



(Original Signature of Member)

110TH CONGRESS
1ST SESSION

H. R.

To amend the Internal Revenue Code of 1986 to make technical corrections,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. RANGEL (for himself and Mr. MCCRERY) introduced the following bill;
which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to make
technical corrections, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE;**

4 **TABLE OF CONTENTS.**

5 (a) **SHORT TITLE.**—This Act may be cited as the
6 “Tax Technical Corrections Act of 2007”.

7 (b) **AMENDMENT OF 1986 CODE.**—Except as other-
8 wise expressly provided, whenever in this Act an amend-
9 ment or repeal is expressed in terms of an amendment

1 to, or repeal of, a section or other provision, the reference
2 shall be considered to be made to a section or other provi-
3 sion of the Internal Revenue Code of 1986.

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

- Sec. 1. Short title; amendment of 1986 Code; table of contents.
- Sec. 2. Amendment related to the Tax Relief and Health Care Act of 2006.
- Sec. 3. Amendments related to title XII of the Pension Protection Act of 2006.
- Sec. 4. Amendments related to the Tax Increase Prevention and Reconciliation Act of 2005.
- Sec. 5. Amendments related to the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users.
- Sec. 6. Amendments related to the Energy Policy Act of 2005.
- Sec. 7. Amendments related to the American Jobs Creation Act of 2004.
- Sec. 8. Amendment related to the Jobs and Growth Tax Relief Reconciliation Act of 2003.
- Sec. 9. Amendments related to the Economic Growth and Tax Relief Reconciliation Act of 2001.
- Sec. 10. Amendments related to the Tax Relief Extension Act of 1999.
- Sec. 11. Amendment related to the Internal Revenue Service Restructuring and Reform Act of 1998.
- Sec. 12. Clerical corrections.

6 **SEC. 2. AMENDMENT RELATED TO THE TAX RELIEF AND**
7 **HEALTH CARE ACT OF 2006.**

8 (a) AMENDMENT RELATED TO SECTION 402 OF DI-
9 VISION A OF THE ACT.—Subparagraph (A) of section
10 53(e)(2) is amended to read as follows:

11 “(A) IN GENERAL.—The term ‘AMT re-
12 fundable credit amount’ means, with respect to
13 any taxable year, the amount (not in excess of
14 the long-term unused minimum tax credit for
15 such taxable year) equal to the greater of—

16 “(i) \$5,000,

1 “(ii) 20 percent of the long-term un-
2 used minimum tax credit for such taxable
3 year, or

4 “(iii) the amount (if any) of the AMT
5 refundable credit amount determined
6 under this paragraph for the taxpayer’s
7 preceding taxable year (as determined be-
8 fore any reduction under subparagraph
9 (B)).”.

10 (b) **EFFECTIVE DATE.**—The amendment made by
11 this section shall take effect as if included in the provision
12 of the Tax Relief and Health Care Act of 2006 to which
13 it relates.

14 **SEC. 3. AMENDMENTS RELATED TO TITLE XII OF THE PEN-**
15 **SION PROTECTION ACT OF 2006.**

16 (a) **AMENDMENT RELATED TO SECTION 1201 OF**
17 **THE ACT.**—Subparagraph (D) of section 408(d)(8) is
18 amended by striking “all amounts distributed from all in-
19 dividual retirement plans were treated as 1 contract under
20 paragraph (2)(A) for purposes of determining the inclu-
21 sion of such distribution under section 72” and inserting
22 “all amounts in all individual retirement plans of the indi-
23 vidual were distributed during such taxable year and all
24 such plans were treated as 1 contract for purposes of de-

1 terminating under section 72 the aggregate amount which
2 would have been so includible”.

3 (b) AMENDMENT RELATED TO SECTION 1203 OF
4 THE ACT.—Subsection (d) of section 1366 is amended by
5 adding at the end the following new paragraph:

6 “(4) APPLICATION OF LIMITATION ON CHARIT-
7 TABLE CONTRIBUTIONS.—In the case of any chari-
8 table contribution of property to which the second
9 sentence of section 1367(a)(2) applies, paragraph
10 (1) shall not apply to the extent of the excess (if
11 any) of—

12 “(A) the shareholder’s pro rata share of
13 such contribution, over

14 “(B) the shareholder’s pro rata share of
15 the adjusted basis of such property.”.

16 (c) AMENDMENT RELATED TO SECTION 1215 OF
17 THE ACT.—Subclause (I) of section 170(e)(7)(D)(i) is
18 amended by striking “related” and inserting “substantial
19 and related”.

20 (d) AMENDMENTS RELATED TO SECTION 1218 OF
21 THE ACT.—

22 (1) Section 2055 is amended by striking sub-
23 section (g) and by redesignating subsection (h) as
24 subsection (g).

