

HOUSE AMENDMENT TO THE SENATE
AMENDMENT TO H.R. 1314
OFFERED BY MR. BOEHNER OF OHIO

In lieu of the matter proposed to be inserted by the
Senate amendment, insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Bipartisan Budget Act of 2015”.

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

Sec. 1. Short title; table of contents.

TITLE I—BUDGET ENFORCEMENT

Sec. 101. Amendments to the Balanced Budget and Emergency Deficit Control
Act of 1985.

Sec. 102. Authority for fiscal year 2017 budget resolution in the Senate.

TITLE II—AGRICULTURE

Sec. 201. Standard Reinsurance Agreement.

TITLE III—COMMERCE

Sec. 301. Debt collection improvements.

TITLE IV—STRATEGIC PETROLEUM RESERVE

Sec. 401. Strategic Petroleum Reserve test drawdown and sale notification and
definition change.

Sec. 402. Strategic Petroleum Reserve mission readiness optimization.

Sec. 403. Strategic Petroleum Reserve drawdown and sale.

Sec. 404. Energy Security and Infrastructure Modernization Fund.

TITLE V—PENSIONS

Sec. 501. Single employer plan annual premium rates.

Sec. 502. Pension Payment Acceleration.

Sec. 503. Mortality tables.

Sec. 504. Extension of current funding stabilization percentages to 2018 and 2019.

TITLE VI—HEALTH CARE

Sec. 601. Maintaining 2016 Medicare part B premium and deductible levels consistent with actuarially fair rates.

Sec. 602. Applying the Medicaid additional rebate requirement to generic drugs.

Sec. 603. Treatment of off-campus outpatient departments of a provider.

Sec. 604. Repeal of automatic enrollment requirement.

TITLE VII—JUDICIARY

Sec. 701. Civil monetary penalty inflation adjustments.

Sec. 702. Crime Victims Fund.

Sec. 703. Assets Forfeiture Fund.

TITLE VIII—SOCIAL SECURITY

Sec. 801. Short title.

Subtitle A—Ensuring Correct Payments and Reducing Fraud

Sec. 811. Expansion of cooperative disability investigations units.

Sec. 812. Exclusion of certain medical sources of evidence.

Sec. 813. New and stronger penalties.

Sec. 814. References to Social Security and Medicare in electronic communications.

Sec. 815. Change to cap adjustment authority.

Subtitle B—Promoting Opportunity for Disability Beneficiaries

Sec. 821. Temporary reauthorization of disability insurance demonstration project authority.

Sec. 822. Modification of demonstration project authority.

Sec. 823. Promoting opportunity demonstration project.

Sec. 824. Use of electronic payroll data to improve program administration.

Sec. 825. Treatment of earnings derived from services.

Sec. 826. Electronic reporting of earnings.

Subtitle C—Protecting Social Security Benefits

Sec. 831. Closure of unintended loopholes.

Sec. 832. Requirement for medical review.

Sec. 833. Reallocation of payroll tax revenue.

Sec. 834. Access to financial information for waivers and adjustments of recovery.

Subtitle D—Relieving Administrative Burdens and Miscellaneous Provisions

Sec. 841. Interagency coordination to improve program administration.

Sec. 842. Elimination of quinquennial determinations relating to wage credits for military service prior to 1957.

Sec. 843. Certification of benefits payable to a divorced spouse of a railroad worker to the Railroad Retirement Board.

Sec. 844. Technical amendments to eliminate obsolete provisions.

Sec. 845. Reporting requirements to Congress.

Sec. 846. Expedited examination of administrative law judges.

TITLE IX—TEMPORARY EXTENSION OF PUBLIC DEBT LIMIT

Sec. 901. Temporary extension of public debt limit.
Sec. 902. Restoring congressional authority over the national debt.

TITLE X—SPECTRUM PIPELINE

Sec. 1001. Short title.
Sec. 1002. Definitions.
Sec. 1003. Rule of construction.
Sec. 1004. Identification, reallocation, and auction of Federal spectrum.
Sec. 1005. Additional uses of Spectrum Relocation Fund.
Sec. 1006. Plans for auction of certain spectrum.
Sec. 1007. FCC auction authority.
Sec. 1008. Reports to Congress.

TITLE XI—REVENUE PROVISIONS RELATED TO TAX COMPLIANCE

Sec. 1101. Partnership audits and adjustments.
Sec. 1102. Partnership interests created by gift.

TITLE XII—DESIGNATION OF SMALL HOUSE ROTUNDA

Sec. 1201. Designating small House rotunda as “Freedom Foyer”.

1 **TITLE I—BUDGET**
2 **ENFORCEMENT**
3 **SEC. 101. AMENDMENTS TO THE BALANCED BUDGET AND**
4 **EMERGENCY DEFICIT CONTROL ACT OF 1985.**

5 (a) REVISED DISCRETIONARY SPENDING LIMITS.—
6 Section 251(c) of the Balanced Budget and Emergency
7 Deficit Control Act of 1985 (2 U.S.C. 901(c)) is amended
8 by striking paragraphs (3) and (4) and inserting the fol-
9 lowing:

10 “(3) for fiscal year 2016—
11 “(A) for the revised security category,
12 \$548,091,000,000 in new budget authority; and
13 “(B) for the revised nonsecurity category
14 \$518,491,000,000 in new budget authority;

1 “(4) for fiscal year 2017—

2 “(A) for the revised security category,
3 \$551,068,000,000 in new budget authority; and

4 “(B) for the revised nonsecurity category,
5 \$518,531,000,000 in new budget authority;”.

6 (b) DIRECT SPENDING ADJUSTMENTS FOR FISCAL
7 YEARS 2016 AND 2017.—Section 251A of the Balanced
8 Budget and Emergency Deficit Control Act of 1985 (2
9 U.S.C. 901a), is amended—

10 (1) in paragraph (5)(B), by striking “para-
11 graph (10)” and inserting “paragraphs (10) and
12 (11)”; and

13 (2) by adding at the end the following:

14 “(11) IMPLEMENTING DIRECT SPENDING RE-
15 Ductions FOR FISCAL YEARS 2016 AND 2017.—(A)
16 OMB shall make the calculations necessary to imple-
17 ment the direct spending reductions calculated pur-
18 suant to paragraphs (3) and (4) without regard to
19 the amendment made to section 251(c) revising the
20 discretionary spending limits for fiscal years 2016
21 and 2017 by the Bipartisan Budget Act of 2015.

22 “(B) Paragraph (5)(B) shall not be imple-
23 mented for fiscal years 2016 and 2017.”.

24 (c) EXTENSION OF DIRECT SPENDING REDUCTIONS
25 FOR FISCAL YEAR 2025.—Section 251A(6) of the Bal-

1 anced Budget and Emergency Deficit Control Act of 1985
2 (2 U.S.C. 901a(6)) is amended—

3 (1) in subparagraph (B), in the matter pre-
4 ceding clause (i), by striking “and for fiscal year
5 2024” and by inserting “for fiscal year 2024, and
6 for fiscal year 2025”;

7 (2) by striking subparagraph (C) and redesignig-
8 nating subparagraph (D) as subparagraph (C); and

9 (3) in subparagraph (C) (as so redesignated),
10 by striking “fiscal year 2024” and inserting “fiscal
11 year 2025”.

12 (d) OVERSEAS CONTINGENCY OPERATIONS
13 AMOUNTS.—In fiscal years 2016 and 2017, the adjust-
14 ments under section 251(b)(2)(A) of the Balanced Budget
15 and Emergency Deficit Control Act of 1985 (2 U.S.C.
16 901(b)(2)(A)) for Overseas Contingency Operations/Glob-
17 al War on Terrorism appropriations will be as follows:

18 (1) For budget function 150—

19 (A) for fiscal year 2016, not less than
20 \$14,800,000,000; and

21 (B) for fiscal year 2017, not less than
22 \$14,800,000,000.

23 (2) For budget function 050—

24 (A) for fiscal year 2016, not less than
25 \$58,700,000,000; and

1 (B) for fiscal year 2017, not less than
2 \$58,700,000,000.

3 **SEC. 102. AUTHORITY FOR FISCAL YEAR 2017 BUDGET RES-**
4 **OLUTION IN THE SENATE.**

5 (a) FISCAL YEAR 2017.—For the purpose of enforce-
6 ing the Congressional Budget Act of 1974, after April 15,
7 2016, and enforcing budgetary points of order in prior
8 concurrent resolutions on the budget, the allocations, ag-
9 gregates, and levels provided for in subsection (b) shall
10 apply in the Senate in the same manner as for a concur-
11 rent resolution on the budget for fiscal year 2017 with
12 appropriate budgetary levels for fiscal years 2018 through
13 2026.

14 (b) COMMITTEE ALLOCATIONS, AGGREGATES, AND
15 LEVELS.—After April 15, 2016, but not later than May
16 15, 2016, the Chairman of the Committee on the Budget
17 of the Senate shall file—

18 (1) for the Committee on Appropriations, com-
19 mittee allocations for fiscal year 2017 consistent
20 with discretionary spending limits set forth in sec-
21 tion 251(c)(4) of the Balanced Budget and Emer-
22 gency Deficit Control Act of 1985, as amended by
23 this Act, for the purpose of enforcing section 302 of
24 the Congressional Budget Act of 1974;

1 (2) for all committees other than the Com-
2 mittee on Appropriations, committee allocations for
3 fiscal years 2017, 2017 through 2021, and 2017
4 through 2026 consistent with the most recent base-
5 line of the Congressional Budget Office, as adjusted
6 for the budgetary effects of any provision of law en-
7 acted during the period beginning on the date such
8 baseline is issued and ending on the date of submis-
9 sion of such statement, for the purpose of enforcing
10 section 302 of the Congressional Budget Act of
11 1974;

12 (3) aggregate spending levels for fiscal year
13 2017 in accordance with the allocations established
14 under paragraphs (1) and (2), for the purpose of en-
15 forcing section 311 of the Congressional Budget Act
16 of 1974;

17 (4) aggregate revenue levels for fiscal years
18 2017, 2017 through 2021, and 2017 through 2026
19 consistent with the most recent baseline of the Con-
20 gressional Budget Office, as adjusted for the budg-
21 etary effects of any provision of law enacted during
22 the period beginning on the date such baseline is
23 issued and ending on the date of submission of such
24 statement, for the purpose of enforcing section 311
25 of the Congressional Budget Act of 1974; and

1 (5) levels of Social Security revenues and out-
2 lays for fiscal years 2017, 2017 through 2021, and
3 2017 through 2026 consistent with the most recent
4 baseline of the Congressional Budget Office, as ad-
5 justed for the budgetary effects of any provision of
6 law enacted during the period beginning on the date
7 such baseline is issued and ending on the date of
8 submission of such statement, for the purpose of en-
9 forcing sections 302 and 311 of the Congressional
10 Budget Act of 1974.

11 (c) **ADDITIONAL MATTER.**—The filing referred to in
12 subsection (b) may also include for fiscal year 2017 the
13 matter contained in subtitles A and B of title IV of S.
14 Con. Res. 11 (114th Congress) updated by 1 fiscal year.

15 (d) **EXPIRATION.**—This section shall expire if a con-
16 current resolution on the budget for fiscal year 2017 is
17 agreed to by the Senate and the House of Representatives
18 pursuant to section 301 of the Congressional Budget Act
19 of 1974.

20 **TITLE II—AGRICULTURE**

21 **SEC. 201. STANDARD REINSURANCE AGREEMENT.**

22 Section 508(k)(8) of the Federal Crop Insurance Act
23 (7 U.S.C. 1508(k)(8)) is amended—

24 (1) in subparagraph (A), in the matter pre-
25 ceding clause (i), by striking “may renegotiate” and

1 all that follows through the end of clause (ii) and in-
2 serting the following: “shall renegotiate the financial
3 terms and conditions of each Standard Reinsurance
4 Agreement—

5 “(i) not later than December 31,
6 2016; and

7 “(ii) not less than once during each
8 period of 5 reinsurance years thereafter.”;
9 and

10 (2) by striking subparagraph (E) and inserting
11 the following:

12 “(E) CAP ON OVERALL RATE OF RE-
13 TURN.—Notwithstanding subparagraph (F), the
14 Board shall ensure that the Standard Reinsur-
15 ance Agreement renegotiated under subpara-
16 graph (A)(i) establishes a target rate of return
17 for the approved insurance providers, taken as
18 a whole, that does not exceed 8.9 percent of re-
19 tained premium for each of the 2017 through
20 2026 reinsurance years.”.

21 **TITLE III—COMMERCE**

22 **SEC. 301. DEBT COLLECTION IMPROVEMENTS.**

23 (a) IN GENERAL.—Section 227(b) of the Commu-
24 nications Act of 1934 (47 U.S.C. 227(b)) is amended—

25 (1) in paragraph (1)—

1 (A) in subparagraph (A)(iii), by inserting
2 “, unless such call is made solely to collect a
3 debt owed to or guaranteed by the United
4 States” after “charged for the call”; and

5 (B) in subparagraph (B), by inserting “, is
6 made solely pursuant to the collection of a debt
7 owed to or guaranteed by the United States,”
8 after “purposes”; and

9 (2) in paragraph (2)—

10 (A) in subparagraph (F), by striking
11 “and” at the end;

12 (B) in subparagraph (G), by striking the
13 period at the end and inserting “; and”; and

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

15 “(H) may restrict or limit the number and
16 duration of calls made to a telephone number
17 assigned to a cellular telephone service to collect
18 a debt owed to or guaranteed by the United
19 States.”.

20 (b) DEADLINE FOR REGULATIONS.—Not later than
21 9 months after the date of enactment of this Act, the Fed-
22 eral Communications Commission, in consultation with
23 the Department of Treasury, shall prescribe regulations
24 to implement the amendments made by this section.

1 **TITLE IV—STRATEGIC**
2 **PETROLEUM RESERVE**

3 **SEC. 401. STRATEGIC PETROLEUM RESERVE TEST DRAW-**
4 **DOWN AND SALE NOTIFICATION AND DEFINI-**
5 **TION CHANGE.**

6 (a) NOTICE TO CONGRESS.—Section 161(g) of the
7 Energy Policy and Conservation Act (42 U.S.C. 6241(g))
8 is amended by striking paragraph (8) and inserting the
9 following:

10 “(8) NOTICE TO CONGRESS.—

11 “(A) PRIOR NOTICE.—Not less than 14
12 days before the date on which a test is carried
13 out under this subsection, the Secretary shall
14 notify both Houses of Congress of the test.

15 “(B) EMERGENCY.—The prior notice re-
16 quirement in subparagraph (A) shall not apply
17 if the Secretary determines that an emergency
18 exists which requires a test to be carried out,
19 in which case the Secretary shall notify both
20 Houses of Congress of the test as soon as pos-
21 sible.

22 “(C) DETAILED DESCRIPTION.—

23 “(i) IN GENERAL.—Not later than
24 180 days after the date on which a test is
25 completed under this subsection, the Sec-

1 retary shall submit to both Houses of Con-
2 gress a detailed description of the test.

3 “(ii) REPORT.—A detailed description
4 submitted under clause (i) may be included
5 as part of a report made to the President
6 and Congress under section 165.”.

