

1 **DIVISION D—FINANCE**

2 **SEC. 40001. SHORT TITLE; TABLE OF CONTENTS.**

3 (a) **SHORT TITLE.**—This division may be cited as the
 4 “Highway Investment, Job Creation, and Economic
 5 Growth Act of 2012”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
 7 this division is as follows:

DIVISION D—FINANCE

Sec. 40001. Short title; table of contents.

TITLE I—EXTENSION OF HIGHWAY TRUST FUND EXPENDITURE
 AUTHORITY AND RELATED TAXES

Sec. 40101. Extension of trust fund expenditure authority.

Sec. 40102. Extension of highway-related taxes.

TITLE II—OTHER PROVISIONS

Sec. 40201. Temporary increase in small issuer exception to tax-exempt inter-
 est expense allocation rules for financial institutions.

Sec. 40202. Temporary modification of alternative minimum tax limitations on
 tax-exempt bonds.

Sec. 40203. Issuance of TRIP bonds by State infrastructure banks.

Sec. 40204. Extension of parity for exclusion from income for employer-pro-
 vided mass transit and parking benefits.

Sec. 40205. Exempt-facility bonds for sewage and water supply facilities.

TITLE III—REVENUE PROVISIONS

Sec. 40301. Transfer from Leaking Underground Storage Tank Trust Fund to
 Highway Trust Fund.

Sec. 40302. Portion of Leaking Underground Storage Tank Trust Fund financ-
 ing rate transferred to Highway Trust Fund.

Sec. 40303. Transfer of gas guzzler taxes to Highway Trust Fund.

Sec. 40304. Revocation or denial of passport in case of certain unpaid taxes.

Sec. 40305. 100 percent continuous levy on payments to Medicare providers
 and suppliers.

Sec. 40306. Transfer of amounts attributable to certain duties on imported ve-
 hicles into the Highway Trust Fund.

Sec. 40307. Treatment of securities of a controlled corporation exchanged for
 assets in certain reorganizations.

Sec. 40308. Internal Revenue Service levies and Thrift Savings Plan Accounts.

Sec. 40309. Depreciation and amortization rules for highway and related property subject to long-term leases.

Sec. 40310. Extension for transfers of excess pension assets to retiree health accounts.

Sec. 40311. Transfer of excess pension assets to retiree group term life insurance accounts.

Sec. 40312. Pension funding stabilization.

1 **TITLE I—EXTENSION OF HIGH-**
 2 **WAY TRUST FUND EXPENDI-**
 3 **TURE AUTHORITY AND RE-**
 4 **LATED TAXES**

5 **SEC. 40101. EXTENSION OF TRUST FUND EXPENDITURE AU-**
 6 **THORITY.**

7 (a) HIGHWAY TRUST FUND.—Section 9503 of the
 8 Internal Revenue Code of 1986 is amended—

9 (1) by striking “April 1, 2012” in subsections
 10 (b)(6)(B), (c)(1), and (e)(3) and inserting “October
 11 1, 2013”; and

12 (2) by striking “Surface Transportation Exten-
 13 sion Act of 2011, Part II” in subsections (c)(1) and
 14 (e)(3) and inserting “Moving Ahead for Progress in
 15 the 21st Century Act”.

16 (b) SPORT FISH RESTORATION AND BOATING TRUST
 17 FUND.—Section 9504 of the Internal Revenue Code of
 18 1986 is amended—

19 (1) by striking “Surface Transportation Exten-
 20 sion Act of 2011, Part II” each place it appears in
 21 subsection (b)(2) and inserting “Moving Ahead for
 22 Progress in the 21st Century Act”; and

1 (2) by striking “April 1, 2012” in subsection
2 (d)(2) and inserting “October 1, 2013”.

3 (c) LEAKING UNDERGROUND STORAGE TANK TRUST
4 FUND.—Paragraph (2) of section 9508(e) of the Internal
5 Revenue Code of 1986 is amended by striking “April 1,
6 2012” and inserting “October 1, 2013”.

7 (d) ESTABLISHMENT OF SOLVENCY ACCOUNT.—Sec-
8 tion 9503 of the Internal Revenue Code of 1986 is amend-
9 ed by adding at the end the following new subsection:

10 “(g) ESTABLISHMENT OF SOLVENCY ACCOUNT.—

11 “(1) CREATION OF ACCOUNT.—There is estab-
12 lished in the Highway Trust Fund a separate ac-
13 count to be known as the ‘Solvency Account’ con-
14 sisting of such amounts as may be transferred or
15 credited to the Solvency Account as provided in this
16 section or section 9602(b).

17 “(2) TRANSFERS TO SOLVENCY ACCOUNT.—

18 The Secretary of the Treasury shall transfer to the
19 Solvency Account the excess of—

20 “(A) any amount appropriated to the
21 Highway Trust Fund before October 1, 2013,
22 by reason of the provisions of, and amendments
23 made by, the Highway Investment, Job Cre-
24 ation, and Economic Growth Act of 2012, over

1 (B) Section 4041(m)(1)(B).

2 (C) Section 4081(d)(1).

3 (2) Each of the following provisions of such
4 Code is amended by striking “April 1, 2012” and in-
5 serting “October 1, 2015”:

6 (A) Section 4041(m)(1)(A).

7 (B) Section 4051(c).

8 (C) Section 4071(d).

9 (D) Section 4081(d)(3).

10 (b) EXTENSION OF TAX, ETC., ON USE OF CERTAIN
11 HEAVY VEHICLES.—Each of the following provisions of
12 the Internal Revenue Code of 1986 is amended by striking
13 “2012” and inserting “2015”:

14 (1) Section 4481(f).

15 (2) Subsections (c)(4) and (d) of section 4482.

16 (c) FLOOR STOCKS REFUNDS.—Section 6412(a)(1)
17 of the Internal Revenue Code of 1986 is amended—

18 (1) by striking “April 1, 2012” each place it
19 appears and inserting “October 1, 2015”;

20 (2) by striking “September 30, 2012” each
21 place it appears and inserting “March 31, 2016”;

22 and

23 (3) by striking “July 1, 2012” and inserting
24 “January 1, 2016”.

1 (d) EXTENSION OF CERTAIN EXEMPTIONS.—Sec-
2 tions 4221(a) and 4483(i) of the Internal Revenue Code
3 of 1986 are each amended by striking “April 1, 2012”
4 and inserting “October 1, 2015”.