1 (2) Subsection (e) of section 2522 is amend-
2 ed—

3 (A) by striking paragraphs (2) and (4),

4 (B) by redesignating paragraph (3) as
5 paragraph (2), and

6 (C) by adding at the end of paragraph (2),
7 as so redesignated, the following new subpara-
8 graph:

9 “(C) INITIAL FRACTIONAL CONTRIBU-
10 TION.—For purposes of this paragraph, the
11 term ‘initial fractional contribution’ means,
12 with respect to any donor, the first gift of an
13 undivided portion of the donor’s entire interest
14 in any tangible personal property for which a
15 deduction is allowed under subsection (a) or
16 (b).”.

17 (e) AMENDMENTS RELATED TO SECTION 1219 OF
18 THE ACT.—

19 (1) Paragraph (2) of section 6695A(a) is
20 amended by inserting “a substantial estate or gift
21 tax valuation understatement (within the meaning of
22 section 6662(g)),” before “or a gross valuation
23 misstatement”.

1 (2) Paragraph (1) of section 6696(d) is amend-
2 ed by striking “or under section 6695” and inserting
3 “, section 6695, or 6695A”.

4 (f) AMENDMENT RELATED TO SECTION 1221 OF THE
5 ACT.—Subparagraph (A) of section 4940(c)(4) is amend-
6 ed to read as follows:

7 “(A) There shall not be taken into account
8 any gain or loss from the sale or other disposi-
9 tion of property to the extent that such gain or
10 loss is taken into account for purposes of com-
11 puting the tax imposed by section 511.”.

12 (g) AMENDMENT RELATED TO SECTION 1225 OF
13 THE ACT.—

14 (1) Subsection (b) of section 6104 is amend-
15 ed—

16 (A) by striking “INFORMATION” in the
17 heading, and

18 (B) by adding at the end the following:
19 “Any annual return which is filed under section
20 6011 by an organization described in section
21 501(c)(3) and which relates to any tax imposed
22 by section 511 (relating to imposition of tax on
23 unrelated business income of charitable, etc.,
24 organizations) shall be treated for purposes of

1 this subsection in the same manner as if fur-
2 nished under section 6033.”.

3 (2) Clause (ii) of section 6104(d)(1)(A) is
4 amended to read as follows:

5 “(ii) any annual return which is filed
6 under section 6011 by an organization de-
7 scribed in section 501(c)(3) and which re-
8 lates to any tax imposed by section 511
9 (relating to imposition of tax on unrelated
10 business income of charitable, etc., organi-
11 zations),”.

12 (3) Paragraph (2) of section 6104(d) is amend-
13 ed by striking “section 6033” and inserting “section
14 6011 or 6033”.

15 (h) AMENDMENT RELATED TO SECTION 1231 OF
16 THE ACT.—Subsection (b) of section 4962 is amended by
17 striking “or D” and inserting “D, or G”.

18 (i) AMENDMENT RELATED TO SECTION 1242 OF THE
19 ACT.—

20 (1) Subclause (II) of section 4958(c)(3)(A)(i) is
21 amended by striking “paragraph (1), (2), or (4) of
22 section 509(a)” and inserting “subparagraph
23 (C)(ii)”.

24 (2) Clause (ii) of section 4958(c)(3)(C) is
25 amended to read as follows:

1 “(ii) EXCEPTION.—Such term shall
2 not include—

3 “(I) any organization described
4 in paragraph (1), (2), or (4) of section
5 509(a), and

6 “(II) any organization which is
7 treated as described in such para-
8 graph (2) by reason of the last sen-
9 tence of section 509(a) and which is a
10 supported organization (as defined in
11 section 509(f)(3)) of the organization
12 to which subparagraph (A) applies.”.

13 (j) EFFECTIVE DATE.—The amendments made by
14 this section shall take effect as if included in the provisions
15 of the Pension Protection Act of 2006 to which they re-
16 late.

17 **SEC. 4. AMENDMENTS RELATED TO THE TAX INCREASE**
18 **PREVENTION AND RECONCILIATION ACT OF**
19 **2005.**

20 (a) AMENDMENTS RELATED TO SECTION 103 OF
21 THE ACT.—Paragraph (6) of section 954(e) is amended
22 by redesignating subparagraph (B) as subparagraph (C)
23 and inserting after subparagraph (A) the following new
24 subparagraph:

1 “(B) EXCEPTION.—Subparagraph (A)
2 shall not apply in the case of any interest, rent,
3 or royalty to the extent such interest, rent, or
4 royalty creates (or increases) a deficit which
5 under section 952(c) may reduce the subpart F
6 income of the payor or another controlled for-
7 eign corporation.”.

8 (b) AMENDMENTS RELATED TO SECTION 202 OF
9 THE ACT.—

10 (1) Subparagraph (A) of section 355(b)(2) is
11 amended to read as follows:

12 “(A) it is engaged in the active conduct of
13 a trade or business,”.