7 (b) DEFINITION CHANGE.—Section 3(8)(C)(iii) of
8 the Energy Policy and Conservation Act (42 U.S.C.
9 6202(8)(C)(iii)) is amended by striking “sabotage or an
10 act of God” and inserting “sabotage, an act of terrorism,
11 or an act of God”.

12 **SEC. 402. STRATEGIC PETROLEUM RESERVE MISSION**
13 **READINESS OPTIMIZATION.**

14 Not later than 180 days after the date of enactment
15 of this Act, the Secretary shall—

16 (1) complete a long-range strategic review of
17 the Strategic Petroleum Reserve; and

18 (2) develop and submit to Congress a proposed
19 action plan, including a proposed implementation
20 schedule, that—

21 (A) specifies near- and long-term roles of
22 the Strategic Petroleum Reserve relative to the
23 energy and economic security goals and objec-
24 tives of the United States;

1 (B) describes whether existing legal au-
2 thorities that govern the policies, configuration,
3 and capabilities of the Strategic Petroleum Re-
4 serve are adequate to ensure that the Strategic
5 Petroleum Reserve can meet the current and
6 future energy and economic security goals and
7 objectives of the United States;

8 (C) identifies the configuration and per-
9 formance capabilities of the Strategic Petro-
10 leum Reserve and recommends an action plan
11 to achieve the optimal—

12 (i) capacity, location, and composition
13 of petroleum products in the Strategic Pe-
14 troleum Reserve; and

15 (ii) storage and distributional capabili-
16 ties; and

17 (D) estimates the resources required to at-
18 tain and maintain the long-term sustainability
19 and operational effectiveness of the Strategic
20 Petroleum Reserve.

21 **SEC. 403. STRATEGIC PETROLEUM RESERVE DRAWDOWN**
22 **AND SALE.**

23 (a) DRAWDOWN AND SALE.—Notwithstanding sec-
24 tion 161 of the Energy Policy and Conservation Act (42

1 U.S.C. 6241), except as provided in subsection (b), the
2 Secretary of Energy shall draw down and sell—

3 (1) 5,000,000 barrels of crude oil from the
4 Strategic Petroleum Reserve during fiscal year
5 2018;

6 (2) 5,000,000 barrels of crude oil from the
7 Strategic Petroleum Reserve during fiscal year
8 2019;

9 (3) 5,000,000 barrels of crude oil from the
10 Strategic Petroleum Reserve during fiscal year
11 2020;

12 (4) 5,000,000 barrels of crude oil from the
13 Strategic Petroleum Reserve during fiscal year
14 2021;

15 (5) 8,000,000 barrels of crude oil from the
16 Strategic Petroleum Reserve during fiscal year
17 2022;

18 (6) 10,000,000 barrels of crude oil from the
19 Strategic Petroleum Reserve during fiscal year
20 2023;

21 (7) 10,000,000 barrels of crude oil from the
22 Strategic Petroleum Reserve during fiscal year
23 2024; and

1 (b) PURPOSE.—The purpose of the Fund is to pro-
2 vide for the construction, maintenance, repair, and re-
3 placement of Strategic Petroleum Reserve facilities.

4 (c) COLLECTION AND DEPOSIT OF SALE PROCEEDS
5 IN FUND.—

6 (1) DRAWDOWN AND SALE.—Notwithstanding
7 section 161 of the Energy Policy and Conservation
8 Act (42 U.S.C. 6241), to the extent provided in ad-
9 vance in appropriation Acts, the Secretary of Energy
10 shall draw down and sell crude oil from the Stra-
11 tegic Petroleum Reserve in amounts as authorized
12 under subsection (e), except as provided in para-
13 graph (2). Amounts received for a sale under this
14 paragraph shall be deposited into the Fund during
15 the fiscal year in which the sale occurs. Such
16 amounts shall remain available in the Fund without
17 fiscal year limitation.

18 (2) EMERGENCY PROTECTION.—The Secretary
19 shall not draw down and sell crude oil under this
20 subsection in amounts that would limit the authority
21 to sell petroleum products under section 161(h) of
22 the Energy Policy and Conservation Act (42
23 U.S.C.6241(h)) in the full amount authorized by
24 that subsection.

25 (d) AUTHORIZED USES OF FUND.—

1 (1) IN GENERAL.—Amounts in the Fund may
2 be used for, or may be credited as offsetting collec-
3 tions for amounts used for, carrying out the pro-
4 gram described in paragraph (2)(B), to the extent
5 provided in advance in appropriation Acts.

6 (2) PROGRAM TO MODERNIZE THE STRATEGIC
7 PETROLEUM RESERVE.—

8 (A) FINDINGS.—Congress finds the fol-
9 lowing:

10 (i) The Strategic Petroleum Reserve
11 is one of the Nation’s most valuable energy
12 security assets.

13 (ii) The age and condition of the Stra-
14 tegic Petroleum Reserve have diminished
15 its value as a Federal energy security
16 asset.

17 (iii) Global oil markets and the loca-
18 tion and amount of United States oil pro-
19 duction and refining capacity have dra-
20 matically changed in the 40 years since the
21 establishment of the Strategic Petroleum
22 Reserve.

23 (iv) Maximizing the energy security
24 value of the Strategic Petroleum Reserve
25 requires a modernized infrastructure that

1 meets the drawdown and distribution needs
2 of changed domestic and international oil
3 and refining market conditions.

4 (B) PROGRAM.—The Secretary of Energy
5 shall establish a Strategic Petroleum Reserve
6 modernization program to protect the United
7 States economy from the impacts of emergency
8 product supply disruptions. The program may
9 include—

10 (i) operational improvements to ex-
11 tend the useful life of surface and sub-
12 surface infrastructure;

13 (ii) maintenance of cavern storage in-
14 tegrity; and

15 (iii) addition of infrastructure and fa-
16 cilities to optimize the drawdown and in-
17 cremental distribution capacity of the Stra-
18 tegic Petroleum Reserve.

19 (e) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated (and drawdowns and
21 sales under subsection (c) in an equal amount are author-
22 ized) for carrying out subsection (d)(2)(B),
23 \$2,000,000,000 for the period encompassing fiscal years
24 2017 through 2020.

1 (f) TRANSMISSION OF DEPARTMENT BUDGET RE-
2 QUESTS.—The Secretary of Energy shall prepare and sub-
3 mit in the Department’s annual budget request to Con-
4 gress—

5 (1) an itemization of the amounts of funds nec-
6 essary to carry out subsection (d); and

7 (2) a designation of any activities thereunder
8 for which a multiyear budget authority would be ap-
9 propriate.

10 (g) SUNSET.—The authority of the Secretary to draw
11 down and sell crude oil from the Strategic Petroleum Re-
12 serve under this section shall expire at the end of fiscal
13 year 2020.

14 **TITLE V—PENSIONS**

15 **SEC. 501. SINGLE EMPLOYER PLAN ANNUAL PREMIUM** 16 **RATES.**

17 (a) FLAT-RATE PREMIUM.—

18 (1) IN GENERAL.—Section 4006(a)(3)(A)(i) of
19 the Employee Retirement Income Security Act of
20 1974 (29 U.S.C. 1306(a)(3)(A)(i)) is amended by
21 striking “and” at the end of subclause (IV), by
22 striking the period at the end of subclause (V) and
23 inserting a semicolon, and by inserting after sub-
24 clause (V) the following:

1 “(VI) for plan years beginning
2 after December 31, 2016, and before
3 January 1, 2018, \$68;

4 “(VII) for plan years beginning
5 after December 31, 2017, and before
6 January 1, 2019, \$73; and

7 “(VIII) for plan years beginning
8 after December 31, 2018, \$78.”.

9 (2) PREMIUM RATES AFTER 2019.—Section
10 4006(a)(3)(G) of such Act (29 U.S.C.
11 1306(a)(3)(G)) is amended—

12 (A) in the matter preceding clause (i), by
13 striking “2016” and inserting “2019”; and

14 (B) in clause (i)(II) by striking “2014”
15 and inserting “2017”.

16 (b) VARIABLE-RATE PREMIUM INCREASES.—

17 (1) IN GENERAL.—Section 4006(a)(8)(C) of
18 such Act (29 U.S.C. 1306(a)(8)(C)) is amended—

19 (A) in the subparagraph heading, by strik-
20 ing “increase in 2014 and 2015” and inserting
21 “increases”;

22 (B) in clause (ii), by striking “and” at the
23 end;

24 (C) in clause (iii), by striking the period at
25 the end and inserting a semicolon; and

1 (D) by adding at the end the following:

2 “(iv) in the case of plan years begin-
3 ning in calendar year 2017, by \$2;

4 “(v) in the case of plan years begin-
5 ning in calendar year 2018, by \$3; and

6 “(vi) in the case of plan years begin-
7 ning in calendar year 2019, by \$3.”.

8 (2) CONFORMING AMENDMENTS.—Section
9 4006(a)(8) of such Act (29 U.S.C. 1306(a)(8)) is
10 amended—

11 (A) in subparagraph (A)—

12 (i) in clause (iii), by striking “and” at
13 the end;

14 (ii) in clause (iv), by striking the pe-
15 riod at the end and inserting a semicolon;
16 and

17 (iii) by adding at the end the fol-
18 lowing:

19 “(v) for plan years beginning after
20 calendar year 2017, the amount in effect
21 for plan years beginning in 2017 (deter-
22 mined after application of subparagraph
23 (C));

24 “(vi) for plan years beginning after
25 calendar year 2018, the amount in effect

1 for plan years beginning in 2018 (deter-
2 mined after application of subparagraph
3 (C)); and

4 “(vii) for plan years beginning after
5 calendar year 2019, the amount in effect
6 for plan years beginning in 2019 (deter-
7 mined after application of subparagraph
8 (C)).”; and
9 (B) in subparagraph (D)—

10 (i) in clause (iii), by striking “and” at
11 the end;

12 (ii) in clause (iv), by striking the pe-
13 riod at the end and inserting a semicolon;
14 and

15 (iii) by adding at the end the fol-
16 lowing:

17 “(v) 2015, in the case of plan years
18 beginning after calendar year 2017;

19 “(vi) 2016, in the case of plan years
20 beginning after calendar year 2018; and

21 “(vii) 2017, in the case of plan years
22 beginning after calendar year 2019.”.

23 (3) EFFECTIVE DATE.— The amendments
24 made by this section shall apply to plan years begin-
25 ning after December 31, 2016.

1 **SEC. 502. PENSION PAYMENT ACCELERATION.**

2 Notwithstanding section 4007(a) of the Employee
3 Retirement Income Security Act of 1974 (29 U.S.C.
4 1307(a)) and section 4007.11 of title 29, Code of Federal
5 Regulations, for plan years commencing after December
6 31, 2024, and before January 1, 2026, the premium due
7 date for such plan years shall be the fifteenth day of the
8 ninth calendar month that begins on or after the first day
9 of the premium payment year.

10 **SEC. 503. MORTALITY TABLES.**

11 (a) CREDIBILITY.—For purposes of subclause (I) of
12 section 430(h)(3)(C)(iii) of the Internal Revenue Code of
13 1986 and subclause (I) of section 303(h)(3)(C)(iii) of the
14 Employee Retirement Income Security Act of 1974, the
15 determination of whether plans have credible information
16 shall be made in accordance with established actuarial
17 credibility theory, which—

18 (1) is materially different from rules under such
19 section of such Code, including Revenue Procedure
20 2007-37, that are in effect on the date of the enact-
21 ment of this Act, and

22 (2) permits the use of tables that reflect adjust-
23 ments to the tables described in subparagraphs (A)
24 and (B) of section 430(h)(3) of such Code, and sub-
25 paragraphs (A) and (B) of section 303(h)(3) of such
26 Act, if such adjustments are based on the experience

1 described in subclause (II) of section
 2 430(h)(3)(C)(iii) of such Code and in subclause (II)
 3 of section 303(h)(3)(C)(iii) of such Act.

4 (b) EFFECTIVE DATE.—This section shall apply to
 5 plan years beginning after December 31, 2015.

6 **SEC. 504. EXTENSION OF CURRENT FUNDING STABILIZA-**
 7 **TION PERCENTAGES TO 2018 AND 2019.**

8 (a) FUNDING STABILIZATION UNDER THE INTERNAL
 9 REVENUE CODE OF 1986.—The table in subclause (II)
 10 of section 430(h)(2)(C)(iv) of the Internal Revenue Code
 11 of 1986 is amended to read as follows:

“If the calendar year is:	The applicable minimum percentage is:	The applicable maximum percentage is:
2012, 2013, 2014, 2015, 2016, 2017, 2018, or 2019.	90%	110%
2020	85%	115%
2021	80%	120%
2022	75%	125%
After 2022	70%	130%”.

12 (b) FUNDING STABILIZATION UNDER EMPLOYEE
 13 RETIREMENT INCOME SECURITY ACT OF 1974.—

14 (1) IN GENERAL.—The table in subclause (II)
 15 of section 303(h)(2)(C)(iv) of the Employee Retirement
 16 Income Security Act of 1974 (29 U.S.C.
 17 1083(h)(2)(C)(iv)) is amended to read as follows:

“If the calendar year is:	The applicable minimum percentage is:	The applicable maximum percentage is:
2012, 2013, 2014, 2015, 2016, 2017, 2018, or 2019.	90%	110%
2020	85%	115%

“If the calendar year is:	The applicable minimum percentage is:	The applicable maximum percentage is:
2021	80%	120%
2022	75%	125%
After 2022	70%	130%”.

1 (2) CONFORMING AMENDMENTS.—

2 (A) IN GENERAL.—Section 101(f)(2)(D) of
3 such Act (29 U.S.C. 1021(f)(2)(D)) is amend-
4 ed—

5 (i) in clause (i) by striking “and the
6 Highway and Transportation Funding Act
7 of 2014” both places it appears and insert-
8 ing “, the Highway and Transportation
9 Funding Act of 2014, and the Bipartisan
10 Budget Act of 2015”, and

11 (ii) in clause (ii) by striking “2020”
12 and inserting “2022”.

13 (B) STATEMENTS.—The Secretary of
14 Labor shall modify the statements required
15 under subclauses (I) and (II) of section
16 101(f)(2)(D)(i) of such Act to conform to the
17 amendments made by this section.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply with respect to plan years begin-
20 ning after December 31, 2015.

1 **TITLE VI—HEALTH CARE**
2 **SEC. 601. MAINTAINING 2016 MEDICARE PART B PREMIUM**
3 **AND DEDUCTIBLE LEVELS CONSISTENT WITH**
4 **ACTUARIALLY FAIR RATES.**

5 (a) 2016 PREMIUM AND DEDUCTIBLE AND REPAY-
6 MENT THROUGH FUTURE PREMIUMS.—Section 1839(a)
7 of the Social Security Act (42 U.S.C. 1395r(a)) is amend-
8 ed—

9 (1) in the second sentence of paragraph (1), by
10 striking “Such” and inserting “Subject to para-
11 graphs (5) and (6), such”; and

12 (2) by adding at the end the following:

13 “(5)(A) In applying this part (including subsection
14 (i) and section 1833(b)), the monthly actuarial rate for
15 enrollees age 65 and over for 2016 shall be determined
16 as if subsection (f) did not apply.