5 (e) EXTENSION OF TRANSFERS OF CERTAIN
6 TAXES.—

7 (1) IN GENERAL.—Section 9503 of the Internal
8 Revenue Code of 1986 is amended—

9 (A) in subsection (b)—

10 (i) by striking “April 1, 2012” each
11 place it appears in paragraphs (1) and (2)
12 and inserting “October 1, 2015”;

13 (ii) by striking “APRIL 1, 2012” in the
14 heading of paragraph (2) and inserting
15 “OCTOBER 1, 2015”;

16 (iii) by striking “March 31, 2012” in
17 paragraph (2) and inserting “September
18 30, 2015”; and

19 (iv) by striking “January 1, 2013” in
20 paragraph (2) and inserting “July 1,
21 2016”; and

22 (B) in subsection (c)(2), by striking “Jan-
23 uary 1, 2013” and inserting “July 1, 2016”.

24 (2) MOTORBOAT AND SMALL-ENGINE FUEL TAX
25 TRANSFERS.—

1 (A) IN GENERAL.—Paragraphs (3)(A)(i)
2 and (4)(A) of section 9503(c) of such Code are
3 each amended by striking “April 1, 2012” and
4 inserting “October 1, 2015”.

5 (B) CONFORMING AMENDMENTS TO LAND
6 AND WATER CONSERVATION FUND.—Section
7 201(b) of the Land and Water Conservation
8 Fund Act of 1965 (16 U.S.C. 460l–11(b)) is
9 amended—

10 (i) by striking “April 1, 2013” each
11 place it appears and inserting “October 1,
12 2016”; and

13 (ii) by striking “April 1, 2012” and
14 inserting “October 1, 2015”.

15 (f) EFFECTIVE DATE.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), the amendments made by this section
18 shall take effect on April 1, 2012.

19 (2) SUBSECTION (b)(2).—The amendment
20 made by subsection (b)(2) shall apply to periods be-
21 ginning after September 30, 2012.

1 **TITLE II—OTHER PROVISIONS**

2 **SEC. 40201. TEMPORARY INCREASE IN SMALL ISSUER EX-**
3 **CEPTION TO TAX-EXEMPT INTEREST EX-**
4 **PENSE ALLOCATION RULES FOR FINANCIAL**
5 **INSTITUTIONS.**

6 (a) IN GENERAL.—Subparagraph (G) of section
7 265(b)(3) of the Internal Revenue Code of 1986 is amend-
8 ed—

9 (1) by striking “2009 or 2010” in clause (i)
10 and inserting “2009, 2010, or 2012”,

11 (2) by striking “2009 or 2010” each place it
12 appears in clauses (ii) and (iii) and inserting “2009,
13 2010, or the period beginning after the date of the
14 enactment of the Highway Investment, Job Cre-
15 ation, and Economic Growth Act of 2012 and before
16 January 1, 2013”, and

17 (3) by striking “2009 AND 2010” in the heading
18 and inserting “2009, 2010, AND 2012”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to obligations issued after the date
21 of the enactment of this Act.

1 **SEC. 40202. TEMPORARY MODIFICATION OF ALTERNATIVE**
2 **MINIMUM TAX LIMITATIONS ON TAX-EXEMPT**
3 **BONDS.**

4 (a) INTEREST ON PRIVATE ACTIVITY BONDS NOT
5 TREATED AS TAX PREFERENCE ITEMS.—Clause (vi) of
6 section 57(a)(5)(C) of the Internal Revenue Code of 1986
7 is amended—

8 (1) in subclause (I) by inserting “, or after the
9 date of enactment of the Highway Investment, Job
10 Creation, and Economic Growth Act of 2012 and be-
11 fore January 1, 2013” after “January 1, 2011”;

12 (2) in subclause (III) by inserting “before Jan-
13 uary 1, 2011” after “which is issued”; and

14 (3) by striking “AND 2010” in the heading and
15 inserting “, 2010, AND PORTIONS OF 2012”.

16 (b) NO ADJUSTMENT TO ADJUSTED CURRENT
17 EARNINGS.—Clause (iv) of section 56(g)(4)(B) of the In-
18 ternal Revenue Code of 1986 is amended—

19 (1) in subclause (I) by inserting “, or after the
20 date of enactment of the Highway Investment, Job
21 Creation, and Economic Growth Act of 2012 and be-
22 fore January 1, 2013” after “January 1, 2011”;

23 (2) in subclause (III) by inserting “before Jan-
24 uary 1, 2011” after “which is issued”; and

25 (3) by striking “AND 2010” in the heading and
26 inserting “, 2010, AND PORTIONS OF 2012”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to obligations issued after the date
3 of enactment of this Act.

4 **SEC. 40203. ISSUANCE OF TRIP BONDS BY STATE INFRA-**
5 **STRUCTURE BANKS.**

6 Section 610(d) of title 23, United States Code, is
7 amended—

8 (1) by redesignating paragraphs (4), (5), and
9 (6) as paragraphs (5), (6), and (7), respectively,

10 (2) by inserting after paragraph (3) the fol-
11 lowing new paragraph:

12 “(4) TRIP BOND ACCOUNT.—

13 “(A) IN GENERAL.—A State, through a
14 State infrastructure bank, may issue TRIP
15 bonds and deposit proceeds from such issuance
16 into the TRIP bond account of the bank.

17 “(B) TRIP BOND.—For purposes of this
18 section, the term ‘TRIP bond’ means any bond
19 issued as part of an issue if—

20 “(i) 100 percent of the available
21 project proceeds of such issue are to be
22 used for expenditures incurred after the
23 date of the enactment of this paragraph
24 for 1 or more qualified projects pursuant
25 to an allocation of such proceeds to such

1 project or projects by a State infrastruc-
2 ture bank,

3 “(ii) the bond is issued by a State in-
4 frastructure bank and is in registered form
5 (within the meaning of section 149(a) of
6 the Internal Revenue Code of 1986),

7 “(iii) the State infrastructure bank
8 designates such bond for purposes of this
9 section, and

10 “(iv) the term of each bond which is
11 part of such issue does not exceed 30
12 years.

13 “(C) QUALIFIED PROJECT.—For purposes
14 of this subparagraph, the term ‘qualified
15 project’ means the capital improvements to any
16 transportation infrastructure project of any
17 governmental unit or other person, including
18 roads, bridges, rail and transit systems, ports,
19 and inland waterways proposed and approved
20 by a State infrastructure bank, but does not in-
21 clude costs of operations or maintenance with
22 respect to such project.”,

23 (3) by adding at the end of paragraph (5), as
24 redesignated by paragraph (1), the following new
25 subparagraph:

1 “(D) TRIP BOND ACCOUNT.—Funds de-
2 posited into the TRIP bond account shall con-
3 stitute for purposes of this section a capitaliza-
4 tion grant for the TRIP bond account of the
5 bank.”, and

6 (4) by adding at the end the following new
7 paragraph:

8 “(8) SPECIAL RULES FOR TRIP BOND ACCOUNT
9 FUNDS.—

10 “(A) IN GENERAL.—The State shall de-
11 velop a transparent competitive process for the
12 award of funds deposited into the TRIP bond
13 account that considers the impact of qualified
14 projects on the economy, the environment, state
15 of good repair, and equity.

16 “(B) APPLICABILITY OF FEDERAL LAW.—
17 The requirements of any Federal law, including
18 this title and titles 40 and 49, which would oth-
19 erwise apply to projects to which the United
20 States is a party or to funds made available
21 under such law and projects assisted with those
22 funds shall apply to—

23 “(i) funds made available under the
24 TRIP bond account for similar qualified
25 projects, and

1 “(ii) similar qualified projects assisted
2 through the use of such funds.”.

3 **SEC. 40204. EXTENSION OF PARITY FOR EXCLUSION FROM**
4 **INCOME FOR EMPLOYER-PROVIDED MASS**
5 **TRANSIT AND PARKING BENEFITS.**

6 (a) IN GENERAL.—Paragraph (2) of section 132(f)
7 of the Internal Revenue Code of 1986 is amended by strik-
8 ing “January 1, 2012” and inserting “January 1, 2013”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to months after December 31,
11 2011.

12 **SEC. 40205. EXEMPT-FACILITY BONDS FOR SEWAGE AND**
13 **WATER SUPPLY FACILITIES.**

14 (a) BONDS FOR WATER AND SEWAGE FACILITIES
15 TEMPORARILY EXEMPT FROM VOLUME CAP ON PRIVATE
16 ACTIVITY BONDS.—Subsection (g) of section 146 of the
17 Internal Revenue Code of 1986 is amended—

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

19 (3),

20 (2) by striking the period at the end of para-
21 graph (4) and inserting “, and”, and

22 (3) by inserting after paragraph (4) the fol-
23 lowing new paragraph:

1 “(5) any exempt facility bonds issued before
2 January 1, 2018, as part of an issue described in
3 paragraph (4) or (5) of section 142(a).”.

4 (b) CONFORMING CHANGE.—Paragraphs (2) and
5 (3)(B) of section 146(k) of the Internal Revenue Code of
6 1986 are both amended by striking “paragraph (4), (5),
7 (6), or (10) of section 142(a)” and inserting “paragraph
8 (4) or (5) of section 142(a) with respect to bonds issued
9 after December 31, 2017, or paragraph (6) or (10) of sec-
10 tion 142(a)”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to obligations issued after the date
13 of the enactment of this Act.

14 **TITLE III—REVENUE**
15 **PROVISIONS**

16 **SEC. 40301. TRANSFER FROM LEAKING UNDERGROUND**
17 **STORAGE TANK TRUST FUND TO HIGHWAY**
18 **TRUST FUND.**

19 (a) IN GENERAL.—Subsection (c) of section 9508 of
20 the Internal Revenue Code of 1986 is amended—

21 (1) by striking “Amounts” and inserting:

22 “(1) IN GENERAL.—Except as provided in para-
23 graph (2), amounts”, and

24 (2) by adding at the end the following new
25 paragraph:

1 “(2) TRANSFER TO HIGHWAY TRUST FUND.—
2 Out of amounts in the Leaking Underground Stor-
3 age Tank Trust Fund there is hereby appropriated
4 \$3,000,000,000 to be transferred under section
5 9503(f)(3) to the Highway Trust Fund.”.

6 (b) TRANSFER TO HIGHWAY TRUST FUND.—

7 (1) IN GENERAL.—Subsection (f) of section
8 9503 of the Internal Revenue Code of 1986 is
9 amended by inserting after paragraph (2) the fol-
10 lowing new paragraph:

11 “(3) INCREASE IN FUND BALANCE.—There is
12 hereby transferred to the Highway Trust Fund
13 amounts appropriated from the Leaking Under-
14 ground Storage Tank Trust Fund under section
15 9508(c)(2).”.

16 (2) CONFORMING AMENDMENTS.—Paragraph
17 (4) of section 9503(f) of such Code is amended—

18 (A) by inserting “or transferred” after
19 “appropriated”, and

20 (B) by striking “APPROPRIATED” in the
21 heading thereof.

1 **SEC. 40302. PORTION OF LEAKING UNDERGROUND STOR-**
2 **AGE TANK TRUST FUND FINANCING RATE**
3 **TRANSFERRED TO HIGHWAY TRUST FUND.**

4 (a) IN GENERAL.—Subsection (b) of section 9503 of
5 the Internal Revenue Code of 1986 is amended by insert-
6 ing after paragraph (2) the following new paragraph:

7 “(3) PORTION OF LEAKING UNDERGROUND
8 STORAGE TANK TRUST FUND FINANCING RATE.—
9 There are hereby appropriated to the Highway Trust
10 Fund amounts equivalent to one-third of the taxes
11 received in the Treasury under—

12 “(A) section 4041(d) (relating to addi-
13 tional taxes on motor fuels),

14 “(B) section 4081 (relating to tax on gaso-
15 line, diesel fuel, and kerosene) to the extent at-
16 tributable to the Leaking Underground Storage
17 Tank Trust Fund financing rate under such
18 section, and

19 “(C) section 4042 (relating to tax on fuel
20 used in commercial transportation on inland
21 waterways) to the extent attributable to the
22 Leaking Underground Storage Tank Trust
23 Fund financing rate under such section.

24 For purposes of this paragraph, there shall not be
25 taken into account the taxes imposed by sections

1 4041 and 4081 on diesel fuel sold for use or used
2 as fuel in a diesel-powered boat.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Paragraphs (1), (2), and (3) of section
5 9508(b) of the Internal Revenue Code of 1986 are
6 each amended by inserting “two-thirds of the” be-
7 fore “taxes”.

8 (2) Paragraph (4) of section 9503(b) of such
9 Code is amended by striking subparagraphs (A) and
10 (B) and by redesignating subparagraphs (C) and
11 (D) as subparagraphs (A) and (B), respectively.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxes received after the date
14 of the enactment of this Act.

15 **SEC. 40303. TRANSFER OF GAS GUZZLER TAXES TO HIGH-**
16 **WAY TRUST FUND.**

17 (a) IN GENERAL.—Paragraph (1) of section 9503(b)
18 of the Internal Revenue Code of 1986 is amended by re-
19 designating subparagraphs (C), (D), and (E) as subpara-
20 graphs (D), (E), and (F), respectively, and by inserting
21 after subparagraph (B) the following new subparagraph:

22 “(B) section 4064 (relating to gas guzzler
23 tax),”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxes received after the date
3 of the enactment of this Act.

4 **SEC. 40304. REVOCATION OR DENIAL OF PASSPORT IN CASE**
5 **OF CERTAIN UNPAID TAXES.**

6 (a) IN GENERAL.—Subchapter D of chapter 75 of the
7 Internal Revenue Code of 1986 is amended by adding at
8 the end the following new section:

9 **“SEC. 7345. REVOCATION OR DENIAL OF PASSPORT IN CASE**
10 **OF CERTAIN TAX DELINQUENCIES.**

11 “(a) IN GENERAL.—If the Secretary receives certifi-
12 cation by the Commissioner of Internal Revenue that any
13 individual has a seriously delinquent tax debt in an
14 amount in excess of \$50,000, the Secretary shall transmit
15 such certification to the Secretary of State for action with
16 respect to denial, revocation, or limitation of a passport
17 pursuant to section 4 of the Act entitled ‘An Act to regu-
18 late the issue and validity of passports, and for other pur-
19 poses’, approved July 3, 1926 (22 U.S.C. 211a et seq.),
20 commonly known as the ‘Passport Act of 1926’.

21 “(b) SERIOUSLY DELINQUENT TAX DEBT.—For pur-
22 poses of this section, the term ‘seriously delinquent tax
23 debt’ means an outstanding debt under this title for which
24 a notice of lien has been filed in public records pursuant

1 to section 6323 or a notice of levy has been filed pursuant
2 to section 6331, except that such term does not include—

3 “(1) a debt that is being paid in a timely man-
4 ner pursuant to an agreement under section 6159 or
5 7122, and

6 “(2) a debt with respect to which collection is
7 suspended because a collection due process hearing
8 under section 6330, or relief under subsection (b),
9 (c), or (f) of section 6015, is requested or pending.

10 “(c) ADJUSTMENT FOR INFLATION.—In the case of
11 a calendar year beginning after 2012, the dollar amount
12 in subsection (a) shall be increased by an amount equal
13 to—

14 “(1) such dollar amount, multiplied by

15 “(2) the cost-of-living adjustment determined
16 under section 1(f)(3) for the calendar year, deter-
17 mined by substituting ‘calendar year 2011’ for ‘cal-
18 endar year 1992’ in subparagraph (B) thereof.

19 If any amount as adjusted under the preceding sentence
20 is not a multiple of \$1,000, such amount shall be rounded
21 to the next highest multiple of \$1,000.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
23 for subchapter D of chapter 75 of the Internal Revenue
24 Code of 1986 is amended by adding at the end the fol-
25 lowing new item:

“Sec. 7345. Revocation or denial of passport in case of certain tax delinquencies.”.

1 (c) AUTHORITY FOR INFORMATION SHARING.—

2 (1) IN GENERAL.—Subsection (1) of section
3 6103 of the Internal Revenue Code of 1986 is
4 amended by adding at the end the following new
5 paragraph:

6 “(23) DISCLOSURE OF RETURN INFORMATION
7 TO DEPARTMENT OF STATE FOR PURPOSES OF PASS-
8 PORT REVOCATION UNDER SECTION 7345.—

9 “(A) IN GENERAL.—The Secretary shall,
10 upon receiving a certification described in sec-
11 tion 7345, disclose to the Secretary of State re-
12 turn information with respect to a taxpayer who
13 has a seriously delinquent tax debt described in
14 such section. Such return information shall be
15 limited to—

16 “(i) the taxpayer identity information
17 with respect to such taxpayer, and

18 “(ii) the amount of such seriously de-
19 linquent tax debt.

20 “(B) RESTRICTION ON DISCLOSURE.—Re-
21 turn information disclosed under subparagraph
22 (A) may be used by officers and employees of
23 the Department of State for the purposes of,
24 and to the extent necessary in, carrying out the

1 requirements of section 4 of the Act entitled
2 ‘An Act to regulate the issue and validity of
3 passports, and for other purposes’, approved
4 July 3, 1926 (22 U.S.C. 211a et seq.), com-
5 monly known as the ‘Passport Act of 1926’.”.

6 (2) CONFORMING AMENDMENT.—Paragraph (4)
7 of section 6103(p) of such Code is amended by strik-
8 ing “or (22)” each place it appears in subparagraph
9 (F)(ii) and in the matter preceding subparagraph
10 (A) and inserting “(22), or (23)”.

11 (d) REVOCATION AUTHORIZATION.—The Act entitled
12 “An Act to regulate the issue and validity of passports,
13 and for other purposes”, approved July 3, 1926 (22
14 U.S.C. 211a et seq.), commonly known as the “Passport
15 Act of 1926”, is amended by adding at the end the fol-
16 lowing:

17 **“SEC. 4. AUTHORITY TO DENY OR REVOKE PASSPORT.**

18 “(a) INELIGIBILITY.—

19 “(1) ISSUANCE.—Except as provided under
20 subsection (b), upon receiving a certification de-
21 scribed in section 7345 of the Internal Revenue
22 Code of 1986 from the Secretary of the Treasury,
23 the Secretary of State may not issue a passport or
24 passport card to any individual who has a seriously
25 delinquent tax debt described in such section.

1 “(2) REVOCATION.—The Secretary of State
2 shall revoke a passport or passport card previously
3 issued to any individual described in subparagraph
4 (A).

5 “(b) EXCEPTIONS.—

6 “(1) EMERGENCY AND HUMANITARIAN SITUA-
7 TIONS.—Notwithstanding subsection (a), the Sec-
8 retary of State may issue a passport or passport
9 card, in emergency circumstances or for humani-
10 tarian reasons, to an individual described in sub-
11 section (a)(1).

12 “(2) LIMITATION FOR RETURN TO UNITED
13 STATES.—Notwithstanding subsection (a)(2), the
14 Secretary of State, before revocation, may—

15 “(A) limit a previously issued passport or
16 passport card only for return travel to the
17 United States; or

18 “(B) issue a limited passport or passport
19 card that only permits return travel to the
20 United States.”.

21 “(e) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect on January 1, 2013.

1 **SEC. 40305. 100 PERCENT CONTINUOUS LEVY ON PAYMENTS**
2 **TO MEDICARE PROVIDERS AND SUPPLIERS.**

3 (a) **IN GENERAL.**—Paragraph (3) of section 6331(h)
4 of the Internal Revenue Code of 1986 is amended by strik-
5 ing the period at the end and inserting “, or to a Medicare
6 provider or supplier under title XVIII of the Social Secu-
7 rity Act.”.

8 (b) **EFFECTIVE DATE.**—The amendment made by
9 this section shall apply to payments made after the date
10 of the enactment of this Act.

11 **SEC. 40306. TRANSFER OF AMOUNTS ATTRIBUTABLE TO**
12 **CERTAIN DUTIES ON IMPORTED VEHICLES**
13 **INTO THE HIGHWAY TRUST FUND.**

14 Section 9503(b) of the Internal Revenue Code of
15 1986, as amended by this Act, is amended by adding at
16 the end the following new paragraph:

17 “(8) **CERTAIN DUTIES ON IMPORTED VEHI-**
18 **CLES.**—There are hereby appropriated to the High-
19 way Trust Fund amounts equivalent to the amounts
20 received in the Treasury that are attributable to du-
21 ties collected on or after October 1, 2011, and before
22 October 1, 2016, on articles classified under sub-
23 heading 8703.22.00 or 8703.24.00 of the Har-
24 monized Tariff Schedule of the United States.”.

1 **SEC. 40307. TREATMENT OF SECURITIES OF A CON-**
2 **TROLLED CORPORATION EXCHANGED FOR**
3 **ASSETS IN CERTAIN REORGANIZATIONS.**

4 (a) IN GENERAL.—Section 361 of the Internal Rev-
5 enue Code of 1986 is amended by adding at the end the
6 following new subsection:

7 “(d) SPECIAL RULES FOR TRANSACTIONS INVOLVING
8 SECTION 355 DISTRIBUTIONS.—In the case of a reorga-
9 nization described in section 368(a)(1)(D) with respect to
10 which stock or securities of the corporation to which the
11 assets are transferred are distributed in a transaction
12 which qualifies under section 355—

13 “(1) this section shall be applied by substituting
14 ‘stock other than nonqualified preferred stock (as
15 defined in section 351(g)(2))’ for ‘stock or securities’
16 in subsections (a) and (b)(1), and

17 “(2) the first sentence of subsection (b)(3) shall
18 apply only to the extent that the sum of the money
19 and the fair market value of the other property
20 transferred to such creditors does not exceed the ad-
21 justed bases of such assets transferred (reduced by
22 the amount of the liabilities assumed (within the
23 meaning of section 357(c))).”.

24 (b) CONFORMING AMENDMENT.—Paragraph (3) of
25 section 361(b) is amended by striking the last sentence.

26 (c) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the amendments made by this section
3 shall apply to exchanges after the date of the enact-
4 ment of this Act.

5 (2) TRANSITION RULE.—The amendments
6 made by this section shall not apply to any exchange
7 pursuant to a transaction which is—

8 (A) made pursuant to a written agreement
9 which was binding on February 6, 2012, and at
10 all times thereafter;

11 (B) described in a ruling request submitted
12 to the Internal Revenue Service on or before
13 February 6, 2012; or

14 (C) described on or before February 6,
15 2012, in a public announcement or in a filing
16 with the Securities and Exchange Commission.

17 **SEC. 40308. INTERNAL REVENUE SERVICE LEVIES AND**
18 **THRIFT SAVINGS PLAN ACCOUNTS.**

19 Section 8437(e)(3) of title 5, United States Code, is
20 amended by inserting “, the enforcement of a Federal tax
21 levy as provided in section 6331 of the Internal Revenue
22 Code of 1986,” after “(42 U.S.C. 659)”.

1 **SEC. 40309. DEPRECIATION AND AMORTIZATION RULES**
2 **FOR HIGHWAY AND RELATED PROPERTY**
3 **SUBJECT TO LONG-TERM LEASES.**

4 (a) ACCELERATED COST RECOVERY.—

5 (1) IN GENERAL.—Section 168(g)(1) of the In-
6 ternal Revenue Code of 1986 is amended by striking
7 “and” at the end of subparagraph (D), by redesignig-
8 nating subparagraph (E) as subparagraph (F), and
9 by inserting after subparagraph (D) the following
10 new subparagraph:

11 “(E) any applicable leased highway prop-
12 erty.”.

13 (2) RECOVERY PERIOD.—The table contained in
14 subparagraph (C) of section 168(g)(2) of such Code
15 is amended by redesignating clause (iv) as clause (v)
16 and by inserting after clause (iii) the following new
17 clause:

“(iv) Applicable leased highway property 45 years.”.

18 (3) APPLICABLE LEASED HIGHWAY PROPERTY
19 DEFINED.—

20 (A) IN GENERAL.—Section 168(g) of such
21 Code is amended by redesignating paragraph
22 (7) as paragraph (8) and by inserting after
23 paragraph (6) the following new paragraph:

1 lating to the operation of such high-
2 way.”.

3 (B) CONFORMING AMENDMENT.—Subpara-
4 graph (F) of section 168(g)(1) (as redesignated
5 by subsection (a)(1)) is amended by striking
6 “paragraph (7)” and inserting “paragraph
7 (8)”.

8 (b) AMORTIZATION OF INTANGIBLES.—Section
9 197(f) of the Internal Revenue Code of 1986 is amended
10 by adding at the end the following new paragraph:

11 “(11) INTANGIBLES RELATING TO APPLICABLE
12 LEASED HIGHWAY PROPERTY.—In the case of any
13 amortizable section 197 intangible property which is
14 acquired in connection with an applicable lease (as
15 defined in section 168(g)(7)(B)), the amortization
16 period under this section shall not be less than the
17 term of the applicable lease. For purposes of the
18 preceding sentence, rules similar to the rules of sec-
19 tion 168(i)(3)(A) shall apply in determining the
20 term of the applicable lease.”.

21 (c) NO PRIVATE ACTIVITY BOND FINANCING OF AP-
22 PLICABLE LEASED HIGHWAY PROPERTY.—Section 147(e)
23 of the Internal Revenue Code of 1986 is amended by in-
24 serting “, or to finance any applicable leased highway

1 property (as defined in section 168(g)(7)(A))” after
2 “premises”.

3 (d) EFFECTIVE DATES.—

4 (1) IN GENERAL.—Except as provided in para-
5 graph (2), the amendments made by this section
6 shall apply to leases entered into after the date of
7 the enactment of this Act.

8 (2) NO PRIVATE ACTIVITY BOND FINANCING.—

9 The amendment made by subsection (c) shall apply
10 to bonds issued after the date of the enactment of
11 this Act.

12 **SEC. 40310. EXTENSION FOR TRANSFERS OF EXCESS PEN-**
13 **SION ASSETS TO RETIREE HEALTH AC-**
14 **COUNTS.**

15 (a) IN GENERAL.—Paragraph (5) of section 420(b)
16 of the Internal Revenue Code of 1986 is amended by strik-
17 ing “December 31, 2013” and inserting “December 31,
18 2021”.

19 (b) CONFORMING ERISA AMENDMENTS.—

20 (1) Sections 101(e)(3), 403(c)(1), and
21 408(b)(13) of the Employee Retirement Income Se-
22 curity Act of 1974 are each amended by striking
23 “Pension Protection Act of 2006” and inserting
24 “Highway Investment, Job Creation, and Economic
25 Growth Act of 2012”.

1 (2) Section 408(b)(13) of such Act (29 U.S.C.
2 1108(b)(13)) is amended by striking “January 1,
3 2014” and inserting “January 1, 2022”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this Act shall take effect on the date of the enactment
6 of this Act.

7 **SEC. 40311. TRANSFER OF EXCESS PENSION ASSETS TO RE-**
8 **TIREE GROUP TERM LIFE INSURANCE AC-**
9 **COUNTS.**

10 (a) IN GENERAL.—Subsection (a) of section 420 of
11 the Internal Revenue Code of 1986 is amended by insert-
12 ing “, or an applicable life insurance account,” after
13 “health benefits account”.

14 (b) APPLICABLE LIFE INSURANCE ACCOUNT DE-
15 FINED.—

16 (1) IN GENERAL.—Subsection (e) of section
17 420 of the Internal Revenue Code of 1986 is amend-
18 ed by redesignating paragraphs (4) and (5) as para-
19 graphs (5) and (6), respectively, and by inserting
20 after paragraph (3) the following new paragraph:

21 “(4) APPLICABLE LIFE INSURANCE AC-
22 COUNT.—The term ‘applicable life insurance ac-
23 count’ means a separate account established and
24 maintained for amounts transferred under this sec-

1 tion for qualified current retiree liabilities based on
2 premiums for applicable life insurance benefits.”.

3 (2) APPLICABLE LIFE INSURANCE BENEFITS
4 DEFINED.—Paragraph (1) of section 420(e) of such
5 Code is amended by redesignating subparagraph (D)
6 as subparagraph (E) and by inserting after subpara-
7 graph (C) the following new subparagraph:

8 “(D) APPLICABLE LIFE INSURANCE BENE-
9 FITS.—The term ‘applicable life insurance bene-
10 fits’ means group-term life insurance coverage
11 provided to retired employees who, immediately
12 before the qualified transfer, are entitled to re-
13 ceive such coverage by reason of retirement and
14 who are entitled to pension benefits under the
15 plan, but only to the extent that such coverage
16 is provided under a policy for retired employees
17 and the cost of such coverage is excludable from
18 the retired employee’s gross income under sec-
19 tion 79.”.

20 (3) COLLECTIVELY BARGAINED LIFE INSUR-
21 ANCE BENEFITS DEFINED.—

22 (A) IN GENERAL.—Paragraph (6) of sec-
23 tion 420(f) of such Code is amended by redesign-
24 nating subparagraph (D) as subparagraph (E)

1 and by inserting after subparagraph (C) the fol-
2 lowing new subparagraph:

3 “(D) COLLECTIVELY BARGAINED LIFE IN-
4 SURANCE BENEFITS.—The term ‘collectively
5 bargained life insurance benefits’ means, with
6 respect to any collectively bargained transfer—

7 “(i) applicable life insurance benefits
8 which are provided to retired employees
9 who, immediately before the transfer, are
10 entitled to receive such benefits by reason
11 of retirement, and

12 “(ii) if specified by the provisions of
13 the collective bargaining agreement gov-
14 erning the transfer, applicable life insur-
15 ance benefits which will be provided at re-
16 tirement to employees who are not retired
17 employees at the time of the transfer.”.

18 (B) CONFORMING AMENDMENTS.—

19 (i) Clause (i) of section 420(e)(1)(C)
20 of such Code is amended by striking “upon
21 retirement” and inserting “by reason of re-
22 tirement”.

23 (ii) Subparagraph (C) of section
24 420(f)(6) of such Code is amended—

1 (I) by striking “which are pro-
2 vided to” in the matter preceding
3 clause (i),

4 (II) by inserting “which are pro-
5 vided to” before “retired employees”
6 in clause (i),

7 (III) by striking “upon retire-
8 ment” in clause (i) and inserting “by
9 reason of retirement”, and

10 (IV) by striking “active employ-
11 ees who, following their retirement,”
12 and inserting “which will be provided
13 at retirement to employees who are
14 not retired employees at the time of
15 the transfer and who”.

16 (c) MAINTENANCE OF EFFORT.—

17 (1) IN GENERAL.—Subparagraph (A) of section
18 420(c)(3) of the Internal Revenue Code of 1986 is
19 amended by inserting “, and each group-term life in-
20 surance plan under which applicable life insurance
21 benefits are provided,” after “health benefits are
22 provided”.

23 (2) CONFORMING AMENDMENTS.—

24 (A) Subparagraph (B) of section 420(c)(3)
25 of such Code is amended—

1 (i) by redesignating subclauses (I) and
2 (II) of clause (i) as subclauses (II) and
3 (III) of such clause, respectively, and by
4 inserting before subclause (II) of such
5 clause, as so redesignated, the following
6 new subclause:

7 “(I) separately with respect to
8 applicable health benefits and applica-
9 ble life insurance benefits,” and

10 (ii) by striking “for applicable health
11 benefits” and all that follows in clause (ii)
12 and inserting “was provided during such
13 taxable year for the benefits with respect
14 to which the determination under clause (i)
15 is made.”.

16 (B) Subparagraph (C) of section 420(c)(3)
17 of such Code is amended—

18 (i) by inserting “for applicable health
19 benefits” after “applied separately”, and

20 (ii) by inserting “, and separately for
21 applicable life insurance benefits with re-
22 spect to individuals age 65 or older at any
23 time during the taxable year and with re-
24 spect to individuals under age 65 during
25 the taxable year” before the period.

1 (C) Subparagraph (E) of section 420(e)(3)
2 of such Code is amended—

3 (i) in clause (i), by inserting “or re-
4 tiree life insurance coverage, as the case
5 may be,” after “retiree health coverage”,
6 and

7 (ii) in clause (ii), by inserting “FOR
8 RETIREE HEALTH COVERAGE” after “COST
9 REDUCTIONS” in the heading thereof, and

10 (iii) in clause (ii)(II), by inserting
11 “with respect to applicable health benefits”
12 after “liabilities of the employer”.

13 (D) Paragraph (2) of section 420(f) of
14 such Code is amended by striking “collectively
15 bargained retiree health liabilities” each place it
16 occurs and inserting “collectively bargained re-
17 tiree liabilities”.

18 (E) Clause (i) of section 420(f)(2)(D) of
19 such Code is amended—

20 (i) by inserting “, and each group-
21 term life insurance plan or arrangement
22 under which applicable life insurance bene-
23 fits are provided,” in subclause (I) after
24 “applicable health benefits are provided”,

1 (ii) by inserting “or applicable life in-
2 surance benefits, as the case may be,” in
3 subclause (I) after “provides applicable
4 health benefits”,

5 (iii) by striking “group health” in
6 subclause (II), and

7 (iv) by inserting “or collectively bar-
8 gained life insurance benefits” in subclause
9 (II) after “collectively bargained health
10 benefits”.

11 (F) Clause (ii) of section 420(f)(2)(D) of
12 such Code is amended—

13 (i) by inserting “with respect to appli-
14 cable health benefits or applicable life in-
15 surance benefits” after “requirements of
16 subsection (c)(3)”, and

17 (ii) by adding at the end the fol-
18 lowing: “Such election may be made sepa-
19 rately with respect to applicable health
20 benefits and applicable life insurance bene-
21 fits. In the case of an election with respect
22 to applicable life insurance benefits, the
23 first sentence of this clause shall be ap-
24 plied as if subsection (c)(3) as in effect be-

1 fore the amendments made by such Act
2 applied to such benefits.”

3 (G) Clause (iii) of section 420(f)(2)(D) of
4 such Code is amended—

5 (i) by striking “retiree” each place it
6 occurs, and

7 (ii) by inserting “, collectively bar-
8 gained life insurance benefits, or both, as
9 the case may be,” after “health benefits”
10 each place it occurs.

11 (d) COORDINATION WITH SECTION 79.—Section 79
12 of the Internal Revenue Code of 1986 is amended by add-
13 ing at the end the following new subsection:

14 “(f) EXCEPTION FOR LIFE INSURANCE PURCHASED
15 IN CONNECTION WITH QUALIFIED TRANSFER OF EXCESS
16 PENSION ASSETS.—Subsection (b)(3) and section
17 72(m)(3) shall not apply in the case of any cost paid
18 (whether directly or indirectly) with assets held in an ap-
19 plicable life insurance account (as defined in section
20 420(e)(4)) under a defined benefit plan.”.

21 (e) CONFORMING AMENDMENTS.—

22 (1) Section 420 of the Internal Revenue Code
23 of 1986 is amended by striking “qualified current
24 retiree health liabilities” each place it appears and
25 inserting “qualified current retiree liabilities”.

1 (2) Section 420 of such Code is amended by in-
2 serting “, or an applicable life insurance account,”
3 after “a health benefits account” each place it ap-
4 pears in subsection (b)(1)(A), subparagraphs (A),
5 (B)(i), and (C) of subsection (c)(1), subsection
6 (d)(1)(A), and subsection (f)(2)(E)(ii).

7 (3) Section 420(b) of such Code is amended—

8 (A) by adding the following at the end of
9 paragraph (2)(A): “If there is a transfer from
10 a defined benefit plan to both a health benefits
11 account and an applicable life insurance ac-
12 count during any taxable year, such transfers
13 shall be treated as 1 transfer for purposes of
14 this paragraph.”, and

15 (B) by inserting “to an account” after
16 “may be transferred” in paragraph (3).

17 (4) The heading for section 420(c)(1)(B) of
18 such Code is amended by inserting “OR LIFE INSUR-
19 ANCE” after “HEALTH BENEFITS”.

20 (5) Paragraph (1) of section 420(e) of such
21 Code is amended—

22 (A) by inserting “and applicable life insur-
23 ance benefits” in subparagraph (A) after “ap-
24 plicable health benefits”, and

1 (B) by striking “HEALTH” in the heading
2 thereof.

3 (6) Subparagraph (B) of section 420(e)(1) of
4 such Code is amended—

5 (A) in the matter preceding clause (i), by
6 inserting “(determined separately for applicable
7 health benefits and applicable life insurance
8 benefits)” after “shall be reduced by the
9 amount”,

10 (B) in clause (i), by inserting “or applica-
11 ble life insurance accounts” after “health ben-
12 efit accounts”, and

13 (C) in clause (i), by striking “qualified cur-
14 rent retiree health liability” and inserting
15 “qualified current retiree liability”.

16 (7) The heading for subsection (f) of section
17 420 of such Code is amended by striking “HEALTH”
18 each place it occurs.

19 (8) Subclause (II) of section 420(f)(2)(B)(ii) of
20 such Code is amended by inserting “or applicable
21 life insurance account, as the case may be,” after
22 “health benefits account”.

23 (9) Subclause (III) of section 420(f)(2)(E)(i) of
24 such Code is amended—

1 (A) by inserting “defined benefit” before
2 “plan maintained by an employer”, and

3 (B) by inserting “health” before “benefit
4 plans maintained by the employer”.

5 (10) Paragraphs (4) and (6) of section 420(f)
6 of such Code are each amended by striking “collec-
7 tively bargained retiree health liabilities” each place
8 it occurs and inserting “collectively bargained retiree
9 liabilities”.

10 (11) Subparagraph (A) of section 420(f)(6) of
11 such Code is amended—

12 (A) in clauses (i) and (ii), by inserting “,
13 in the case of a transfer to a health benefits ac-
14 count,” before “his covered spouse and depend-
15 ents”, and

16 (B) in clause (ii), by striking “health plan”
17 and inserting “plan”.

18 (12) Subparagraph (B) of section 420(f)(6) of
19 such Code is amended—

20 (A) in clause (i), by inserting “, and collec-
21 tively bargained life insurance benefits,” after
22 “collectively bargained health benefits”,

23 (B) in clause (ii)—

24 (i) by adding at the end the following:

25 “The preceding sentence shall be applied

1 separately for collectively bargained health
2 benefits and collectively bargained life in-
3 surance benefits.”, and

4 (ii) by inserting “, applicable life in-
5 surance accounts,” after “health benefit
6 accounts”, and

7 (C) by striking “HEALTH” in the heading
8 thereof.

9 (13) Subparagraph (E) of section 420(f)(6) of
10 such Code, as redesignated by subsection (b), is
11 amended—

12 (A) by striking “bargained health” and in-
13 serting “bargained”,

14 (B) by inserting “, or a group-term life in-
15 surance plan or arrangement for retired em-
16 ployees,” after “dependents” , and

17 (C) by striking “HEALTH” in the heading
18 thereof.

19 (14) Section 101(e) of the Employee Retire-
20 ment Income Security Act of 1974 (29 U.S.C.
21 1021(e)) is amended—

22 (A) in paragraphs (1) and (2), by inserting
23 “or applicable life insurance account” after
24 “health benefits account” each place it appears,
25 and

1 (B) in paragraph (1), by inserting “or ap-
2 plicable life insurance benefit liabilities” after
3 “health benefits liabilities”.

4 (f) TECHNICAL CORRECTION.—Clause (iii) of section
5 420(f)(6)(B) is amended by striking “416(I)(1)” and in-
6 serting “416(i)(1)”.

7 (g) REPEAL OF DEADWOOD.—

8 (1) Subparagraph (A) of section 420(b)(1) of
9 the Internal Revenue Code of 1986 is amended by
10 striking “in a taxable year beginning after December
11 31, 1990”.

12 (2) Subsection (b) of section 420 of such Code
13 is amended by striking paragraph (4) and by redesi-
14 gnating paragraph (5), as amended by this Act, as
15 paragraph (4).

16 (3) Paragraph (2) of section 420(b) of such
17 Code, as amended by this section, is amended—

18 (A) by striking subparagraph (B), and

19 (B) by striking “PER YEAR.—” and all
20 that follows through “No more than” and in-
21 serting “PER YEAR.—No more than”.

22 (4) Paragraph (2) of section 420(c) of such
23 Code is amended—

24 (A) by striking subparagraph (B),

1 (B) by moving subparagraph (A) two ems
2 to the left, and

3 (C) by striking “BEFORE TRANSFER.—”
4 and all that follows through “The requirements
5 of this paragraph” and inserting the following:
6 “BEFORE TRANSFER.—The requirements of this
7 paragraph”.

8 (5) Paragraph (2) of section 420(d) of such
9 Code is amended by striking “after December 31,
10 1990”.

11 (h) EFFECTIVE DATE.—

12 (1) IN GENERAL.—The amendments made by
13 this section shall apply to transfers made after the
14 date of the enactment of this Act.

15 (2) CONFORMING AMENDMENTS RELATING TO
16 PENSION PROTECTION ACT.—The amendments made
17 by subsections (b)(3)(B) and (f) shall take effect as
18 if included in the amendments made by section
19 841(a) of the Pension Protection Act of 2006.

20 **SEC. 40312. PENSION FUNDING STABILIZATION.**

21 (a) AMENDMENTS TO INTERNAL REVENUE CODE OF
22 1986.—

23 (1) IN GENERAL.—Subparagraph (C) of section
24 430(h)(2) of the Internal Revenue Code of 1986 is

1 amended by adding at the end the following new
2 clause:

3 “(iv) SEGMENT RATE STABILIZA-
4 TION.—If a segment rate described in
5 clause (i), (ii), or (iii) with respect to any
6 applicable month (determined without re-
7 gard to this clause) is less than 85 percent,
8 or more than 115 percent, of the average
9 of the segment rates (determined on an an-
10 nual basis by the Secretary) described in
11 such clause for years in the 10-year period
12 ending with September 30 of the calendar
13 year preceding the calendar year in which
14 the plan year begins, then the segment
15 rate described in such clause with respect
16 to the applicable month shall be equal to
17 85 or 115 percent of such average, which-
18 ever is closest.”.

19 (2) CONFORMING AMENDMENTS.—

20 (A) Paragraph (6) of section 404(o) of
21 such Code is amended by inserting “(deter-
22 mined by not taking into account any adjust-
23 ment under clause (iv) of subsection (h)(2)(C)
24 thereof)” before the period.

1 (B) Subparagraph (F) of section 430(h)(2)
2 of such Code is amended by inserting “and the
3 averages determined under subparagraph
4 (C)(iv)” after “subparagraph (C)”.

5 (C) Subparagraphs (C) and (D) of section
6 417(e)(3) of such Code are each amended by
7 striking “section 430(h)(2)(C)” and inserting
8 “section 430(h)(2)(C) (determined by not tak-
9 ing into account any adjustment under clause
10 (iv) thereof)”.

11 (b) AMENDMENTS TO EMPLOYEE RETIREMENT IN-
12 COME SECURITY ACT OF 1974.—

13 (1) IN GENERAL.—Subparagraph (C) of section
14 303(h)(2) of the Employee Retirement Income Secu-
15 rity Act of 1974 (29 U.S.C. 1083(h)(2)) is amended
16 by adding at the end the following new clause:

17 “(iv) SEGMENT RATE STABILIZA-
18 TION.—If a segment rate described in
19 clause (i), (ii), or (iii) with respect to any
20 applicable month (determined without re-
21 gard to this clause) is less than 85 percent,
22 or more than 115 percent, of the average
23 of the segment rates (determined on an an-
24 nual basis by the Secretary of the Treas-
25 ury) described in such clause for years in

1 the 10-year period ending with September
2 30 of the calendar year preceding the cal-
3 endar year in which the plan year begins,
4 then the segment rate described in such
5 clause with respect to the applicable month
6 shall be equal to 85 or 115 percent of such
7 average, whichever is closest.”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) Subparagraph (F) of section 303(h)(2)
10 of such Act (29 U.S.C. 1083(h)(2)) is amended
11 by inserting “and the averages determined
12 under subparagraph (C)(iv)” after “subpara-
13 graph (C)”.

14 (B) Clauses (ii) and (iii) of section
15 205(g)(3)(B) of such Act (29 U.S.C.
16 1055(g)(3)(B)) are each amended by striking
17 “section 303(h)(2)(C)” and inserting “section
18 303(h)(2)(C) (determined by not taking into ac-
19 count any adjustment under clause (iv) there-
20 of)”.

21 (C) Clause (iv) of section 4006(a)(3)(E) of
22 such Act (29 U.S.C. 1306(a)(3)(E)) is amended
23 by striking “section 303(h)(2)(C)” and insert-
24 ing “section 303(h)(2)(C) (notwithstanding any
25 regulations issued by the corporation, deter-

1 mined by not taking into account any adjust-
2 ment under clause (iv) thereof”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply with respect to plan years begin-
5 ning after December 31, 2011.

6 (d) TRANSFER TO HIGHWAY TRUST FUND.—Sub-
7 section (f) of section 9503 of the Internal Revenue Code
8 of 1986, as amended by this Act, is amended by redesi-
9 gnating paragraph (4) as paragraph (5) and by inserting
10 after paragraph (3) the following new paragraph:

11 “(4) ADDITIONAL APPROPRIATION TO FUND.—
12 Out of money in the Treasury not otherwise appro-
13 priated, there is hereby appropriated \$1,588,000,000
14 to the Highway Trust Fund.”.