14 (2) Paragraph (3) of section 355(b) is amended
15 to read as follows:

16 “(3) SPECIAL RULES FOR DETERMINING AC-
17 TIVE CONDUCT IN THE CASE OF AFFILIATED
18 GROUPS.—

19 “(A) IN GENERAL.—For purposes of deter-
20 mining whether a corporation meets the re-
21 quirements of paragraph (2)(A), all members of
22 such corporation’s separate affiliated group
23 shall be treated as one corporation.

24 “(B) SEPARATE AFFILIATED GROUP.—For
25 purposes of this paragraph, the term ‘separate

1 affiliated group' means, with respect to any cor-
2 poration, the affiliated group which would be
3 determined under section 1504(a) if such cor-
4 poration were the common parent and section
5 1504(b) did not apply.

6 “(C) TREATMENT OF TRADE OR BUSINESS
7 CONDUCTED BY ACQUIRED MEMBER.—If a cor-
8 poration became a member of a separate affili-
9 ated group as a result of one or more trans-
10 actions in which gain or loss was recognized in
11 whole or in part, any trade or business con-
12 ducted by such corporation (at the time that
13 such corporation became such a member) shall
14 be treated for purposes of paragraph (2) as ac-
15 quired in a transaction in which gain or loss
16 was recognized in whole or in part.

17 “(D) REGULATIONS.—The Secretary shall
18 prescribe such regulations as are necessary or
19 appropriate to carry out the purposes of this
20 paragraph, including regulations which provide
21 for the proper application of subparagraphs
22 (B), (C), and (D) of paragraph (2), and modify
23 the application of subsection (a)(3)(B), in con-
24 nection with the application of this para-
25 graph.”.

1 (3) The Internal Revenue Code of 1986 shall be
2 applied and administered as if the amendments
3 made by section 202 of the Tax Increase Prevention
4 and Reconciliation Act of 2005 and by section 410
5 of division A of the Tax Relief and Health Care Act
6 of 2006 had never been enacted.

7 (c) AMENDMENT RELATED TO SECTION 515 OF THE
8 ACT.—Subsection (f) of section 911 is amended to read
9 as follows:

10 “(f) DETERMINATION OF TAX LIABILITY.—

11 “(1) IN GENERAL.—If, for any taxable year,
12 any amount is excluded from gross income of a tax-
13 payer under subsection (a), then, notwithstanding
14 sections 1 and 55—

15 “(A) if such taxpayer has taxable income
16 for such taxable year, the tax imposed by sec-
17 tion 1 for such taxable year shall be equal to
18 the excess (if any) of—

19 “(i) the tax which would be imposed
20 by section 1 for such taxable year if the
21 taxpayer’s taxable income were increased
22 by the amount excluded under subsection
23 (a) for such taxable year, over

24 “(ii) the tax which would be imposed
25 by section 1 for such taxable year if the

1 taxpayer's taxable income were equal to
2 the amount excluded under subsection (a)
3 for such taxable year, and

4 “(B) if such taxpayer has a taxable excess
5 (as defined in section 55(b)(1)(A)(ii)) for such
6 taxable year, the amount determined under the
7 first sentence of section 55(b)(1)(A)(i) for such
8 taxable year shall be equal to the excess (if any)
9 of—

10 “(i) the amount which would be deter-
11 mined under such sentence for such tax-
12 able year (subject to the limitation of sec-
13 tion 55(b)(3)) if the taxpayer's taxable ex-
14 cess (as so defined) were increased by the
15 amount excluded under subsection (a) for
16 such taxable year, over

17 “(ii) the amount which would be de-
18 termined under such sentence for such tax-
19 able year (subject to the limitation of sec-
20 tion 55(b)(3)) if the taxpayer's taxable ex-
21 cess (as so defined) were equal to the
22 amount excluded under subsection (a) for
23 such taxable year.

24 “(2) TREATMENT OF ORDINARY LOSS.—

1 “(A) REGULAR TAX.—If, for any taxable
2 year, a taxpayer’s net capital gain exceeds tax-
3 able income, in determining the tax under para-
4 graph (1)(A)(ii)—

5 “(i) there shall be treated as adjusted
6 net capital gain the lesser of—

7 “(I) the adjusted net capital gain
8 (determined without regard to this
9 paragraph), or

10 “(II) the amount of such excess,

11 “(ii) there shall be treated as
12 unrecaptured section 1250 gain the lesser
13 of—

14 “(I) the unrecaptured section
15 1250 gain (determined without regard
16 to this paragraph), or

17 “(II) the amount of such excess
18 reduced by adjusted net capital gain
19 (as determined under clause (i)), and

20 “(iii) there shall be treated as 28-per-
21 cent rate gain the amount of such excess
22 reduced by the sum of—

23 “(I) the amount treated as ad-
24 justed net capital gain under clause
25 (i), and

1 “(II) the amount treated as
2 unrecaptured section 1250 gain under
3 clause (ii).

