SA 28. Mr. LEVIN (for himself, Mr. Inouye, Mr. Leahy, Mr. Sanders, Mr. Rockefeller, Mrs. Feinstein, and Mrs. Shaheen) proposed an amendment to the bill S. 223, to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes; as follows:

On page 335, after line 20, insert the following:

TITLE XI--ADDITIONAL PROVISIONS

SEC. 1101. REPEAL OF EXPANSION OF INFORMATION REPORTING REQUIREMENTS.

Section 9006 of the Patient Protection and Affordable Care Act, and the amendments made thereby, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such section, and amendments, had never been enacted.

SEC. 1102. DENIAL OF DEDUCTION FOR MAJOR INTEGRATED OIL COMPANIES FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION OF OIL, GAS, OR PRIMARY PRODUCTS THEREOF.

(a) In General.--Subparagraph (B) of section 199(c)(4) of the Internal Revenue Code of 1986 is amended by striking ``or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting `, or'', and by inserting after clause (iii) the following new clause:

``(iv) in the case of a taxpayer which is a major integrated oil company (as defined in section 167(h)(5)(B)), oil related qualified production activities (within the meaning of subsection (d)(9)(B)).''.

(b) Conforming Amendment.--Section 199(d)(9)(A) of the Internal Revenue Code of 1986 is amended by inserting ``(other than a major integrated oil company (as defined in section 167(h)(5)(B))'' after `taxpayer''.

(c) Effective Date.--The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 1103. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO DUAL CAPACITY TAXPAYERS.

(a) In General.--Section 901 of the Internal Revenue Code of 1986 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by
redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

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(n) Special Rules Relating To Dual Capacity Taxpayers.--

(1) GENERAL RULE.--Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United States for any period with respect to combined foreign oil and gas income (as defined in section 907(b)(1)) shall not be considered a tax to the extent such amount exceeds the amount (determined in accordance with regulations) which would have been required to be paid if the taxpayer were not a dual capacity taxpayer.

(2) DUAL CAPACITY TAXPAYER.--For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who--

(A) is subject to a levy of such country or possession, and

(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.''.

(b) Effective Date.--

(1) IN GENERAL.--The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after December 31, 2010.

(2) CONTRARY TREATY OBLIGATIONS UPHELD.--The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. 1104. RULES RELATING TO FOREIGN OIL AND GAS INCOME.

(a) Separate Basket for Foreign Tax Credit.--Paragraph (1) of section 904(d) of the Internal Revenue Code of 1986 is amended by striking ``and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ``, and'', and by adding at the end the following:

``(C) combined foreign oil and gas income (as defined in section 907(b)(1)).''

(b) Coordination.--Section 904(d)(2) of the Internal Revenue Code of 1986 is amended by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L) and by inserting after subparagraph (I) the following:

``(J) COORDINATION WITH COMBINED FOREIGN OIL AND GAS INCOME.--For purposes of this section, passive category income and general category

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income shall not include combined foreign oil and gas income (as defined in section 907(b)(1))."

(c) Conforming Amendments.--

(1) Section 907(a) of the Internal Revenue Code of 1986 is hereby repealed.

(2) Section 907(c)(4) of such Code is hereby repealed.

(3) Section 907(f) of such Code is hereby repealed.

(d) Effective Dates.--

(1) IN GENERAL.--The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

(2) TRANSITIONAL RULES.--

(A) CARRYOVERS.--Any unused foreign oil and gas taxes which under section 907(f) of the Internal Revenue Code of 1986 (as in effect before the amendment made by subsection (c)(3)) would have been allowable as a carryover to the taxpayer's first taxable year beginning after December 31, 2010 (without regard to the limitation of paragraph (2) of such section 907(f) for first taxable year) shall be allowed as carryovers under section 904(c) of such Code in the same manner as if such taxes were unused taxes under such section 904(c) with respect to foreign oil and gas extraction income.

(B) LOSSES.--The amendment made by subsection (c)(2) shall not apply to foreign oil and gas extraction losses arising in taxable years beginning on or before the date of the enactment of this Act.

SEC. 1105. REQUIRED MINIMUM 10-YEAR TERM, ETC., FOR GRANTOR RETAINED ANNUITY TRUSTS.

(a) In General.--Subsection (b) of section 2702 of the Internal Revenue Code of 1986 is amended--

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively, and by moving such subparagraphs (as so redesignated) 2 ems to the right,

(2) by striking "''For purposes of"' and inserting the following:

``(1) IN GENERAL.--For purposes of'',

(3) by striking ``paragraph (1) or (2)'' in paragraph (1)(C) (as so redesignated) and inserting ``paragraph (A) or (B)'', and
(4) by adding at the end the following new paragraph:

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(2) ADDITIONAL REQUIREMENTS WITH RESPECT TO GRANTOR RETAINED ANNUITIES.--For purposes of subsection (a), in the case of an interest described in paragraph (1)(A) (determined without regard to this paragraph) which is retained by the transferor, such interest shall be treated as described in such paragraph only if--

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(A) the right to receive the fixed amounts referred to in such paragraph is for a term of not less than 10 years,

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(B) such fixed amounts, when determined on an annual basis, do not decrease relative to any prior year during the first 10 years of the term referred to in subparagraph (A), and

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(C) the remainder interest has a value greater than zero determined as of the time of the transfer."

(b) Effective Date.--The amendments made by this section shall apply to transfers made after the date of the enactment of this Act.