17 “(B) Subsection (f) shall continue to be applied to
18 paragraph (6)(A) (during a repayment month, as de-
19 scribed in paragraph (6)(B)) and without regard to the
20 application of subparagraph (A).

21 “(6)(A) With respect to a repayment month (as de-
22 scribed in subparagraph (B)), the monthly premium other-
23 wise established under paragraph (3) shall be increased
24 by, subject to subparagraph (D), \$3.

1 “(B) For purposes of this paragraph, a repayment
2 month is a month during a year, beginning with 2016,
3 for which a balance due amount is computed under sub-
4 paragraph (C) as greater than zero.

5 “(C) For purposes of this paragraph, the balance due
6 amount computed under this subparagraph, with respect
7 to a month, is the amount estimated by the Chief Actuary
8 of the Centers for Medicare & Medicaid Services to be
9 equal to—

10 “(i) the amount transferred under section
11 1844(d)(1); plus

12 “(ii) the amount that is equal to the aggregate
13 reduction, for all individuals enrolled under this
14 part, in the income related monthly adjustment
15 amount as a result of the application of paragraph
16 (5); minus

17 “(iii) the amounts payable under this part as a
18 result of the application of this paragraph for pre-
19 ceding months.

20 “(D) If the balance due amount computed under sub-
21 paragraph (C), without regard to this subparagraph, for
22 December of a year would be less than zero, the Chief
23 Actuary of the Centers for Medicare & Medicaid Services
24 shall estimate, and the Secretary shall apply, a reduction
25 to the dollar amount increase applied under subparagraph

1 (A) for each month during such year in a manner such
2 that the balance due amount for January of the subse-
3 quent year is equal to zero.”.

4 (b) TRANSITIONAL GOVERNMENT CONTRIBUTION.—
5 Section 1844 of the Social Security Act (42 U.S.C.
6 1395w) is amended—

7 (1) in subsection (a), by adding at the end the
8 following:

9 “In applying paragraph (1), the amounts transferred
10 under subsection (d)(1) with respect to enrollees described
11 in subparagraphs (A) and (B) of such subsection shall be
12 treated as premiums payable and deposited in the Trust
13 Fund under subparagraphs (A) and (B), respectively, of
14 paragraph (1).”; and

15 (2) by adding at the end the following:

16 “(d)(1) For 2016, there shall be transferred from the
17 General Fund to the Trust Fund an amount, as estimated
18 by the Chief Actuary of the Centers for Medicare & Med-
19 icaid Services, equal to the reduction in aggregate pre-
20 miums payable under this part for a month in such year
21 (excluding any changes in amounts collected under section
22 1839(i)) that is attributable to the application of section
23 1839(a)(5)(A) with respect to—

24 “(A) enrollees age 65 and over; and

25 “(B) enrollees under age 65.

1 Such amounts shall be transferred from time to time as
2 appropriate.

3 “(2) Premium increases affected under section
4 1839(a)(6) shall not be taken into account in applying
5 subsection (a).

6 “(3) There shall be transferred from the Trust Fund
7 to the General Fund of the Treasury amounts equivalent
8 to the additional premiums payable as a result of the ap-
9 plication of section 1839(a)(6), excluding the aggregate
10 payments attributable to the application of section
11 1839(i)(3)(A)(ii)(II).”.

12 (c) CONFORMING APPLICATION OF HIGH INCOME
13 ADJUSTMENTS TO INCREASED MONTHLY PREMIUM IN
14 SAME MANNER AS FOR REGULAR MEDICARE PRE-
15 MIUMS.—Section 1839(i)(3)(A)(ii) of the Social Security
16 Act (42 U.S.C. 1395r(i)(3)(A)(ii)) is amended—

17 (1) by striking “AMOUNT.—200 percent” and in-
18 serting the following: “AMOUNT.—

19 “(I) 200 percent”; and

20 (2) by striking the period at the end and insert-
21 ing “; plus”; and

22 (3) by adding at the end the following new sub-
23 clause:

24 “(II) 4 times the amount of the
25 increase in the monthly premium

1 under subsection (a)(6) for a month
2 in the year.”.

3 (d) CONDITIONAL APPLICATION TO 2017 IF NO SO-
4 CIAL SECURITY COLA FOR 2017.—If there is no increase
5 in the monthly insurance benefits payable under title II
6 with respect to December 2016 pursuant to section 215(i),
7 then the amendments made by this section shall be applied
8 as if—

9 (1) the reference to “2016” in paragraph
10 (5)(A) of section 1839(a) of the Social Security Act
11 (42 U.S.C. 1395r(a)), as added by subsection (a)(2),
12 was a reference to “2016 and 2017”;

13 (2) the reference to “a month during a year,
14 beginning with 2016” in paragraph (6)(B) of section
15 1839 of such Act (42 U.S.C. 1395r(a)), as added by
16 subsection (a)(2), was a reference to “a month in a
17 year, beginning with 2016 and beginning with 2017,
18 respectively”; and

19 (3) the reference to “2016” in subsection (d)(1)
20 of section 1844 of such Act (42 U.S.C. 1395w), as
21 added by subsection (b)(2), was a reference to “each
22 of 2016 and 2017”.

23 Any increase in premiums effected under this subsection
24 shall be in addition to the increase effected by the amend-
25 ments made by subsection (a).

1 (e) CONSTRUCTION REGARDING NO AUTHORITY TO
2 INITIATE APPLICATION TO YEARS AFTER 2017.—Nothing
3 in subsection (d) or the amendments made by this section
4 shall be construed as authorizing the Secretary of Health
5 and Human Services to initiate application of such sub-
6 section or amendments for a year after 2017.

7 **SEC. 602. APPLYING THE MEDICAID ADDITIONAL REBATE**
8 **REQUIREMENT TO GENERIC DRUGS.**

9 (a) IN GENERAL.—Section 1927(c)(3) of the Social
10 Security Act (42 U.S.C. 1396r–8(c)(3)) is amended—

11 (1) in subparagraph (A), by striking “The
12 amount” and inserting “Except as provided in sub-
13 paragraph (C), the amount”; and

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

16 “(C) ADDITIONAL REBATE.—

17 “(i) IN GENERAL.—The amount of
18 the rebate specified in this paragraph for
19 a rebate period, with respect to each dos-
20 age form and strength of a covered out-
21 patient drug other than a single source
22 drug or an innovator multiple source drug
23 of a manufacturer, shall be increased in
24 the manner that the rebate for a dosage
25 form and strength of a single source drug

1 or an innovator multiple source drug is in-
2 creased under subparagraphs (A) and (D)
3 of paragraph (2), except as provided in
4 clause (ii).

5 “(ii) SPECIAL RULES FOR APPLICA-
6 TION OF PROVISION.—In applying sub-
7 subparagraphs (A) and (D) of paragraph (2)
8 under clause (i)—

9 “(I) the reference in subpara-
10 graph (A)(i) of such paragraph to
11 ‘1990’ shall be deemed a reference to
12 ‘2014’;

13 “(II) subject to clause (iii), the
14 reference in subparagraph (A)(ii) of
15 such paragraph to ‘the calendar quar-
16 ter beginning July 1, 1990’ shall be
17 deemed a reference to ‘the calendar
18 quarter beginning July 1, 2014’; and

19 “(III) subject to clause (iii), the
20 reference in subparagraph (A)(ii) of
21 such paragraph to ‘September 1990’
22 shall be deemed a reference to ‘Sep-
23 tember 2014’;

24 “(IV) the references in subpara-
25 graph (D) of such paragraph to ‘para-

1 graph (1)(A)(ii)', 'this paragraph',
2 and 'December 31, 2009' shall be
3 deemed references to 'subparagraph
4 (A)', 'this subparagraph', and 'De-
5 cember 31, 2014', respectively; and

6 “(V) any reference in such para-
7 graph to a 'single source drug or an
8 innovator multiple source drug' shall
9 be deemed to be a reference to a drug
10 to which clause (i) applies.

11 “(iii) SPECIAL RULE FOR CERTAIN
12 NONINNOVATOR MULTIPLE SOURCE
13 DRUGS.—In applying paragraph
14 (2)(A)(ii)(II) under clause (i) with respect
15 to a covered outpatient drug that is first
16 marketed as a drug other than a single
17 source drug or an innovator multiple
18 source drug after April 1, 2013, such para-
19 graph shall be applied—

20 “(I) by substituting 'the applica-
21 ble quarter' for 'the calendar quarter
22 beginning July 1, 1990'; and

23 “(II) by substituting 'the last
24 month in such applicable quarter' for
25 'September 1990'.

1 “(iv) APPLICABLE QUARTER DE-
2 FINED.—In this subsection, the term ‘ap-
3 plicable quarter’ means, with respect to a
4 drug described in clause (iii), the fifth full
5 calendar quarter after which the drug is
6 marketed as a drug other than a single
7 source drug or an innovator multiple
8 source drug.”.

9 (b) EFFECTIVE DATE.—The amendments made by
10 subsection (a) shall apply to rebate periods beginning after
11 the date that is one year after the date of the enactment
12 of this Act.

13 **SEC. 603. TREATMENT OF OFF-CAMPUS OUTPATIENT DE-**
14 **PARTMENTS OF A PROVIDER.**

15 Section 1833(t) of the Social Security Act (42 U.S.C.
16 1395l(t)) is amended—

17 (1) in paragraph (1)(B)—

18 (A) in clause (iii), by striking “but” at the
19 end;

20 (B) in clause (iv), by striking the period at
21 the end and inserting “; and”; and

22 (C) by adding at the end the following new
23 clause:

24 “(v) does not include applicable items
25 and services (as defined in subparagraph

1 (A) of paragraph (21)) that are furnished
2 on or after January 1, 2017, by an off-
3 campus outpatient department of a pro-
4 vider (as defined in subparagraph (B) of
5 such paragraph).”; and

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

8 “(21) SERVICES FURNISHED BY AN OFF-CAM-
9 PUS OUTPATIENT DEPARTMENT OF A PROVIDER.—

10 “(A) APPLICABLE ITEMS AND SERVICES.—
11 For purposes of paragraph (1)(B)(v) and this
12 paragraph, the term ‘applicable items and serv-
13 ices’ means items and services other than emer-
14 gency department services (identified, as of
15 January 1, 2015, by HCPCS codes 99281–
16 99285 (and as subsequently modified by the
17 Secretary)).

18 “(B) OFF-CAMPUS OUTPATIENT DEPART-
19 MENT OF A PROVIDER.—

20 “(i) IN GENERAL.—For purposes of
21 paragraph (1)(B)(v) and this paragraph,
22 subject to clause (ii), the term ‘off-campus
23 outpatient department of a provider’
24 means a department of a provider (as de-
25 fined in section 413.65(a)(2) of title 42 of

1 the Code of Federal Regulations, as in ef-
2 fect as of the date of the enactment of this
3 paragraph) that is not located—

4 “(I) on the campus (as defined in
5 such section 413.65(a)(2)) of such
6 provider; or

7 “(II) within the distance (de-
8 scribed in such definition of campus)
9 from a remote location of a hospital
10 facility (as defined in such section
11 413.65(a)(2)).

12 “(ii) EXCEPTION.—For purposes of
13 paragraph (1)(B)(v) and this paragraph,
14 the term ‘off-campus outpatient depart-
15 ment of a provider’ shall not include a de-
16 partment of a provider (as so defined) that
17 was billing under this subsection with re-
18 spect to covered OPD services furnished
19 prior to the date of the enactment of this
20 paragraph.

21 “(C) AVAILABILITY OF PAYMENT UNDER
22 OTHER PAYMENT SYSTEMS.—Payments for ap-
23 plicable items and services furnished by an off-
24 campus outpatient department of a provider
25 that are described in paragraph (1)(B)(v) shall

1 be made under the applicable payment system
2 under this part (other than under this sub-
3 section) if the requirements for such payment
4 are otherwise met.

5 “(D) INFORMATION NEEDED FOR IMPLE-
6 MENTATION.—Each hospital shall provide to
7 the Secretary such information as the Secretary
8 determines appropriate to implement this para-
9 graph and paragraph (1)(B)(v) (which may in-
10 clude reporting of information on a hospital
11 claim using a code or modifier and reporting in-
12 formation about off-campus outpatient depart-
13 ments of a provider on the enrollment form de-
14 scribed in section 1866(j)).

15 “(E) LIMITATIONS.—There shall be no ad-
16 ministrative or judicial review under section
17 1869, section 1878, or otherwise of the fol-
18 lowing:

19 “(i) The determination of the applica-
20 ble items and services under subparagraph
21 (A) and applicable payment systems under
22 subparagraph (C).

23 “(ii) The determination of whether a
24 department of a provider meets the term
25 described in subparagraph (B).

1 “(iii) Any information that hospitals
2 are required to report pursuant to sub-
3 paragraph (D).”.

4 **SEC. 604. REPEAL OF AUTOMATIC ENROLLMENT REQUIRE-**
5 **MENT.**

6 The Fair Labor Standards Act of 1938 (29 U.S.C.
7 201 et seq.) is amended by repealing section 18A (as
8 added by section 1511 of the Patient Protection and Af-
9 fordable Care Act (Public Law 111–148)).

10 **TITLE VII—JUDICIARY**

11 **SEC. 701. CIVIL MONETARY PENALTY INFLATION ADJUST-**
12 **MENTS.**

13 (a) **SHORT TITLE.**—This section may be cited as the
14 “Federal Civil Penalties Inflation Adjustment Act Im-
15 provements Act of 2015”.

16 (b) **AMENDMENTS.**—The Federal Civil Penalties In-
17 flation Adjustment Act of 1990 (28 U.S.C. 2461 note) is
18 amended—

19 (1) in section 4—

20 (A) by striking the matter preceding para-
21 graph (1) and inserting the following:

22 “(a) **IN GENERAL.**—Not later than July 1, 2016, and
23 not later than January 15 of every year thereafter, and
24 subject to subsections (c) and (d), the head of each agency
25 shall—”;

1 (B) in paragraph (1)—

2 (i) by striking “by regulation adjust”
3 and inserting “in accordance with sub-
4 section (b), adjust”; and

5 (ii) by striking “, the Tariff Act of
6 1930, the Occupational Safety and Health
7 Act of 1970, or the Social Security Act”
8 and inserting “ or the Tariff Act of 1930”;

9 (C) in paragraph (2), by striking “such
10 regulation” and inserting “such adjustment”;
11 and

12 (D) by adding at the end the following:

13 “(b) PROCEDURES FOR ADJUSTMENTS.—

14 “(1) CATCH UP ADJUSTMENT.—For the first
15 adjustment made under subsection (a) after the date
16 of enactment of the Federal Civil Penalties Inflation
17 Adjustment Act Improvements Act of 2015—

18 “(A) the head of an agency shall adjust
19 civil monetary penalties through an interim
20 final rulemaking; and

21 “(B) the adjustment shall take effect not
22 later than August 1, 2016.

23 “(2) SUBSEQUENT ADJUSTMENTS.—For the
24 second adjustment made under subsection (a) after
25 the date of enactment of the Federal Civil Penalties

1 Inflation Adjustment Act Improvements Act of
2 2015, and each adjustment thereafter, the head of
3 an agency shall adjust civil monetary penalties and
4 shall make the adjustment notwithstanding section
5 553 of title 5, United States Code.

6 “(c) EXCEPTION.—For the first adjustment made
7 under subsection (a) after the date of enactment of the
8 Federal Civil Penalties Inflation Adjustment Act Improve-
9 ments Act of 2015, the head of an agency may adjust the
10 amount of a civil monetary penalty by less than the other-
11 wise required amount if—

12 “(1) the head of the agency, after publishing a
13 notice of proposed rulemaking and providing an op-
14 portunity for comment, determines in a final rule
15 that—

16 “(A) increasing the civil monetary penalty
17 by the otherwise required amount will have a
18 negative economic impact; or

19 “(B) the social costs of increasing the civil
20 monetary penalty by the otherwise required
21 amount outweigh the benefits; and

22 “(2) the Director of the Office of Management
23 and Budget concurs with the determination of the
24 head of the agency under paragraph (1).

1 “(d) OTHER ADJUSTMENTS MADE.—If a civil mone-
2 etary penalty subject to a cost-of-living adjustment under
3 this Act is, during the 12 months preceding a required
4 cost-of-living adjustment, increased by an amount greater
5 than the amount of the adjustment required under sub-
6 section (a), the head of the agency is not required to make
7 the cost-of-living adjustment for that civil monetary pen-
8 alty in that year.”;

9 (2) in section 5—

10 (A) in subsection (a), by striking “to the
11 nearest—” and all that follows through the end
12 of subsection (a) and inserting “to the nearest
13 multiple of \$1.”; and

14 (B) by amending subsection (b) to read as
15 follows:

16 “(b) DEFINITION.—

17 “(1) IN GENERAL.—Except as provided in para-
18 graph (2), for purposes of subsection (a), the term
19 ‘cost-of-living adjustment’ means the percentage (if
20 any) for each civil monetary penalty by which—

21 “(A) the Consumer Price Index for the
22 month of October preceding the date of the ad-
23 justment, exceeds

1 “(B) the Consumer Price Index for the
2 month of October 1 year before the month of
3 October referred to in subparagraph (A).

4 “(2) INITIAL ADJUSTMENT.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graph (C), for the first inflation adjustment
7 under section 4 made by an agency after the
8 date of enactment of the Federal Civil Penalties
9 Inflation Adjustment Act Improvements Act of
10 2015, the term ‘cost-of-living adjustment’
11 means the percentage (if any) for each civil
12 monetary penalty by which the Consumer Price
13 Index for the month of October, 2015 exceeds
14 the Consumer Price Index for the month of Oc-
15 tober of the calendar year during which the
16 amount of such civil monetary penalty was es-
17 tablished or adjusted under a provision of law
18 other than this Act.

19 “(B) APPLICATION OF ADJUSTMENT.—The
20 cost-of-living adjustment described in subpara-
21 graph (A) shall be applied to the amount of the
22 civil monetary penalty as it was most recently
23 established or adjusted under a provision of law
24 other than this Act.

1 “(C) MAXIMUM ADJUSTMENT.—The
2 amount of the increase in a civil monetary pen-
3 alty under subparagraph (A) shall not exceed
4 150 percent of the amount of that civil mone-
5 tary penalty on the date of enactment of the
6 Federal Civil Penalties Inflation Adjustment
7 Act Improvements Act of 2015.”;

8 (3) in section 6, by striking “violations which
9 occur” and inserting “civil monetary penalties, in-
10 cluding those whose associated violation predated
11 such increase, which are assessed”; and

12 (4) by adding at the end the following:

13 **“SEC. 7. IMPLEMENTATION AND OVERSIGHT ENHANCE-**
14 **MENTS.**

15 “(a) OMB GUIDANCE.—Not later than February 29,
16 2016, not later than December 15, 2016, and December
17 15 of every year thereafter, the Director of the Office of
18 Management and Budget shall issue guidance to agencies
19 on implementing the inflation adjustments required under
20 this Act.

21 “(b) AGENCY FINANCIAL REPORTS.—The head of
22 each agency shall include in the Agency Financial Report
23 submitted under OMB Circular A–136, or any successor
24 thereto, information about the civil monetary penalties
25 within the jurisdiction of the agency, including the adjust-

1 ment of the civil monetary penalties by the head of the
2 agency under this Act.

3 “(c) GAO REVIEW.—The Comptroller General of the
4 United States shall annually submit to Congress a report
5 assessing the compliance of agencies with the inflation ad-
6 justments required under this Act, which may be included
7 as part of another report submitted to Congress.”.

8 (c) REPEAL.—Section 31001(s) of the Debt Collec-
9 tion Improvement Act of 1996 (28 U.S.C. 2461 note) is
10 amended by striking paragraph (2).

11 **SEC. 702. CRIME VICTIMS FUND.**

12 There is hereby rescinded and permanently canceled
13 \$1,500,000,000 of the funds deposited or available in the
14 Crime Victims Fund created by section 1402 of the Vic-
15 tims of Crime Act of 1984 (42 U.S.C. 10601).

16 **SEC. 703. ASSETS FORFEITURE FUND.**

17 Of the amounts deposited in the Department of Jus-
18 tice Assets Forfeiture Fund, \$746,000,000 are hereby re-
19 scinded and permanently cancelled.

20 **TITLE VIII—SOCIAL SECURITY**

21 **SEC. 801. SHORT TITLE.**

22 This title may be cited as the “Social Security Benefit
23 Protection and Opportunity Enhancement Act of 2015”.

1 **Subtitle A—Ensuring Correct**
2 **Payments and Reducing Fraud**

3 **SEC. 811. EXPANSION OF COOPERATIVE DISABILITY INVES-**
4 **TIGATIONS UNITS.**

5 (a) **IN GENERAL.**—Not later than October 1, 2022,
6 the Commissioner of Social Security shall take any nec-
7 essary actions, subject to the availability of appropria-
8 tions, to ensure that cooperative disability investigations
9 units have been established, in areas where there is co-
10 operation with local law enforcement agencies, that would
11 cover each of the 50 States, the District of Columbia,
12 Puerto Rico, Guam, the Northern Mariana Islands, the
13 Virgin Islands, and American Samoa.

14 (b) **REPORT.**—Not later than 90 days after the date
15 of the enactment of this Act and annually thereafter until
16 the earlier of 2022 or the date on which nationwide cov-
17 erage is achieved, the Commissioner of Social Security
18 shall submit to the Committee on Ways and Means of the
19 House of Representatives and the Committee on Finance
20 of the Senate a report describing a plan to implement the
21 nationwide coverage described in subsection (a) and out-
22 lining areas where the Social Security Administration did
23 not receive the cooperation of local law enforcement agen-
24 cies.

1 **SEC. 812. EXCLUSION OF CERTAIN MEDICAL SOURCES OF**
2 **EVIDENCE.**

3 (a) IN GENERAL.—Section 223(d)(5) of the Social
4 Security Act (42 U.S.C. 423(d)(5)) is amended by adding
5 at the end the following:

6 “(C)(i) In making any determination with
7 respect to whether an individual is under a dis-
8 ability or continues to be under a disability, the
9 Commissioner of Social Security may not con-
10 sider (except for good cause as determined by
11 the Commissioner) any evidence furnished by—

12 “(I) any individual or entity who
13 has been convicted of a felony under
14 section 208 or under section 1632;

15 “(II) any individual or entity who
16 has been excluded from participation
17 in any Federal health care program
18 under section 1128; or

19 “(III) any person with respect to
20 whom a civil money penalty or assess-
21 ment has been imposed under section
22 1129 for the submission of false evi-
23 dence.

24 “(ii) To the extent and at such times
25 as is necessary for the effective implemen-
26 tation of clause (i) of this subparagraph—

1 “(I) the Inspector General of the
2 Social Security Administration shall
3 transmit to the Commissioner infor-
4 mation relating to persons described
5 in subclause (I) or (III) of clause (i);

6 “(II) the Secretary of Health and
7 Human Services shall transmit to the
8 Commissioner information relating to
9 persons described in subclause (II) of
10 clause (i); and”.

11 (b) REGULATIONS.—Not later than 1 year after the
12 date of the enactment of this Act, the Commissioner of
13 Social Security shall issue regulations to carry out the
14 amendment made by subsection (a).

15 (c) EFFECTIVE DATE.—The amendment made by
16 subsection (a) shall apply with respect to determinations
17 of disability made on or after the earlier of—

18 (1) the effective date of the regulations issued
19 by the Commissioner under subsection (b); or

20 (2) one year after the date of the enactment of
21 this Act.

22 **SEC. 813. NEW AND STRONGER PENALTIES.**

23 (a) CONSPIRACY TO COMMIT SOCIAL SECURITY
24 FRAUD.—

1 (1) AMENDMENT TO TITLE II.—Section 208(a)
2 of the Social Security Act (42 U.S.C. 408(a)) is
3 amended—

4 (A) in paragraph (7)(C), by striking “or”
5 at the end;

6 (B) in paragraph (8), by adding “or” at
7 the end; and

8 (C) by inserting after paragraph (8) the
9 following:

10 “(9) conspires to commit any offense described
11 in any of paragraphs (1) through (4),”.

12 (2) AMENDMENT TO TITLE VIII.—Section
13 811(a) of such Act (42 U.S.C. 1011(a)) is amend-
14 ed—

15 (A) in paragraph (3), by striking “or” at
16 the end;

17 (B) in paragraph (4), by striking the
18 comma and adding “; or” at the end; and

19 (C) by inserting after paragraph (4) the
20 following:

21 “(5) conspires to commit any offense described
22 in any of paragraphs (1) through (3),”.

23 (3) AMENDMENT TO TITLE XVI.—Section
24 1632(a) of such Act (42 U.S.C. 1383a(a)) is amend-
25 ed—

1 (A) in paragraph (3), by striking “or” at
2 the end;

3 (B) in paragraph (4), by adding “or” at
4 the end; and

5 (C) by inserting after paragraph (4) the
6 following:

7 “(5) conspires to commit any offense described
8 in any of paragraphs (1) through (3),”.

9 (b) INCREASED CRIMINAL PENALTIES FOR CERTAIN
10 INDIVIDUALS VIOLATING POSITIONS OF TRUST.—

11 (1) AMENDMENT TO TITLE II.—Section 208(a)
12 of the Social Security Act (42 U.S.C. 408(a)), as
13 amended by subsection (a), is further amended by
14 striking the period at the end and inserting “, except
15 that in the case of a person who receives a fee or
16 other income for services performed in connection
17 with any determination with respect to benefits
18 under this title (including a claimant representative,
19 translator, or current or former employee of the So-
20 cial Security Administration), or who is a physician
21 or other health care provider who submits, or causes
22 the submission of, medical or other evidence in con-
23 nection with any such determination, such person
24 shall be guilty of a felony and upon conviction there-
25 of shall be fined under title 18, United States Code,

1 or imprisoned for not more than ten years, or
2 both.”.

3 (2) AMENDMENT TO TITLE VIII.—Section
4 811(a) of such Act (42 U.S.C. 1011(a)), as amended
5 by subsection (a), is further amended by striking the
6 period at the end and inserting “, except that in the
7 case of a person who receives a fee or other income
8 for services performed in connection with any deter-
9 mination with respect to benefits under this title (in-
10 cluding a claimant representative, translator, or cur-
11 rent or former employee of the Social Security Ad-
12 ministration), or who is a physician or other health
13 care provider who submits, or causes the submission
14 of, medical or other evidence in connection with any
15 such determination, such person shall be guilty of a
16 felony and upon conviction thereof shall be fined
17 under title 18, United States Code, or imprisoned
18 for not more than ten years, or both.”.

19 (3) AMENDMENT TO TITLE XVI.—Section
20 1632(a) of such Act (42 U.S.C. 1383a(a)), as
21 amended by subsection (a), is further amended by
22 striking the period at the end and inserting “, except
23 that in the case of a person who receives a fee or
24 other income for services performed in connection
25 with any determination with respect to benefits

1 under this title (including a claimant representative,
2 translator, or current or former employee of the So-
3 cial Security Administration), or who is a physician
4 or other health care provider who submits, or causes
5 the submission of, medical or other evidence in con-
6 nection with any such determination, such person
7 shall be guilty of a felony and upon conviction there-
8 of shall be fined under title 18, United States Code,
9 or imprisoned for not more than ten years, or
10 both.”.

11 (c) INCREASED CIVIL MONETARY PENALTIES FOR
12 CERTAIN INDIVIDUALS VIOLATING POSITIONS OF
13 TRUST.—Section 1129(a)(1) of the Social Security Act
14 (42 U.S.C. 1320a-8(a)(1)) is amended, in the matter fol-
15 lowing subparagraph (C), by inserting after “withholding
16 disclosure of such fact” the following: “, except that in
17 the case of such a person who receives a fee or other in-
18 come for services performed in connection with any such
19 determination (including a claimant representative, trans-
20 lator, or current or former employee of the Social Security
21 Administration) or who is a physician or other health care
22 provider who submits, or causes the submission of, medical
23 or other evidence in connection with any such determina-
24 tion, the amount of such penalty shall be not more than
25 \$7,500”.

1 (d) NO BENEFITS PAYABLE TO INDIVIDUALS FOR
2 WHOM A CIVIL MONETARY PENALTY IS IMPOSED FOR
3 FRAUDULENTLY CONCEALING WORK ACTIVITY.—Section
4 222(c)(5) of the Social Security Act (42 U.S.C. 422(c)(5))
5 is amended by inserting after “conviction by a Federal
6 court” the following: “, or the imposition of a civil mone-
7 tary penalty under section 1129,”.

8 **SEC. 814. REFERENCES TO SOCIAL SECURITY AND MEDI-**
9 **CARE IN ELECTRONIC COMMUNICATIONS.**

10 (a) IN GENERAL.—Section 1140(a)(1) of the Social
11 Security Act (42 U.S.C. 1320b-10(a)(1)) is amended by
12 inserting “(including any Internet or other electronic com-
13 munication)” after “or other communication”.

14 (b) EACH COMMUNICATION TREATED AS SEPARATE
15 VIOLATION.—Section 1140(b) of such Act (42 U.S.C.
16 1320b-10(b)) is amended by inserting after the second
17 sentence the following: “In the case of any items referred
18 to in subsection (a)(1) consisting of Internet or other elec-
19 tronic communications, each dissemination, viewing, or ac-
20 cessing of such a communication which contains one or
21 more words, letters, symbols, or emblems in violation of
22 subsection (a) shall represent a separate violation”.

1 **SEC. 815. CHANGE TO CAP ADJUSTMENT AUTHORITY.**

2 Section 251(b)(2)(B) of the Balanced Budget and
3 Emergency Deficit Control Act of 1985 (2 U.S.C.
4 901(b)(2)(B)) is amended—

5 (1) in clause (i)—

6 (A) in the matter before subclause (I), by
7 striking “and for the cost associated with con-
8 ducting redeterminations of eligibility under
9 title XVI of the Social Security Act” and insert-
10 ing “, for the cost associated with conducting
11 redeterminations of eligibility under title XVI of
12 the Social Security Act, for the cost of co-oper-
13 ative disability investigation units, and for the
14 cost associated with the prosecution of fraud in
15 the programs and operations of the Social Secu-
16 rity Administration by Special Assistant United
17 States Attorneys”;

18 (B) in subclause (VI), by striking
19 “\$1,309,000,000” and inserting
20 “\$1,546,000,000”;

21 (C) in subclause (VII), by striking
22 “\$1,309,000,000” and inserting
23 “\$1,462,000,000”;

24 (D) in subclause (VIII), by striking
25 “\$1,309,000,000” and inserting
26 “\$1,410,000,000”; and

1 (E) in subclause (X), by striking
2 “\$1,309,000,000” and inserting
3 “\$1,302,000,000”;

4 (2) in clause (ii)(I), by inserting “, including
5 work-related continuing disability reviews to deter-
6 mine whether earnings derived from services dem-
7 onstrate an individual’s ability to engage in substan-
8 tial gainful activity” before the semicolon; and
9 (3) in clause (ii)(III), by striking “and redeter-
10 minations” and inserting “, redeterminations, co-op-
11 erative disability investigation units, and fraud pros-
12 ecutions”.

13 **Subtitle B—Promoting Opportunity** 14 **for Disability Beneficiaries**

15 **SEC. 821. TEMPORARY REAUTHORIZATION OF DISABILITY** 16 **INSURANCE DEMONSTRATION PROJECT AU-** 17 **THORITY.**

18 (a) **TERMINATION DATE.**—Section 234(d)(2) of the
19 Social Security Act (42 U.S.C. 434(d)(2)) is amended by
20 striking “December 18, 2005” and inserting “December
21 31, 2021, and the authority to carry out such projects
22 shall terminate on December 31, 2022”.

23 (b) **AUTHORITY TO WAIVE COMPLIANCE WITH BEN-**
24 **EFITS REQUIREMENTS.**—Section 234(c) of such Act is

1 amended by striking “December 17, 2005” and inserting
2 “December 30, 2021”.

3 **SEC. 822. MODIFICATION OF DEMONSTRATION PROJECT**
4 **AUTHORITY.**

5 (a) IN GENERAL.—Section 234(a)(1) of the Social
6 Security Act (42 U.S.C. 434(a)(1)) is amended in the
7 matter preceding subparagraph (A) by inserting “to pro-
8 mote attachment to the labor force and” after “designed”.

9 (b) CONGRESSIONAL REVIEW PERIOD.—Section
10 234(c) of the Social Security Act (42 U.S.C. 434(c)), as
11 amended by section 821(b) of this Act, is further amended
12 by inserting “including the objectives of the experiment
13 or demonstration project, the expected annual and total
14 costs, and the dates on which the experiment or dem-
15 onstration project is expected to start and finish,” after
16 “thereof,”

17 (c) ADDITIONAL REQUIREMENTS.—Section 234 of
18 the Social Security Act (42 U.S.C. 434), as amended by
19 subsection (b), is further amended by adding at the end
20 the following:

21 “(e) ADDITIONAL REQUIREMENTS.—In developing
22 and carrying out any experiment or demonstration project
23 under this section, the Commissioner may not require any
24 individual to participate in such experiment or demonstra-
25 tion project and shall ensure—

1 “(1) IN GENERAL.—The Commissioner shall
2 carry out a demonstration project under this sub-
3 section as described in paragraph (2) during a 5-
4 year period beginning not later than January 1,
5 2017.

6 “(2) BENEFIT OFFSET.—Under the demonstra-
7 tion project described in this paragraph, with respect
8 to any individual participating in the project who is
9 otherwise entitled to a benefit under section
10 223(a)(1) for a month—

11 “(A) any such benefit otherwise payable to
12 the individual for such month (other than a
13 benefit payable for any month prior to the 1st
14 month beginning after the date on which the in-
15 dividual’s entitlement to such benefit is deter-
16 mined) shall be reduced by \$1 for each \$2 by
17 which the individual’s earnings derived from
18 services paid during such month exceeds an
19 amount equal to the individual’s impairment-re-
20 lated work expenses for such month (as deter-
21 mined under paragraph (3)), except that such
22 benefit may not be reduced below \$0;

23 “(B) no benefit shall be payable under sec-
24 tion 202 on the basis of the wages and self-em-
25 ployment income of the individual for any

1 month for which the benefit of such individual
2 under section 223(a)(1) is reduced to \$0 pursu-
3 ant to subparagraph (A);

4 “(C) entitlement to any benefit described
5 in subparagraph (A) or (B) shall not terminate
6 due to earnings derived from services except fol-
7 lowing the first month for which such benefit
8 has been reduced to \$0 pursuant to subpara-
9 graph (A) (and the trial work period (as de-
10 fined in section 222(c)) and extended period of
11 eligibility shall not apply to any such individual
12 for any such month); and

13 “(D) in any case in which such an indi-
14 vidual is entitled to hospital insurance benefits
15 under part A of title XVIII by reason of section
16 226(b) and such individual’s entitlement to a
17 benefit described in subparagraph (A) or (B) or
18 status as a qualified railroad retirement bene-
19 ficiary is terminated pursuant to subparagraph
20 (C), such individual shall be deemed to be enti-
21 tled to such benefits or to occupy such status
22 (notwithstanding the termination of such enti-
23 tlement or status) for the period of consecutive
24 months throughout all of which the physical or
25 mental impairment, on which such entitlement

1 or status was based, continues, and throughout
2 all of which such individual would have been en-
3 titled to monthly insurance benefits under title
4 II or as a qualified railroad retirement bene-
5 ficiary had such termination of entitlement or
6 status not occurred, but not in excess of 93
7 such months.

8 “(3) IMPAIRMENT-RELATED WORK EX-
9 PENSES.—

10 “(A) IN GENERAL.—For purposes of para-
11 graph (2)(A) and except as provided in sub-
12 paragraph (C), the amount of an individual’s
13 impairment-related work expenses for a month
14 is deemed to be the minimum threshold
15 amount.

16 “(B) MINIMUM THRESHOLD AMOUNT.—In
17 this paragraph, the term ‘minimum threshold
18 amount’ means an amount, to be determined by
19 the Commissioner, which shall not exceed the
20 amount sufficient to demonstrate that an indi-
21 vidual has rendered services in a month, as de-
22 termined by the Commissioner under section
23 222(c)(4)(A). The Commissioner may test mul-
24 tiple minimum threshold amounts.

1 “(C) EXCEPTION FOR ITEMIZED IMPAIR-
2 MENT-RELATED WORK EXPENSES.—

3 “(i) IN GENERAL.—Notwithstanding
4 subparagraph (A), in any case in which the
5 amount of such an individual’s itemized
6 impairment-related work expenses (as de-
7 fined in clause (ii)) for a month is greater
8 than the minimum threshold amount, the
9 amount of the individual’s impairment-re-
10 lated work expenses for the month shall be
11 equal to the amount of the individual’s
12 itemized impairment-related work expenses
13 (as so defined) for the month.

14 “(ii) DEFINITION.—In this subpara-
15 graph, the term ‘itemized impairment-re-
16 lated work expenses’ means the amount ex-
17 cluded under section 223(d)(4)(A) from an
18 individual’s earnings for a month in deter-
19 mining whether an individual is able to en-
20 gage in substantial gainful activity by rea-
21 son of such earnings in such month, except
22 that such amount does not include the cost
23 to the individual of any item or service for
24 which the individual does not provide to

1 the Commissioner a satisfactory itemized
2 accounting.

3 “(D) LIMITATION.—Notwithstanding the
4 other provisions of this paragraph, for purposes
5 of paragraph (2)(A), the amount of an individ-
6 ual’s impairment-related work expenses for a
7 month shall not exceed the amount of earnings
8 derived from services, prescribed by the Com-
9 missioner under regulations issued pursuant to
10 section 223(d)(4)(A), sufficient to demonstrate
11 an individual’s ability to engage in substantial
12 gainful activity.”.

13 **SEC. 824. USE OF ELECTRONIC PAYROLL DATA TO IM-**
14 **PROVE PROGRAM ADMINISTRATION.**

15 (a) IN GENERAL.—Title XI of the Social Security Act
16 (42 U.S.C. 1301, et seq.) is amended by inserting after
17 section 1183 the following: “

18 “INFORMATION EXCHANGE WITH PAYROLL DATA
19 PROVIDERS

20 “SEC. 1184. (a) IN GENERAL.—The Commissioner
21 of Social Security may enter into an information exchange
22 with a payroll data provider for purposes of—

23 “(1) efficiently administering—

24 “(A) monthly insurance benefits under
25 subsections (d)(1)(B)(ii), (d)(6)(A)(ii),
26 (d)(6)(B), (e)(1)(B)(ii), and (f)(1)(B)(ii) of sec-

1 tion 202 and subsection (a)(1) of section 223;
2 and

3 “(B) supplemental security income benefits
4 under title XVI; and

5 “(2) preventing improper payments of such
6 benefits without the need for verification by inde-
7 pendent or collateral sources.

8 “(b) NOTIFICATION REQUIREMENTS.—Before enter-
9 ing into an information exchange pursuant to subsection
10 (a), the Commissioner shall publish in the Federal Reg-
11 ister a notice describing the information exchange and the
12 extent to which the information received through such ex-
13 change is—

14 “(1) relevant and necessary to—

15 “(A) accurately determine entitlement to,
16 and the amount of, benefits described under
17 subparagraph (A) of subsection (a)(1);

18 “(B) accurately determine eligibility for,
19 and the amount of, benefits described in sub-
20 paragraph (B) of such subsection; and

21 “(C) prevent improper payment of such
22 benefits; and

23 “(2) sufficiently accurate, up-to-date, and com-
24 plete.

25 “(c) DEFINITIONS.—For purposes of this section:

1 “(1) PAYROLL DATA PROVIDER.—The term
2 ‘payroll data provider’ means payroll providers, wage
3 verification companies, and other commercial or non-
4 commercial entities that collect and maintain data
5 regarding employment and wages, without regard to
6 whether the entity provides such data for a fee or
7 without cost.

8 “(2) INFORMATION EXCHANGE.—The term ‘in-
9 formation exchange’ means the automated compari-
10 son of a system of records maintained by the com-
11 missioner of Social Security with records maintained
12 by a payroll data provider.”.

13 (b) AUTHORIZATION TO ACCESS INFORMATION HELD
14 BY PAYROLL DATA PROVIDERS.—

15 (1) AMENDMENT TO TITLE II.—Section 225 of
16 the Social Security Act (42 U.S.C. 425) is amended
17 by adding at the end the following:

18 “(c) ACCESS TO INFORMATION HELD BY PAYROLL
19 DATA PROVIDERS.—(1) The Commissioner of Social Se-
20 curity may require each individual who applies for or is
21 entitled to monthly insurance benefits under subsections
22 (d)(1)(B)(ii), (d)(6)(A)(ii), (d)(6)(B), (e)(1)(B)(ii), and
23 (f)(1)(B)(ii) of section 202 and subsection (a)(1) of sec-
24 tion 223 to provide authorization by the individual for the
25 Commissioner to obtain from any payroll data provider (as

1 defined in section 1184(c)(1)) any record held by the pay-
2 roll data provider with respect to the individual whenever
3 the Commissioner determines the record is needed in con-
4 nection with a determination of initial or ongoing entitle-
5 ment to such benefits.

6 “(2) An authorization provided by an individual
7 under this subsection shall remain effective until the ear-
8 liest of—

9 “(A) the rendering of a final adverse decision
10 on the individual’s application or entitlement to ben-
11 efits under this title;

12 “(B) the termination of the individual’s entitle-
13 ment to benefits under this title; or

14 “(C) the express revocation by the individual of
15 the authorization, in a written notification to the
16 Commissioner.

17 “(3) The Commissioner of Social Security is not re-
18 quired to furnish any authorization obtained pursuant to
19 this subsection to the payroll data provider.

20 “(4) The Commissioner shall inform any person who
21 provides authorization pursuant to this clause of the dura-
22 tion and scope of the authorization.

23 “(5) If an individual who applies for or is entitled
24 to benefits under this title refuses to provide, or revokes,
25 any authorization under this subsection, subsection (d)

1 shall not apply to such individual beginning with the first
2 day of the first month in which he or she refuses or re-
3 vokes such authorization.”.

4 (2) TITLE XVI.—Section 1631(e)(1)(B) of the
5 Social Security Act (42 U.S.C. 1383(e)(1)(B)) is
6 amended by adding at the end the following:

7 “(iii)(I) The Commissioner of Social Security may re-
8 quire each applicant for, or recipient of, benefits under
9 this title to provide authorization by the applicant, recipi-
10 ent or legal guardian (or by any other person whose in-
11 come or resources are material to the determination of the
12 eligibility of the applicant or recipient for such benefits)
13 for the Commissioner to obtain from any payroll data pro-
14 vider (as defined in section 1184(c)(1)) any record held
15 by the payroll data provider with respect to the applicant
16 or recipient (or any such other person) whenever the Com-
17 missioner determines the record is needed in connection
18 with a determination of initial or ongoing eligibility or the
19 amount of such benefits.

20 “(II) An authorization provided by an applicant, re-
21 cipient or legal guardian (or any other person whose in-
22 come or resources are material to the determination of the
23 eligibility of the applicant or recipient) under this clause
24 shall remain effective until the earliest of—

1 “(aa) the rendering of a final adverse decision
2 on the applicant’s application for eligibility for bene-
3 fits under this title;

4 “(bb) the cessation of the recipient’s eligibility
5 for benefits under this title;

6 “(cc) the express revocation by the applicant, or
7 recipient (or such other person referred to in sub-
8 clause (I)) of the authorization, in a written notifica-
9 tion to the Commissioner; or

10 “(dd) the termination of the basis upon which
11 the Commissioner considers another person’s income
12 and resources available to the applicant or recipient.

13 “(III) The Commissioner of Social Security is not re-
14 quired to furnish any authorization obtained pursuant to
15 this clause to the payroll data provider.

16 “(IV) The Commissioner shall inform any person who
17 provides authorization pursuant to this clause of the dura-
18 tion and scope of the authorization.

19 “(V) If an applicant for, or recipient of, benefits
20 under this title (or any such other person referred to in
21 subclause (I)) refuses to provide, or revokes, any author-
22 ization required by subclause (I), paragraph (2)(B) and
23 paragraph (10) shall not apply to such applicant or recipi-
24 ent beginning with the first day of the first month in
25 which he or she refuses or revokes such authorization.”.

1 (c) REPORTING RESPONSIBILITIES FOR BENE-
2 FICIARIES SUBJECT TO INFORMATION EXCHANGE WITH
3 PAYROLL DATA PROVIDER.—

4 (1) AMENDMENT TO TITLE II.—Section 225 of
5 the Social Security (42 U.S.C. 425), as amended by
6 subsection (b)(1), is further amended by adding at
7 the end the following:

8 “(d) An individual who has authorized the Commis-
9 sioner of Social Security to obtain records from a payroll
10 data provider under subsection (c) shall not be subject to
11 a penalty under section 1129A for any omission or error
12 with respect to such individual’s wages as reported by the
13 payroll data provider.”.

14 (2) AMENDMENT TO TITLE XVI.—Section
15 1631(e) of the Social Security Act (42 U.S.C.
16 1383(e)) is amended—

17 (A) in paragraph (2)—

18 (i) by striking “In the case of the fail-
19 ure” and inserting “(A) In the case of the
20 failure”;

21 (ii) by redesignating subparagraphs
22 (A) through (C) as clauses (i) through
23 (iii), respectively; and

24 (iii) by adding at the end the fol-
25 lowing:

1 “(B) For purposes of subparagraph (A), the Commis-
2 sioner of Social Security shall find that good cause exists
3 for the failure of, or delay by, an individual in submitting
4 a report of an event or change in circumstances relevant
5 to eligibility for or amount of benefits under this title in
6 any case where—

7 “(i) the individual (or another person referred
8 to in paragraph (1)(B)(iii)(I)) has provided author-
9 ization to the Commissioner to access payroll data
10 records related to the individual; and

11 “(ii) the event or change in circumstance is a
12 change in the individual’s employer.”; and

13 (B) by adding at the end the following:

14 “(10) An individual who has authorized the Commis-
15 sioner of Social Security to obtain records from a payroll
16 data provider under paragraph (1)(B)(iii) (or on whose
17 behalf another person described in subclause (I) of such
18 paragraph has provided such authorization) shall not be
19 subject to a penalty under section 1129A for any omission
20 or error with respect to such individual’s wages as re-
21 ported by the payroll data provider.”.

22 (d) REGULATIONS.—Not later than 1 year after the
23 date of the enactment of this Act, the Commissioner of
24 Social Security shall prescribe by regulation procedures

1 for implementing the Commissioner's access to and use
2 of information held by payroll providers, including—

3 (1) guidelines for establishing and maintaining
4 information exchanges with payroll providers, pursu-
5 ant to section 1184 of the Social Security Act;

6 (2) beneficiary authorizations;

7 (3) reduced wage reporting responsibilities for
8 individuals who authorize the Commissioner to ac-
9 cess information held by payroll data providers
10 through an information exchange; and

11 (4) procedures for notifying individuals in writ-
12 ing when they become subject to such reduced wage
13 reporting requirements and when such reduced wage
14 reporting requirements no longer apply to them.

15 (e) EFFECTIVE DATE.—The amendments made by
16 this section shall take effect on the date that is 1 year
17 after the date of the enactment of this Act.

18 **SEC. 825. TREATMENT OF EARNINGS DERIVED FROM SERV-**
19 **ICES.**

20 (a) IN GENERAL.—Section 223(d)(4) of the Social
21 Security Act (42 U.S.C. 423(d)(4)) is amended by adding
22 at the end the following:

23 “(C)(i) Subject to clause (ii), in determining when
24 earnings derived from services demonstrate an individual's

1 ability to engage in substantial gainful activity, such earn-
2 ings shall be presumed to have been earned—

3 “(I) in making a determination of initial entitle-
4 ment on the basis of disability, in the month in
5 which the services were performed from which such
6 earnings were derived; and

7 “(II) in any other case, in the month in which
8 such earnings were paid.

9 “(ii) A presumption made under clause (i) shall not
10 apply to a determination described in such clause if—

11 “(I) the Commissioner can reasonably establish,
12 based on evidence readily available at the time of
13 such determination, that the earnings were earned in
14 a different month than when paid; or

15 “(II) in any case in which there is a determina-
16 tion that no benefit is payable due to earnings, after
17 the individual is notified of the presumption made
18 and provided with an opportunity to submit addi-
19 tional information along with an explanation of what
20 additional information is needed, the individual
21 shows to the satisfaction of the Commissioner that
22 such earnings were earned in another month.”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall take effect upon the date of the enact-
25 ment of this Act, or as soon as practicable thereafter.

1 **SEC. 826. ELECTRONIC REPORTING OF EARNINGS.**

2 (a) IN GENERAL.—Not later than September 30,
3 2017, the Commissioner of Social Security shall establish
4 and implement a system that—

5 (1) allows an individual entitled to a monthly
6 insurance benefit based on disability under title II of
7 the Social Security Act (or a representative of the
8 individual) to report to the Commissioner the indi-
9 vidual's earnings derived from services through elec-
10 tronic means, including by telephone and Internet;
11 and

12 (2) automatically issues a receipt to the indi-
13 vidual (or representative) after receiving each such
14 report.

15 (b) SUPPLEMENTAL SECURITY INCOME REPORTING
16 SYSTEM AS MODEL.—The Commissioner shall model the
17 system established under subsection (a) on the electronic
18 wage reporting systems for recipients of supplemental se-
19 curity income under title XVI of such Act.

20 **Subtitle C—Protecting Social**
21 **Security Benefits**

22 **SEC. 831. CLOSURE OF UNINTENDED LOOPHOLES.**

23 (a) PRESUMED FILING OF APPLICATION BY INDIVID-
24 UALS ELIGIBLE FOR OLD-AGE INSURANCE BENEFITS AND
25 FOR WIFE'S OR HUSBAND'S INSURANCE BENEFITS.—

1 (1) IN GENERAL.—Section 202(r) of the Social
2 Security Act (42 U.S.C. 402(r)) is amended by
3 striking paragraphs (1) and (2) and inserting the
4 following:

5 “(1) If an individual is eligible for a wife’s or
6 husband’s insurance benefit (except in the case of
7 eligibility pursuant to clause (ii) of subsection
8 (b)(1)(B) or subsection (c)(1)(B), as appropriate), in
9 any month for which the individual is entitled to an
10 old-age insurance benefit, such individual shall be
11 deemed to have filed an application for wife’s or hus-
12 band’s insurance benefits for such month.

13 “(2) If an individual is eligible (but for section
14 202(k)(4)) for an old-age insurance benefit in any
15 month for which the individual is entitled to a wife’s
16 or husband’s insurance benefit (except in the case of
17 entitlement pursuant to clause (ii) of subsection
18 (b)(1)(B) or subsection (c)(1)(B), as appropriate),
19 such individual shall be deemed to have filed an ap-
20 plication for old-age insurance benefits—

21 “(A) for such month, or

22 “(B) if such individual is also entitled to a
23 disability insurance benefit for such month, in
24 the first subsequent month for which such indi-

1 vidual is not entitled to a disability insurance
2 benefit.”.

3 (2) CONFORMING AMENDMENT.—Section 202
4 of the Social Security Act (42 U.S.C. 402) is amend-
5 ed—

6 (A) in subsection (b)(1), by striking sub-
7 paragraph (B) and inserting the following:

8 “(B)(i) has attained age 62, or

9 “(ii) in the case of a wife, has in her care (indi-
10 vidually or jointly with such individual) at the time
11 of filing such application a child entitled to a child’s
12 insurance benefit on the basis of the wages and self-
13 employment income of such individual,”; and

14 (B) in subsection (c)(1), by striking sub-
15 paragraph (B) and inserting the following:

16 “(B)(i) has attained age 62, or

17 “(ii) in the case of a husband, has in his care
18 (individually or jointly with such individual) at the
19 time of filing such application a child entitled to a
20 child’s insurance benefit on the basis of the wages
21 and self-employment income of such individual,”.

22 (3) EFFECTIVE DATE.—The amendments made
23 by this subsection shall apply with respect to individ-
24 uals who attain age 62 in any calendar year after
25 2015.

1 (b) VOLUNTARY SUSPENSION OF BENEFITS.—

2 (1) IN GENERAL.—Section 202 of the Social
3 Security Act (42 U.S.C. 402) is amended by adding
4 at the end the following:

5 “(z) VOLUNTARY SUSPENSION.—(1)(A) Except as
6 otherwise provided in this subsection, any individual who
7 has attained retirement age (as defined in section 216(l))
8 and is entitled to old-age insurance benefits may request
9 that payment of such benefits be suspended—

10 “(i) beginning with the month following
11 the month in which such request is received by
12 the Commissioner, and

13 “(ii) ending with the earlier of the month
14 following the month in which a request by the
15 individual for a resumption of such benefits is
16 so received or the month following the month in
17 which the individual attains the age of 70.

18 “(2) An individual may not suspend such benefits
19 under this subsection, and any suspension of such benefits
20 under this subsection shall end, effective with respect to
21 any month in which the individual becomes subject to—

22 “(A) mandatory suspension of such benefits
23 under section 202(x);

24 “(B) termination of such benefits under section
25 202(n);

1 “(C) a penalty under section 1129A imposing
2 nonpayment of such benefits; or

3 “(D) any other withholding, in whole or in part,
4 of such benefits under any other provision of law
5 that authorizes recovery of a debt by withholding
6 such benefits.

7 “(3) In the case of an individual who requests that
8 such benefits be suspended under this subsection, for any
9 month during the period in which the suspension is in ef-
10 fect—

11 “(A) no retroactive benefits (as defined in sub-
12 section (j)(4)(B)(iii)) shall be payable to such indi-
13 vidual;

14 “(B) no monthly benefit shall be payable to any
15 other individual on the basis of such individual’s
16 wages and self-employment income; and

17 “(C) no monthly benefit shall be payable to
18 such individual on the basis of another individual’s
19 wages and self-employment income.”.

20 (2) CONFORMING AMENDMENT.—Section
21 202(w)(2)(B)(ii) of the Social Security Act (42
22 U.S.C. 402(w)(2)(B)(ii)) is amended by inserting
23 “under section 202(z)” after “request”.

24 (3) EFFECTIVE DATE.—The amendments made
25 by this subsection shall apply with respect to bene-

1 fits payable for months beginning at least 180 days
2 after the date of the enactment of this Act.

3 **SEC. 832. REQUIREMENT FOR MEDICAL REVIEW.**

4 (a) IN GENERAL.—Section 221(h) of the Social Secu-
5 rity Act (42 U.S.C. 421(h)) is amended to read as follows:

6 “(h) An initial determination under subsection (a),
7 (c), (g), or (i) shall not be made until the Commissioner
8 of Social Security has made every reasonable effort to en-
9 sure—

10 “(1) in any case where there is evidence which
11 indicates the existence of a mental impairment, that
12 a qualified psychiatrist or psychologist has com-
13 pleted the medical portion of the case review and
14 any applicable residual functional capacity assess-
15 ment; and

16 “(2) in any case where there is evidence which
17 indicates the existence of a physical impairment,
18 that a qualified physician has completed the medical
19 portion of the case review and any applicable resid-
20 ual functional capacity assessment.”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 subsection (a) shall apply with respect to determinations
23 of disability made on or after the date that is 1 year after
24 the date of the enactment of this Act.

1 **SEC. 833. REALLOCATION OF PAYROLL TAX REVENUE.**

2 (1) WAGES.—Section 201(b)(1) of the Social
3 Security Act (42 U.S.C. 401(b)(1)) is amended by
4 striking “and (R) 1.80 per centum of the wages (as
5 so defined) paid after December 31, 1999, and so
6 reported” and inserting “(R) 1.80 per centum of the
7 wages (as so defined) paid after December 31, 1999,
8 and before January 1, 2016, and so reported, (S)
9 2.37 per centum of the wages (as so defined) paid
10 after December 31, 2015, and before January 1,
11 2019, and so reported, and (T) 1.80 per centum of
12 the wages (as so defined) paid after December 31,
13 2018, and so reported.”.

14 (2) SELF-EMPLOYMENT INCOME.—Section
15 201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is
16 amended by striking “and (R) 1.80 per centum of
17 the amount of self-employment income (as so de-
18 fined) so reported for any taxable year beginning
19 after December 31, 1999” and inserting “(R) 1.80
20 per centum of the amount of self-employment in-
21 come (as so defined) so reported for any taxable
22 year beginning after December 31, 1999, and before
23 January 1, 2016, (S) 2.37 per centum of the
24 amount of self-employment income (as so defined) so
25 reported for any taxable year beginning after De-
26 cember 31, 2015, and before January 1, 2019, and

1 (T) 1.80 per centum of the amount of self-employ-
2 ment income (as so defined) so reported for any tax-
3 able year beginning after December 31, 2018”.

4 (3) EFFECTIVE DATE.—The amendments made
5 by this section shall apply with respect to wages paid
6 after December 31, 2015, and self-employment in-
7 come for taxable years beginning after such date.

8 **SEC. 834. ACCESS TO FINANCIAL INFORMATION FOR WAIV-**
9 **ERS AND ADJUSTMENTS OF RECOVERY.**

10 (a) ACCESS TO FINANCIAL INFORMATION FOR OLD-
11 AGE, SURVIVORS, AND DISABILITY INSURANCE WAIV-
12 ERS.—Section 204(b) of the Social Security Act (42
13 U.S.C. 404(b)) is amended to read as follows:

14 “(b)(1) In any case in which more than the correct
15 amount of payment has been made, there shall be no ad-
16 justment of payments to, or recovery by the United States
17 from, any person who is without fault if such adjustment
18 or recovery would defeat the purpose of this title or would
19 be against equity and good conscience.

20 “(2) In making for purposes of this subsection any
21 determination of whether any individual is without fault,
22 the Commissioner of Social Security shall specifically take
23 into account any physical, mental, educational, or lin-
24 guistic limitation such individual may have (including any
25 lack of facility with the English language).

1 “(3)(A) In making for purposes of this subsection
2 any determination of whether such adjustment or recovery
3 would defeat the purpose of this title, the Commissioner
4 of Social Security shall require an individual to provide
5 authorization for the Commissioner to obtain (subject to
6 the cost reimbursement requirements of section 1115(a)
7 of the Right to Financial Privacy Act) from any financial
8 institution (within the meaning of section 1101(1) of such
9 Act) any financial record (within the meaning of section
10 1101(2) of such Act) held by the institution with respect
11 to such individual whenever the Commissioner determines
12 the record is needed in connection with a determination
13 with respect to such adjustment or recovery.

14 “(B) Notwithstanding section 1104(a)(1) of the
15 Right to Financial Privacy Act, an authorization provided
16 by an individual pursuant this paragraph shall remain ef-
17 fective until the earlier of—

18 “(i) the rendering of a final decision on whether
19 adjustment or recovery would defeat the purpose of
20 this title; or

21 “(ii) the express revocation by the individual of
22 the authorization, in a written notification to the
23 Commissioner.

24 “(C)(i) An authorization obtained by the Commis-
25 sioner of Social Security pursuant this paragraph shall be

1 considered to meet the requirements of the Right to Fi-
2 nancial Privacy Act for purposes of section 1103(a) of
3 such Act, and need not be furnished to the financial insti-
4 tution, notwithstanding section 1104(a) of such Act.

5 “(ii) The certification requirements of section
6 1103(b) of the Right to Financial Privacy Act shall not
7 apply to requests by the Commissioner of Social Security
8 pursuant to an authorization provided under this para-
9 graph.

10 “(iii) A request by the Commissioner pursuant to an
11 authorization provided under this paragraph is deemed to
12 meet the requirements of section 1104(a)(3) of the Right
13 to Financial Privacy Act and the flush language of section
14 1102 of such Act.

15 “(D) The Commissioner shall inform any person who
16 provides authorization pursuant to this paragraph of the
17 duration and scope of the authorization.

18 “(E) If an individual refuses to provide, or revokes,
19 any authorization for the Commissioner of Social Security
20 to obtain from any financial institution any financial
21 record, the Commissioner may, on that basis, determine
22 that adjustment or recovery would not defeat the purpose
23 of this title.”.

24 (b) ACCESS TO FINANCIAL INFORMATION FOR SUP-
25 PLEMENTAL SECURITY INCOME WAIVERS.—

1 (1) IN GENERAL.—Section 1631(b)(1)(B) of
2 the Social Security Act (42 U.S.C. 1383(b)(1)(B)) is
3 amended by adding at the end the following: “In
4 making for purposes of this subparagraph a deter-
5 mination of whether an adjustment or recovery
6 would defeat the purpose of this title, the Commis-
7 sioner of Social Security shall require an individual
8 to provide authorization for the Commissioner to ob-
9 tain (subject to the cost reimbursement require-
10 ments of section 1115(a) of the Right to Financial
11 Privacy Act) from any financial institution (within
12 the meaning of section 1101(1) of such Act) any fi-
13 nancial record (within the meaning of section
14 1101(2) of such Act) held by the institution with re-
15 spect to such individual whenever the Commissioner
16 determines that the record is needed in connection
17 with a determination with respect to such adjust-
18 ment or recovery, under the terms and conditions es-
19 tablished under subsection (e)(1)(B).”.

20 (2) CONFORMING AMENDMENT.—Section
21 1631(e)(1)(B)(ii)(V) of such Act (42 U.S.C.
22 1383(e)(1)(B)(ii)(V)) is amended by inserting “, de-
23 termine that adjustment or recovery on account of
24 an overpayment with respect to the applicant or re-

1 tled to a monthly disability annuity payment pursu-
2 ant to subchapter V of chapter 84 of subpart G of
3 part III of title 5, United States Code, and shall cer-
4 tify that such individual has provided the authoriza-
5 tion described in subsection (f).

6 “(2) If the Commissioner determines that an
7 individual described in paragraph (1) is also entitled
8 to past-due benefits under section 223, the Commis-
9 sioner shall notify the Director of such fact.

10 “(3) Not later than 30 days after receiving a
11 notification described in paragraph (2) with respect
12 to an individual, the Director shall provide the Com-
13 missioner with the total amount of any disability an-
14 nuity overpayments made to such individual, as well
15 as any other information (in such form and manner
16 as the Commissioner shall require) that the Commis-
17 sioner determines is necessary to carry out this sec-
18 tion.

19 “(4) If the Director provides the Commissioner
20 with the information described in paragraph (3) in
21 a timely manner, the Commissioner may withhold
22 past-due benefits under section 223 to which such
23 individual is entitled and may pay the amount de-
24 scribed in paragraph (3) to the Office of Personnel

1 Management for any disability annuity overpayments
2 made to such individual.

3 “(5) The Director shall credit any amount re-
4 ceived under paragraph (4) with respect to an indi-
5 vidual toward any disability annuity overpayment
6 owed by such individual.

7 “(b) LIMITATIONS.—

8 “(1) PRIORITY OF OTHER REDUCTIONS.—Benefits
9 shall only be withheld under this section after any other
10 reduction applicable under this Act, including sections
11 206(a)(4), 224, and 1127(a).

12 “(2) TIMELY NOTIFICATION REQUIRED.—The Com-
13 missioner may not withhold benefits under this section if
14 the Director does not provide the notice described in sub-
15 section (a)(3) within the time period described in such
16 subsection.

17 “(c) DELAYED PAYMENT OF PAST-DUE BENEFITS.—
18 If the Commissioner is required to make a notification de-
19 scribed in subsection (a)(2) with respect to an individual,
20 the Commissioner shall not make any payment of past-
21 due benefits under section 223 to such individual until
22 after the period described in subsection (a)(3).

23 “(d) REVIEW.—Notwithstanding section 205 or any
24 other provision of law, any determination regarding the
25 withholding of past-due benefits under this section shall

1 only be subject to adjudication and review by the Director
2 under section 8461 of title 5, United States Code.

3 “(e) DISABILITY ANNUITY OVERPAYMENT DE-
4 FINED.—For purposes of this section, the term ‘disability
5 annuity overpayment’ means the amount of the reduction
6 under section 8452(a)(2) of title 5, United States Code,
7 applicable to a monthly annuity payment made to an indi-
8 vidual pursuant to subchapter V of chapter 84 of subpart
9 G of part III of such title due to the individual’s concur-
10 rent entitlement to a disability insurance benefit under
11 section 223 during such month.

12 “(f) AUTHORIZATION TO WITHHOLD BENEFITS.—
13 The authorization described in this subsection, with re-
14 spect to an individual, is written authorization provided
15 by the individual to the Director which authorizes the
16 Commissioner to withhold past-due benefits under section
17 223 to which such individual is entitled in order to pay
18 the amount withheld to the Office of Personnel Manage-
19 ment for any disability overpayments made to such indi-
20 vidual.

21 “(g) EXPENSES.—The Director shall pay to the So-
22 cial Security Administration an amount equal to the
23 amount estimated by the Commissioner as the total cost
24 incurred by the Social Security Administration in carrying
25 out this section for each calendar quarter.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to past-due disability insurance
3 benefits payable on or after the date that is 1 year after
4 the date of the enactment of this section.

5 **SEC. 842. ELIMINATION OF QUINQUENNIAL DETERMINA-**
6 **TIONS RELATING TO WAGE CREDITS FOR**
7 **MILITARY SERVICE PRIOR TO 1957.**

8 Section 217(g)(2) of the Social Security Act (42
9 U.S.C. 417(g)(2)) is amended—

10 (1) by inserting “through 2010” after “each
11 fifth year thereafter”; and

12 (2) by inserting after the first sentence the fol-
13 lowing: “The Secretary of Health and Human Serv-
14 ices shall revise the amount determined under para-
15 graph (1) with respect to the Federal Hospital In-
16 surance Trust Fund under title XVIII in 2015 and
17 each fifth year thereafter through such date, and
18 using such data, as the Secretary determines appro-
19 priate on the basis of the amount of benefits and ad-
20 ministrative expenses actually paid from such Trust
21 Fund under title XVIII and the relevant actuarial
22 assumptions set forth in the report of the Board of
23 Trustees of such Trust Fund for such year under
24 section 1817(b).”.

1 **SEC. 843. CERTIFICATION OF BENEFITS PAYABLE TO A DI-**
2 **VORCED SPOUSE OF A RAILROAD WORKER**
3 **TO THE RAILROAD RETIREMENT BOARD.**

4 Section 205(i) of the Social Security Act (42 U.S.C.
5 405(i)) is amended by inserting “or divorced wife or di-
6 vorced husband” after “the wife or husband”.

7 **SEC. 844. TECHNICAL AMENDMENTS TO ELIMINATE OBSO-**
8 **LETE PROVISIONS.**

9 (a) **ELIMINATION OF REFERENCE IN SECTION 226**
10 **TO A REPEALED PROVISION.**—Section 226 of the Social
11 Security Act (42 U.S.C. 426) is amended—

12 (1) by striking subsection (i); and

13 (2) by redesignating subsection (j) as sub-
14 section (i).

15 (b) **ELIMINATION OF REFERENCE IN SECTION 226A**
16 **TO A REPEALED PROVISION.**—Section 226A of such Act
17 (42 U.S.C. 426-1) is amended by striking the second sub-
18 section (c).

19 **SEC. 845. REPORTING REQUIREMENTS TO CONGRESS.**

20 (a) **REPORT ON FRAUD AND IMPROPER PAYMENT**
21 **PREVENTION ACTIVITIES.**—Section 704(b) of the Social
22 Security Act (42 U.S.C. 904(b)) is amended by adding
23 at the end the following:

24 “(3) For each fiscal year beginning with 2016
25 and ending with 2021, the Commissioner shall in-
26 clude in the annual budget prepared pursuant to

1 subparagraph (A) a report describing the purposes
2 for which amounts made available for purposes de-
3 scribed in section 251(b)(2)(B) of the Balanced
4 Budget and Emergency Deficit Control Act of 1985
5 for the fiscal year were expended by the Social Secu-
6 rity Administration and the purposes for which the
7 Commissioner plans for the Administration to ex-
8 pend such funds in the succeeding fiscal year, in-
9 cluding—

10 “(A) the total such amount expended;

11 “(B) the amount expended on co-operative
12 disability investigation units;

13 “(C) the number of cases of fraud pre-
14 vented by co-operative disability investigation
15 units and the amount expended on such cases
16 (as reported to the Commissioner by the Inspec-
17 tor General of the Social Security Administra-
18 tion);

19 “(D) the number of felony cases pros-
20 ecuted under section 208 (as reported to the
21 Commissioner by the Inspector General) and
22 the amount expended by the Social Security Ad-
23 ministration in supporting the prosecution of
24 such cases;

1 “(E) the amount of such felony cases suc-
2 cessfully prosecuted (as reported to the Com-
3 missioner by the Inspector General) and the
4 amount expended by the Social Security Admin-
5 istration in supporting the prosecution of such
6 cases;

7 “(F) the amount expended on and the
8 number of completed—

9 “(i) continuing disability reviews con-
10 ducted by mail;

11 “(ii) redeterminations conducted by
12 mail;

13 “(iii) medical continuing disability re-
14 views conducted pursuant to section
15 221(i);

16 “(iv) medical continuing disability re-
17 views conducted pursuant to
18 1614(a)(3)(H);

19 “(v) redeterminations conducted pur-
20 suant to section 1611(c); and

21 “(vi) work-related continuing dis-
22 ability reviews to determine whether earn-
23 ings derived from services demonstrate an
24 individual’s ability to engage in substantial
25 gainful activity;

1 “(G) the number of cases of fraud identi-
2 fied for which benefits were terminated as a re-
3 sult of medical continuing disability reviews (as
4 reported to the Commissioner by the Inspector
5 General), work-related continuing disability re-
6 views, and redeterminations, and the amount of
7 resulting savings for each such type of review or
8 redetermination; and

9 “(H) the number of work-related con-
10 tinuing disability reviews in which a beneficiary
11 improperly reported earnings derived from serv-
12 ices for more than 3 consecutive months, and
13 the amount of resulting savings.”.

14 (b) REPORT ON WORK-RELATED CONTINUING DIS-
15 ABILITY REVIEWS.—The Commissioner of Social Security
16 shall annually submit to the Committee on Ways and
17 Means of the House of Representatives and the Committee
18 on Finance of the Senate a report on the number of work-
19 related continuing disability reviews conducted each year
20 to determine whether earnings derived from services dem-
21 onstrate an individual’s ability to engage in substantial
22 gainful activity. Such report shall include—

23 (1) the number of individuals receiving benefits
24 based on disability under title II of such Act for
25 whom reports of earnings were received from any

1 source by the Commissioner in the previous calendar
2 year, reported as a total number and separately by
3 the source of the report;

4 (2) the number of individuals for whom such re-
5 ports resulted in a determination to conduct a work-
6 related continuing disability review, and the basis on
7 which such determinations were made;

8 (3) in the case of a beneficiary selected for a
9 work-related continuing disability review on the basis
10 of a report of earnings from any source—

11 (A) the average number of days—

12 (i) between the receipt of the report
13 and the initiation of the review,

14 (ii) between the initiation and the
15 completion of the review, and

16 (iii) the average amount of overpay-
17 ment, if any;

18 (B) the number of such reviews completed
19 during such calendar year, and the number of
20 such reviews that resulted in a suspension or
21 termination of benefits;

22 (C) the number of such reviews initiated in
23 the current year that had not been completed
24 as of the end of such calendar year;

1 (D) the number of such reviews initiated in
2 a prior year that had not been completed as of
3 the end of such calendar year;

4 (4) the total savings to the Trust Funds and
5 the Treasury generated from benefits suspended or
6 terminated as a result of such reviews; and

7 (5) with respect to individuals for whom a
8 work-related continuing disability review was com-
9 pleted during such calendar year—

10 (A) the number who participated in the
11 Ticket to Work program under section 1148
12 during such calendar year;

13 (B) the number who used any program
14 work incentives during such calendar year; and

15 (C) the number who received vocational re-
16 habilitation services during such calendar year
17 with respect to which the Commissioner of So-
18 cial Security reimbursed a State agency under
19 section 222(d).

20 (c) REPORT ON OVERPAYMENT WAIVERS.—Not later
21 than January 1 of each calendar year, the Commissioner
22 of Social Security shall submit to the Committee on Ways
23 and Means of the House of Representatives and the Com-
24 mittee on Finance of the Senate a report on—

1 (1) the number and total value of overpayments
2 recovered or scheduled to be recovered by the Social
3 Security Administration during the previous fiscal
4 year of benefits under title II and title XVI, respec-
5 tively, including the terms and conditions of repay-
6 ment of such overpayments; and

7 (2) the number and total value of overpayments
8 waived by the Social Security Administration during
9 the previous fiscal year of benefits under title II and
10 title XVI, respectively.

11 **SEC. 846. EXPEDITED EXAMINATION OF ADMINISTRATIVE**
12 **LAW JUDGES.**

13 (a) **IN GENERAL.**—Notwithstanding any other provi-
14 sion of law, the Office of Personnel Management shall,
15 upon request of the Commissioner of Social Security, expe-
16 ditiously administer a sufficient number of competitive ex-
17 aminations, as determined by the Commissioner, for the
18 purpose of identifying an adequate number of candidates
19 to be appointed as Administrative Law Judges under sec-
20 tion 3105 of title 5, United States Code. The first such
21 examination shall take place not later than April 1, 2016
22 and other examinations shall take place at such time or
23 times requested by the Commissioner, but not later than
24 December 31, 2022. Such examinations shall proceed even
25 if one or more individuals who took a prior examination

1 have appealed an adverse determination and one or more
2 of such appeals have not concluded, provided that—

3 (1) the Commissioner of Social Security has
4 made a determination that delaying the examination
5 poses a significant risk that an adequate number of
6 Administrative Law Judges will not be available to
7 meet the need of the Social Security Administration
8 to reduce or prevent a backlog of cases awaiting a
9 hearing;

10 (2) an individual whose appeal is pending is
11 provided an option to continue their appeal or elects
12 to take the new examination, in which case the ap-
13 peal is considered vacated; and

14 (3) an individual who decides to continue his or
15 her appeal and who ultimately prevails in the appeal
16 shall receive expeditious consideration for hire by the
17 Office Personnel Management and the Commissioner
18 of Social Security.

19 (b) PAYMENT OF COSTS.—Notwithstanding any
20 other provision of law, the Commissioner of Social Secu-
21 rity shall pay the full cost associated with each examina-
22 tion conducted pursuant to subsection (a).

1 **TITLE IX—TEMPORARY EXTEN-**
2 **SION OF PUBLIC DEBT LIMIT**

3 **SEC. 901. TEMPORARY EXTENSION OF PUBLIC DEBT LIMIT.**

4 (a) IN GENERAL.—Section 3101(b) of title 31,
5 United States Code, shall not apply for the period begin-
6 ning on the date of the enactment of this Act and ending
7 on March 15, 2017.

8 (b) SPECIAL RULE RELATING TO OBLIGATIONS
9 ISSUED DURING EXTENSION PERIOD.—Effective March
10 16, 2017, the limitation in effect under section 3101(b)
11 of title 31, United States Code, shall be increased to the
12 extent that—

13 (1) the face amount of obligations issued under
14 chapter 31 of such title and the face amount of obli-
15 gations whose principal and interest are guaranteed
16 by the United States Government (except guaran-
17 teed obligations held by the Secretary of the Treas-
18 ury) outstanding on March 16, 2017, exceeds

19 (2) the face amount of such obligations out-
20 standing on the date of the enactment of this Act.