4 “(B) ALTERNATIVE MINIMUM TAX.—The
5 rules of subparagraph (A) shall apply for pur-
6 poses of determining the amount under para-
7 graph (1)(B)(ii), except that such subparagraph
8 shall be applied by substituting ‘taxable excess
9 (as defined in section 55(b)(1)(A)(ii))’ for ‘tax-
10 able income’.”.

11 (d) EFFECTIVE DATE.—

12 (1) IN GENERAL.—Except as otherwise pro-
13 vided in this subsection, the amendments made by
14 this section shall take effect as if included in the
15 provisions of the Tax Increase Prevention and Rec-
16 onciliation Act of 2005 to which they relate.

17 (2) MODIFICATION OF ACTIVE BUSINESS DEFINI-
18 TION UNDER SECTION 355.—

19 (A) IN GENERAL.—Except as otherwise
20 provided in this paragraph, the amendments
21 made by subsection (b) shall apply to distribu-
22 tions made after May 17, 2006.

23 (B) TRANSITION RULE.—The amendments
24 made by subsection (b) shall not apply to any

1 distribution pursuant to a transaction which
2 is—

3 (i) made pursuant to an agreement
4 which was binding on May 17, 2006, and
5 at all times thereafter,

6 (ii) described in a ruling request sub-
7 mitted to the Internal Revenue Service on
8 or before such date, or

9 (iii) described on or before such date
10 in a public announcement or in a filing
11 with the Securities and Exchange Commis-
12 sion.

13 (C) ELECTION OUT OF TRANSITION
14 RULE.—Subparagraph (B) shall not apply if
15 the distributing corporation elects not to have
16 such subparagraph apply to distributions of
17 such corporation. Any such election, once made,
18 shall be irrevocable.

19 (D) SPECIAL RULE FOR CERTAIN PRE-EN-
20 ACTMENT DISTRIBUTIONS.—For purposes of
21 determining the continued qualification under
22 section 355(b)(2)(A) of the Internal Revenue
23 Code of 1986 of distributions made on or before
24 May 17, 2006, as a result of an acquisition, dis-
25 position, or other restructuring after such date,

1 such distribution shall be treated as made on
2 the date of such acquisition, disposition, or re-
3 structuring for purposes of applying subpara-
4 graphs (A) through (C) of this paragraph. The
5 preceding sentence shall only apply with respect
6 to the corporation that undertakes such acquisi-
7 tion, disposition, or other restructuring, and
8 only if such application results in continued
9 qualification under section 355(b)(2)(A) of such
10 Code.

11 (3) AMENDMENT RELATED TO SECTION 515 OF
12 THE ACT.—The amendment made by subsection (c)
13 shall apply to taxable years beginning after Decem-
14 ber 31, 2006.

15 **SEC. 5. AMENDMENTS RELATED TO THE SAFE, ACCOUNT-**
16 **ABLE, FLEXIBLE, EFFICIENT TRANSPOR-**
17 **TATION EQUITY ACT: A LEGACY FOR USERS.**

18 (a) AMENDMENTS RELATED TO SECTION 11113 OF
19 THE ACT.—

20 (1) Paragraph (3) of section 6427(i) is amend-
21 ed—

22 (A) by inserting “or under subsection
23 (e)(2) by any person with respect to an alter-
24 native fuel (as defined in section 6426(d)(2))”
25 after “section 6426” in subparagraph (A),

1 (B) by inserting “or (e)(2)” after “sub-
2 section (e)(1)” in subparagraphs (A)(i) and
3 (B), and

4 (C) by striking “ALCOHOL FUEL AND BIO-
5 DIESEL MIXTURE CREDIT” and inserting “MIX-
6 TURE CREDITS AND THE ALTERNATIVE FUEL
7 CREDIT” in the heading thereof.

8 (2) Subparagraph (F) of section 6426(d)(2) is
9 amended by striking “hydrocarbons” and inserting
10 “fuel”.

11 (3) Section 6426 is amended by adding at the
12 end the following new subsection:

13 “(h) DENIAL OF DOUBLE BENEFIT.—No credit shall
14 be determined under subsection (d) or (e) with respect to
15 any fuel with respect to which credit may be determined
16 under subsection (b) or (c) or under section 40 or 40A.”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 this section shall take effect as if included in the provisions
19 of the SAFETEA-LU to which they relate.

20 **SEC. 6. AMENDMENTS RELATED TO THE ENERGY POLICY**
21 **ACT OF 2005.**

22 (a) AMENDMENT RELATED TO SECTION 1306 OF
23 THE ACT.—Paragraph (2) of section 45J(b) is amended
24 to read as follows:

