec. 306. Enhanced charitable deduction for contributions of food inventory.
Sec. 307. Extension of enhanced charitable deduction for contributions of book
inventory.
Sec. 308. Modification of tax treatment of certain payments to controlling exempt organizations.
Sec. 309. Basis adjustment to stock of S corporations making charitable con-
tributions of property.
Sec. 310. Increase in limit on cover over of rum excise tax to Puerto Rico and the Virgin Islands.
Sec. 311. Parity in the application of certain limits to mental health benefits.
Sec. 312. Extension of economic development credit for American Samoa.
Sec. 313. Extension of mine rescue team training credit.
Sec. 314. Extension of election to expense advanced mine safety equipment.
Sec. 315. Extension of expensing rules for qualified film and television productions.
Sec. 316. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
Sec. 317. Extension of qualified zone academy bonds.
Sec. 318. Indian employment credit.
Sec. 319. Accelerated depreciation for business property on Indian reservation.
Sec. 320. Railroad track maintenance.
Sec. 321. Seven-year cost recovery period for motorsports racing track facility.
Sec. 322. Expensing of environmental remediation costs.
Sec. 323. Extension of work opportunity tax credit for Hurricane Katrina employees.

TITLE IV—EXTENSIONS OF ENERGY PROVISIONS
Sec. 401. Extension of credit for energy efficient appliances.
Sec. 402. Extension of credit for nonbusiness energy property.
Sec. 403. Extension of credit for residential energy efficient property.
Sec. 404. Extension of renewable electricity, refined coal, and Indian coal production credit.
Sec. 405. Extension of new energy efficient home credit.
Sec. 406. Extension of energy credit.
Sec. 407. Extension and modification of credit for clean renewable energy bonds.
Sec. 408. Extension of energy efficient commercial buildings deduction.

TITLE V—TAX ADMINISTRATION
Sec. 501. Permanent authority for undercover operations.
Sec. 502. Permanent disclosures of certain tax return information.
Sec. 503. Disclosure of information relating to terrorist activities.

TITLE I—ALTERNATIVE MINIMUM TAX RELIEF
SEC. 101. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.
(a) In general.—Paragraph (2) of section 26(a) (relating to special rule for taxable years 2000 through 2007) is amended—
(1) by striking “or 2007” and inserting “2007, or 2008”, and
(2) by striking “2007” in the heading thereof and inserting “2008”.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 102. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) In general.—Paragraph (1) of section 55(d) (relating to exemption amount) is amended—
(1) by striking “($66,250 in the case of taxable years beginning in 2007)” in subparagraph (A) and inserting “($69,950 in the case of taxable years beginning in 2008)”, and
(2) by striking “($44,350 in the case of taxable years beginning in 2007)” in subparagraph (B) and inserting “($46,200 in the case of taxable years beginning in 2008)”.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.
TITLE II—INDIVIDUAL TAX PROVISIONS

SEC. 201. ELECTION TO INCLUDE COMBAT PAY AS EARNED INCOME FOR PURPOSES OF THE EARNED INCOME CREDIT.

(a) In General.—Subclause (II) of section 32(c)(2)(B)(vi) (defining earned income) is amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) Conforming Amendment.—Paragraph (4) of section 6428, as amended by the Economic Stimulus Act of 2008, is amended to read as follows:

“(4) Earned Income.—The term ‘earned income’ has the meaning set forth in section 32(c)(2) except that such term shall not include net earnings from self-employment which are not taken into account in computing taxable income.”.

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 2007.

SEC. 202. DISTRIBUTIONS FROM RETIREMENT PLANS TO INDIVIDUALS CALLED TO ACTIVE DUTY.

(a) In General.—Clause (iv) of section 72(t)(2)(G) is amended by striking “December 31, 2007” and inserting “January 1, 2010”.
(b) **Effective Date.**—The amendment made by this section shall apply to individuals ordered or called to active duty on or after December 31, 2007.

SEC. 203. **DEDUCTION FOR STATE AND LOCAL SALES TAXES.**

(a) **In General.**—Subparagraph (I) of section 164(b)(5) is amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) **Effective Date.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 204. **DEDUCTION OF QUALIFIED TUITION AND RELATED EXPENSES.**

(a) **In General.**—Subsection (e) of section 222 (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) **Effective Date.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 205. **DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.**

(a) **In General.**—Subparagraph (D) of section 62(a)(2) (relating to certain expenses of elementary and
secondary school teachers) is amended by striking “or 2007” and inserting “2007, 2008, or 2009”.

(b) **Effective Date.**—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

**SEC. 206. MODIFICATION OF MORTGAGE REVENUE BONDS FOR VETERANS.**

(a) **Qualified Mortgage Bonds Used To Finance Residences for Veterans Without Regard to First-Time Homebuyer Requirement.**—Subparagraph (D) of section 143(d)(2) (relating to exceptions) is amended by inserting “and after the date of the enactment of the Alternative Minimum Tax and Extenders Tax Relief Act of 2008 and before January 1, 2010” after “January 1, 2008”.

(b) **Effective Date.**—The amendment made by this section shall apply to bonds issued after the date of the enactment of this Act.

**SEC. 207. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.**

(a) **In General.**—Subparagraph (F) of section 408(d)(8) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.
(b) **Effective Date.**—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2007.

**SEC. 208. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.**

(a) **Interest-Related Dividends.**—Subparagraph (C) of section 871(k)(1) (defining interest-related dividend) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) **Short-Term Capital Gain Dividends.**—Subparagraph (C) of section 871(k)(2) (defining short-term capital gain dividend) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(c) **Effective Date.**—The amendments made by this section shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2007.

**SEC. 209. STOCK IN RIC FOR PURPOSES OF DETERMINING ESTATES OF NONRESIDENTS NOT CITIZENS.**

(a) **In General.**—Paragraph (3) of section 2105(d) (relating to stock in a RIC) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) **Effective Date.**—The amendment made by this section shall apply to decedents dying after December 31, 2007.
SEC. 210. QUALIFIED INVESTMENT ENTITIES.

(a) In General.—Clause (ii) of section 897(h)(4)(A) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on January 1, 2008.

SEC. 211. QUALIFIED CONSERVATION CONTRIBUTIONS.

(a) In General.—Clause (vi) of section 170(b)(1)(E) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Contributions by Corporate Farmers and Ranchers.—Clause (iii) of section 170(b)(2)(B) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(c) Effective Date.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

TITLE III—BUSINESS TAX PROVISIONS

SEC. 301. EXTENSION AND MODIFICATION OF RESEARCH CREDIT.

(a) Extension.—Section 41(h) (relating to termination) is amended—
(1) by striking “December 31, 2007” and inserting “December 31, 2009” in paragraph (1)(B), (2) by redesignating paragraph (2) as paragraph (3), and (3) by inserting after paragraph (1) the following new paragraph:

“(2) TERMINATION OF ALTERNATIVE INCREMENTAL CREDIT.—No election under subsection (e)(4) shall apply to amounts paid or incurred after December 31, 2007.”.

(b) MODIFICATION OF ALTERNATIVE SIMPLIFIED CREDIT.—Paragraph (5)(A) of section 41(c) (relating to election of alternative simplified credit) is amended to read as follows:

“(A) IN GENERAL.—

“(i) CALCULATION OF CREDIT.—At the election of the taxpayer, the credit determined under subsection (a)(1) shall be equal to the applicable percentage (as defined in clause (ii)) of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined.
“(ii) APPLICABLE PERCENTAGE.—For purposes of the calculation under clause (i), the applicable percentage is—

“(I) 14 percent, in the case of taxable years ending before January 1, 2009, and

“(II) 16 percent, in the case of taxable years beginning after December 31, 2008.”.

(c) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) (relating to special rule) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2007.

SEC. 302. NEW MARKETS TAX CREDIT.

Subparagraph (D) of section 45D(f)(1) (relating to national limitation on amount of investments designated) is amended by striking “and 2008” and inserting “2008, 2009”.

SEC. 303. SUBPART F EXCEPTION FOR ACTIVE FINANCING INCOME.

(a) EXEMPT INSURANCE INCOME.—Paragraph (10) of section 953(e) (relating to application) is amended—
(1) by striking “January 1, 2009” and inserting “January 1, 2010”, and
(2) by striking “December 31, 2008” and inserting “December 31, 2009”.

(b) Exception to Treatment as Foreign Personal Holding Company Income.—Paragraph (9) of section 954(h) (relating to application) is amended by striking “January 1, 2009” and inserting “January 1, 2010”.

SEC. 304. EXTENSION OF LOOK-THRU RULE FOR RELATED CONTROLLED FOREIGN CORPORATIONS.

(a) In General.—Subparagraph (B) of section 954(c)(6) (relating to application) is amended by striking “January 1, 2009” and inserting “January 1, 2010”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2007, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 305. EXTENSION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT IMPROVEMENTS.

(a) In General.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each
amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2007.

6 SEC. 306. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(C) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2007.

8 SEC. 307. EXTENSION OF ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORY.

(a) EXTENSION.—Clause (iv) of section 170(e)(3)(D) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) CLERICAL AMENDMENT.—Clause (iii) of section 170(e)(3)(D) (relating to certification by donee) is amended by inserting “of books” after “to any contribution”.
(c) Effective Date.—The amendments made by this section shall apply to contributions made after December 31, 2007.

SEC. 308. MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) In General.—Clause (iv) of section 512(b)(13)(E) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Effective Date.—The amendment made by this section shall apply to payments received or accrued after December 31, 2007.

SEC. 309. BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) In General.—The last sentence of section 1367(a)(2) (relating to decreases in basis) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Effective Date.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.
SEC. 310. INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAX TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) In General.—Paragraph (1) of section 7652(f) is amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) Effective Date.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2007.

SEC. 311. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) In General.—Subsection (f) of section 9812 (relating to application of section) is amended—

(1) by striking “and” at the end of paragraph (2),

(2) by striking the period at the end of paragraph (3) and inserting “, and before the date of the enactment of the Alternative Minimum Tax and Ex-tenders Tax Relief Act of 2008, and”, and

(3) by adding at the end the following new paragraph:

“(4) after December 31, 2009.”.

(b) Amendment to the Employee Retirement Income Security Act of 1974.—Section 712(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185a(f)) is amended by inserting “, and before
the date of the enactment of the Alternative Minimum Tax
and Extenders Tax Relief Act of 2008, and after December
31, 2009” after “December 31, 2007”.

c) Amendment to the Public Health Service
Act.—Section 2705(f) of the Public Health Service Act
(42 U.S.C. 300gg-5(f)) is amended by inserting “, and be-
fore the date of the enactment of the Alternative Minimum
Tax and Extenders Tax Relief Act of 2008, and after De-
cember 31, 2009” after “December 31, 2007”.

d) Effective Date.—The amendments made by
this section shall apply to benefits for services furnished
on or after the date of the enactment of this Act.

SEC. 312. EXTENSION OF ECONOMIC DEVELOPMENT CRED-
IT FOR AMERICAN SAMOA.

(a) In General.—Subsection (d) of section 119 of
division A of the Tax Relief and Health Care Act of 2006
is amended—

(1) by striking “first two taxable years” and in-
serting “first 4 taxable years”, and

(2) by striking “January 1, 2008” and insert-
ing “January 1, 2010”.

(b) Effective Date.—The amendments made by
this section shall apply to taxable years beginning after
SEC. 313. EXTENSION OF MINE RESCUE TEAM TRAINING CREDIT.

Section 45N(e) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

SEC. 314. EXTENSION OF ELECTION TO EXPENSE ADVANCED MINE SAFETY EQUIPMENT.

Section 179E(g) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

SEC. 315. EXTENSION OF EXPENSING RULES FOR QUALIFIED FILM AND TELEVISION PRODUCTIONS.

Section 181(f) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

SEC. 316. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) In General.—Subparagraph (C) of section 199(d)(8) (relating to termination) is amended—

(1) by striking “first 2 taxable years” and inserting “first 4 taxable years”, and

(2) by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) **Effective Date.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

**SEC. 317. EXTENSION OF QUALIFIED ZONE ACADEMY BONDS.**

(a) **In General.**—Paragraph (1) of section 1397E(e) is amended by striking “and 2007” and inserting “2007, 2008, and 2009”.

(b) **Effective Date.**—The amendment made by this section shall apply to obligations issued after the date of the enactment of this Act.

**SEC. 318. INDIAN EMPLOYMENT CREDIT.**

(a) **In General.**—Subsection (f) of section 45A (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) **Effective Date.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

**SEC. 319. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATION.**

(a) **In General.**—Paragraph (8) of section 168(j) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.
(b) **Effective Date.**—The amendment made by this section shall apply to property placed in service after December 31, 2007.

**SEC. 320. RAILROAD TRACK MAINTENANCE.**

(a) **In General.**—Subsection (f) of section 45G (relating to application of section) is amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) **Effective Date.**—The amendment made by this section shall apply to expenditures paid or incurred during taxable years beginning after December 31, 2007.

**SEC. 321. SEVEN-YEAR COST RECOVERY PERIOD FOR MOTORSPORTS RACING TRACK FACILITY.**

(a) **In General.**—Subparagraph (D) of section 168(i)(15) (relating to termination) is amended to read as follows:

“(D) **Application of Paragraph.**—Such term shall apply to property placed in service after the date of the enactment of the Alternative Minimum Tax and Extenders Tax Relief Act of 2008 and before January 1, 2010.”.

(b) **Effective Date.**—The amendment made by this section shall apply to property placed in service after the date of the enactment of this Act.
SEC. 322. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) IN GENERAL.—Subsection (h) of section 198 (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2007.

SEC. 323. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR HURRICANE KATRINA EMPLOYEES.

(a) IN GENERAL.—Paragraph (1) of section 201(b) of the Katrina Emergency Tax Relief Act of 2005 is amended by striking “2-year” and inserting “4-year”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals hired after August 27, 2007.

TITLE IV—EXTENSIONS OF ENERGY PROVISIONS

SEC. 401. EXTENSION OF CREDIT FOR ENERGY EFFICIENT APPLIANCES.

(a) IN GENERAL.—Subsection (b) of section 45M (relating to applicable amount) is amended by striking “calendar year 2006 or 2007” each place it appears in paragraphs (1)(A)(i), (1)(B)(i), (1)(C)(ii)(I), and (1)(C)(iii)(I), and inserting “calendar year 2006, 2007, 2008, or 2009”.
(b) **RESTART OF CREDIT LIMITATION.**—Paragraph (1) of section 45M(e) (relating to aggregate credit amount allowed) is amended by inserting “beginning after December 31, 2007” after “for all prior taxable years”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to appliances produced after December 31, 2007.

SEC. 402. EXTENSION OF CREDIT FOR NONBUSINESS ENERGY PROPERTY.

(a) **IN GENERAL.**—Section 25C(g) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SEC. 403. EXTENSION OF CREDIT FOR RESIDENTIAL ENERGY EFFICIENT PROPERTY.

Section 25D(g) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

SEC. 404. EXTENSION OF RENEWABLE ELECTRICITY, REFINED COAL, AND INDIAN COAL PRODUCTION CREDIT.

Section 45(d) (relating to qualified facilities) is amended by striking “January 1, 2009” each place it ap-
pears in paragraphs (1), (2), (3), (4), (5), (6), (7), (8), (9), and (10) and inserting “January 1, 2010”.

SEC. 405. EXTENSION OF NEW ENERGY EFFICIENT HOME CREDIT.

Subsection (g) of section 45L (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

SEC. 406. EXTENSION OF ENERGY CREDIT.

(a) SOLAR ENERGY PROPERTY.—Paragraphs (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) (relating to energy credit) are each amended by striking “January 1, 2009” and inserting “January 1, 2010”.

(b) FUEL CELL PROPERTY.—Subparagraph (E) of section 48(c)(1) (relating to qualified fuel cell property) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

(c) MICROTURBINE PROPERTY.—Subparagraph (E) of section 48(c)(2) (relating to qualified microturbine property) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

SEC. 407. EXTENSION AND MODIFICATION OF CREDIT FOR CLEAN RENEWABLE ENERGY BONDS.

(a) EXTENSION.—Section 54(m) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.
(b) Increase in National Limitation.—Section 54(f) (relating to limitation on amount of bonds designated) is amended—

(1) by striking “$1,200,000,000” in paragraph (1) and inserting “$1,600,000,000”, and
(2) by striking “$750,000,000” in paragraph (2) and inserting “$1,000,000,000”.

(c) Modification of Ratable Principal Amortization Requirement.—

(1) In General.—Paragraph (5) of section 54(l) is amended to read as follows:

“(5) Ratable principal amortization required.—A bond shall not be treated as a clean renewable energy bond unless it is part of an issue which provides for an equal amount of principal to be paid by the qualified issuer during each 12-month period that the issue is outstanding (other than the first 12-month period).”.

(2) Technical Amendment.—The third sentence of section 54(e)(2) is amended by striking “subsection (l)(6)” and inserting “subsection (l)(5)”.

(d) Effective Date.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.
SEC. 408. EXTENSION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

Section 179D(h) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

TITLE V—TAX ADMINISTRATION

SEC. 501. PERMANENT AUTHORITY FOR UNDERCOVER OPERATIONS.

(a) In general.—Section 7608(c) (relating to rules relating to undercover operations) is amended by striking paragraph (6).

(b) Effective date.—The amendment made by this section shall apply to operations conducted after the date of the enactment of this Act.

SEC. 502. PERMANENT DISCLOSURES OF CERTAIN TAX RETURN INFORMATION.

(a) Disclosures to facilitate combined employment tax reporting.—

(1) In general.—Section 6103(d)(5) (relating to disclosure for combined employment tax reporting) is amended—

(A) by striking “REPORTING” in the heading thereof and all that follows through “The Secretary” in subparagraph (A) and inserting “REPORTING.—The Secretary”, and

(B) by striking subparagraph (B).
(2) Effective date.—The amendments made by this subsection shall apply to disclosures after the date of the enactment of this Act.

(b) Disclosures relating to certain programs administered by the Department of Veterans Affairs.—

(1) In general.—Section 6103(l)(7)(D) (relating to programs to which rule applies) is amended by striking the last sentence.

(2) Technical amendment.—Section 6103(l)(7)(D)(viii)(III) is amended by striking “sections 1710(a)(1)(I), 1710(a)(2), 1710(b), and 1712(a)(2)(B)” and inserting “sections 1710(a)(2)(G), 1710(a)(3), and 1710(b)”.

SEC. 503. Disclosure of information relating to terrorist activities.

(a) Disclosure of return information to apprise appropriate officials of terrorist activities.—Clause (iv) of section 6103(i)(3)(C) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Disclosure upon request of information relating to terrorist activities.—Subparagraph (E) of section 6103(i)(7) (relating to termination) is
amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures after the date of the enactment of this Act.