21 **SEC. 902. RESTORING CONGRESSIONAL AUTHORITY OVER**
22 **THE NATIONAL DEBT.**

23 (a) EXTENSION LIMITED TO NECESSARY OBLIGA-
24 TIONS.—An obligation shall not be taken into account
25 under section 901(b)(1) unless the issuance of such obliga-

1 tion was necessary to fund a commitment incurred pursu-
2 ant to law by the Federal Government that required pay-
3 ment before March 16, 2017.

4 (b) PROHIBITION ON CREATION OF CASH RESERVE
5 DURING EXTENSION PERIOD.—The Secretary of the
6 Treasury shall not issue obligations during the period
7 specified in section 901(a) for the purpose of increasing
8 the cash balance above normal operating balances in an-
9 ticipation of the expiration of such period.

10 **TITLE X—SPECTRUM PIPELINE**

11 **SEC. 1001. SHORT TITLE.**

12 This title may be cited as the “Spectrum Pipeline Act
13 of 2015”.

14 **SEC. 1002. DEFINITIONS.**

15 In this title:

16 (1) ASSISTANT SECRETARY.—The term “Assist-
17 ant Secretary” means the Assistant Secretary of
18 Commerce for Communications and Information.

19 (2) COMMISSION.—The term “Commission”
20 means the Federal Communications Commission.

21 (3) FEDERAL ENTITY.—The term “Federal en-
22 tity” has the meaning given such term in section
23 113(l) of the National Telecommunications and In-
24 formation Administration Organization Act (47
25 U.S.C. 923(l)).

1 (2) not later than 30 days after completing the
2 withdrawal or modification, notify the Commission
3 that the withdrawal or modification is complete.

4 (c) REALLOCATION AND AUCTION.—

5 (1) IN GENERAL.—The Commission shall—

6 (A) reallocate the electromagnetic spec-
7 trum identified under subsection (a) for non-
8 Federal use or shared Federal and non-Federal
9 use, or a combination thereof; and

10 (B) notwithstanding paragraph (15)(A) of
11 section 309(j) of the Communications Act of
12 1934 (47 U.S.C. 309(j)), not later than July 1,
13 2024, begin a system of competitive bidding
14 under such section to grant new initial licenses
15 for the use of such spectrum, subject to flexible-
16 use service rules.

17 (2) PROCEEDS TO COVER 110 PERCENT OF FED-
18 ERAL RELOCATION OR SHARING COSTS.—Nothing in
19 paragraph (1) shall be construed to relieve the Com-
20 mission from the requirements of section
21 309(j)(16)(B) of the Communications Act of 1934
22 (47 U.S.C. 309(j)(16)(B)).

1 **SEC. 1005. ADDITIONAL USES OF SPECTRUM RELOCATION**
2 **FUND.**

3 (a) IN GENERAL.—Section 118 of the National Tele-
4 communications and Information Administration Organi-
5 zation Act (47 U.S.C. 928) is amended—

6 (1) by redesignating subsection (g) as sub-
7 section (i); and

8 (2) by inserting after subsection (f) the fol-
9 lowing:

10 “(g) ADDITIONAL PAYMENTS FOR RESEARCH AND
11 DEVELOPMENT AND PLANNING ACTIVITIES.—

12 “(1) AMOUNTS AVAILABLE.—Notwithstanding
13 subsections (c) through (e)—

14 “(A) there are appropriated from the Fund
15 on the date of the enactment of the Spectrum
16 Pipeline Act of 2015, and available to the Di-
17 rector of OMB for use in accordance with para-
18 graph (2), not more than \$500,000,000 from
19 amounts in the Fund on such date of enact-
20 ment; and

21 “(B) there are appropriated from the
22 Fund after such date of enactment, and avail-
23 able to the Director of OMB for use in accord-
24 ance with such paragraph, not more than 10
25 percent of the amounts deposited in the Fund
26 after such date of enactment.

1 “(2) USE OF AMOUNTS.—

2 “(A) IN GENERAL.—The Director of OMB
3 may use amounts made available under para-
4 graph (1) to make payments requested by Fed-
5 eral entities for research and development, engi-
6 neering studies, economic analyses, or other
7 planning activities intended to improve the effi-
8 ciency and effectiveness of the spectrum use of
9 Federal entities in order to make available fre-
10 quencies described in subparagraph (C) for re-
11 allocation for non-Federal use or shared Fed-
12 eral and non-Federal use, or a combination
13 thereof, and for auction in accordance with
14 such reallocation.

15 “(B) SYSTEMS THAT IMPROVE EFFICIENCY
16 AND EFFECTIVENESS OF FEDERAL SPECTRUM
17 USE.—For purposes of a payment under sub-
18 paragraph (A) for activities with respect to sys-
19 tems that improve the efficiency and effective-
20 ness of the spectrum use of Federal entities,
21 such systems include the following:

22 “(i) Systems that have increased
23 functionality or that increase the ability of
24 a Federal entity to accommodate spectrum
25 sharing with non-Federal entities.

1 “(ii) Systems that consolidate func-
2 tions or services that have been provided
3 using separate systems.

4 “(iii) Non-spectrum technology or sys-
5 tems.

6 “(C) FREQUENCIES DESCRIBED.—The fre-
7 quencies described in this subparagraph are,
8 with respect to a payment under subparagraph
9 (A), frequencies that—

10 “(i) are assigned to a Federal entity;
11 and

12 “(ii) at the time of the activities con-
13 ducted with such payment, are not identi-
14 fied for auction.

15 “(D) CONDITIONS.—The Director of OMB
16 may not make a payment to a Federal entity
17 under subparagraph (A)—

18 “(i) unless—

19 “(I) the Federal entity has sub-
20 mitted to the Technical Panel estab-
21 lished under section 113(h)(3) a plan
22 describing the activities that the Fed-
23 eral entity will conduct with such pay-
24 ment;

1 “(II) the Technical Panel has ap-
2 proved such plan under subparagraph
3 (E); and

4 “(III) the Director of OMB has
5 submitted the plan approved under
6 subparagraph (E) to the congressional
7 committees described in subsection
8 (d)(2)(C); and

9 “(ii) until 60 days have elapsed after
10 submission of the plan under clause
11 (i)(III).

12 “(E) REVIEW BY TECHNICAL PANEL.—

13 “(i) IN GENERAL.—Not later than
14 120 days after a Federal entity submits a
15 plan under subparagraph (D)(i)(I) to the
16 Technical Panel established under section
17 113(h)(3), the Technical Panel shall ap-
18 prove or disapprove such plan.

19 “(ii) CRITERIA FOR REVIEW.—In con-
20 sidering whether to approve or disapprove
21 a plan under this subparagraph, the Tech-
22 nical Panel shall consider whether—

23 “(I) the activities that the Fed-
24 eral entity will conduct with the pay-
25 ment will—

1 “(aa) increase the prob-
2 ability of relocation from or shar-
3 ing of Federal spectrum;

4 “(bb) facilitate an auction
5 intended to occur not later than
6 8 years after the payment; and

7 “(cc) increase the net ex-
8 pected auction proceeds in an
9 amount not less than the time
10 value of the amount of the pay-
11 ment; and

12 “(II) the transfer will leave suffi-
13 cient amounts in the Fund for the
14 other purposes of the Fund.

15 “(h) PRIORITIZATION OF PAYMENTS.—In deter-
16 mining whether to make payments under subsections (f)
17 and (g), the Director of OMB shall, to the extent prac-
18 ticable, prioritize payments under subsection (g).”.

19 (b) ADMINISTRATIVE SUPPORT FOR TECHNICAL
20 PANEL.—Section 113(h)(3)(C) of the National Tele-
21 communications and Information Administration Organi-
22 zation Act (47 U.S.C. 923(h)(3)(C)) is amended by strik-
23 ing “this subsection and subsection (i)” and inserting
24 “this subsection, subsection (i), and section
25 118(g)(2)(E)”.

1 (c) ELIGIBLE FEDERAL ENTITIES.—Section 113 of
2 the National Telecommunications and Information Ad-
3 ministration Organization Act (47 U.S.C. 923) is amend-
4 ed—

5 (1) in subsection (g)—

6 (A) in paragraph (1)—

7 (i) by striking “authorized to use a
8 band of eligible frequencies described in
9 paragraph (2) and”;

10 (ii) by inserting “eligible” after “auc-
11 tion of”;

12 (iii) by inserting “eligible” after “re-
13 allocation of”; and

14 (B) in paragraph (3)(A), by striking “pre-
15 viously assigned to such entity or the sharing of
16 spectrum frequencies assigned to such entity”
17 and inserting “or the sharing of spectrum fre-
18 quencies”; and

19 (2) in subsection (h)(1), by striking “authorized
20 to use any such frequency”.

21 **SEC. 1006. PLANS FOR AUCTION OF CERTAIN SPECTRUM.**

22 (a) REPORTS TO CONGRESS.—In accordance with
23 each paragraph of subsection (c), the Commission, in co-
24 ordination with the Assistant Secretary, shall submit to
25 the Committee on Energy and Commerce of the House

1 of Representatives and the Committee on Commerce,
2 Science, and Transportation of the Senate a report con-
3 taining a proposed plan for the assignment of new licenses
4 for non-Federal use of the spectrum identified under such
5 paragraph, including—

6 (1) an assessment of the operations of Federal
7 entities that operate Federal Government stations
8 authorized to use such spectrum;

9 (2) an estimated timeline for the competitive
10 bidding process; and

11 (3) a proposed plan for balance between unli-
12 censed and licensed use.

13 (b) INFORMATION FOR ASSESSMENT OF FEDERAL
14 ENTITY OPERATIONS.—The Assistant Secretary, in co-
15 ordination with the affected Federal entities, shall provide
16 to the Commission the necessary information to carry out
17 subsection (a)(1).

18 (c) REPORT DEADLINES; IDENTIFICATION OF SPEC-
19 TRUM.—The Commission shall submit reports under sub-
20 section (a) as follows:

21 (1) Not later than January 1, 2022, for at least
22 50 megahertz of spectrum (in bands of not less than
23 10 megahertz of contiguous frequencies) below 6
24 gigahertz, to be identified by the Commission, in co-
25 ordination with the Assistant Secretary, from spec-

1 trum other than the spectrum identified under sec-
2 tion 1004(a).

3 (2) Not later than January 1, 2024, for at least
4 50 megahertz of spectrum (in bands of not less than
5 10 megahertz of contiguous frequencies) below 6
6 gigahertz, to be identified by the Commission, in co-
7 ordination with the Assistant Secretary, from spec-
8 trum other than the spectrum identified under para-
9 graph (1) or section 1004(a).

10 **SEC. 1007. FCC AUCTION AUTHORITY.**

11 Section 309(j)(11) of the Communications Act of
12 1934 (47 U.S.C. 309(j)(11)) is amended by inserting be-
13 fore the period at the end the following: “, except that,
14 with respect to the electromagnetic spectrum identified
15 under section 1004(a) of the Spectrum Pipeline Act of
16 2015, such authority shall expire on September 30, 2025”.

17 **SEC. 1008. REPORTS TO CONGRESS.**

18 Not later than 3 years after the date of the enact-
19 ment of this Act, the Commission shall submit to Con-
20 gress—

21 (1) a report containing an analysis of the re-
22 sults of the rules changes relating to the frequencies
23 between 3550 megahertz and 3650 megahertz; and

24 (2) a report containing an analysis of proposals
25 to promote and identify additional spectrum bands

1 that can be shared between incumbent uses and new
2 licensed, and unlicensed services under such rules
3 and identification of at least 1 gigahertz between 6
4 gigahertz and 57 GHz for such use.

5 **TITLE XI—REVENUE PROVI-**
6 **SIONS RELATED TO TAX COM-**
7 **PLIANCE**

8 **SEC. 1101. PARTNERSHIP AUDITS AND ADJUSTMENTS.**

9 (a) REPEAL OF TEFRA PARTNERSHIP AUDIT
10 RULES.—Chapter 63 of the Internal Revenue Code of
11 1986 is amended by striking subchapter C (and by strik-
12 ing the item relating to such subchapter in the table of
13 subchapters for such chapter).

14 (b) REPEAL OF ELECTING LARGE PARTNERSHIP
15 RULES.—

16 (1) IN GENERAL.—Subchapter K of chapter 1
17 of such Code is amended by striking part IV (and
18 by striking the item relating to such part in the
19 table of parts for such subchapter).

20 (2) ASSESSMENT RULES RELATING TO ELECT-
21 ING LARGE PARTNERSHIPS.—Chapter 63 of such
22 Code is amended by striking subchapter D (and by
23 striking the item relating to such subchapter in the
24 table of subchapters for such chapter).

25 (c) PARTNERSHIP AUDIT REFORM.—

1 (1) IN GENERAL.—Chapter 63 of such Code, as
2 amended by the preceding provisions of this section,
3 is amended by inserting after subchapter B the fol-
4 lowing new subchapter:

5 **“Subchapter C—Treatment of Partnerships**

 “PART I—IN GENERAL

 “PART II—PARTNERSHIP ADJUSTMENTS

 “PART III—PROCEDURE

 “PART IV—DEFINITIONS AND SPECIAL RULES

6 **“PART I—IN GENERAL**

 “Sec. 6221. Determination at partnership level.

 “Sec. 6222. Partner’s return must be consistent with partnership return.

 “Sec. 6223. Designation of partnership representative.

7 **“SEC. 6221. DETERMINATION AT PARTNERSHIP LEVEL.**

8 “(a) IN GENERAL.—Any adjustment to items of in-
9 come, gain, loss, deduction, or credit of a partnership for
10 a partnership taxable year (and any partner’s distributive
11 share thereof) shall be determined, any tax attributable
12 thereto shall be assessed and collected, and the applica-
13 bility of any penalty, addition to tax, or additional amount
14 which relates to an adjustment to any such item or share
15 shall be determined, at the partnership level pursuant to
16 this subchapter.

17 “(b) ELECTION OUT FOR CERTAIN PARTNERSHIPS
18 WITH 100 OR FEWER PARTNERS, ETC.—

1 “(1) IN GENERAL.—This subchapter shall not
2 apply with respect to any partnership for any tax-
3 able year if—

4 “(A) the partnership elects the application
5 of this subsection for such taxable year,

6 “(B) for such taxable year the partnership
7 is required to furnish 100 or fewer statements
8 under section 6031(b) with respect to its part-
9 ners,

10 “(C) each of the partners of such partner-
11 ship is an individual, a C corporation, any for-
12 eign entity that would be treated as a C cor-
13 poration were it domestic, an S corporation, or
14 an estate of a deceased partner,

15 “(D) the election—

16 “(i) is made with a timely filed return
17 for such taxable year, and

18 “(ii) includes (in the manner pre-
19 scribed by the Secretary) a disclosure of
20 the name and taxpayer identification num-
21 ber of each partner of such partnership,
22 and

23 “(E) the partnership notifies each such
24 partner of such election in the manner pre-
25 scribed by the Secretary.

1 “(2) SPECIAL RULES RELATING TO CERTAIN
2 PARTNERS.—

3 “(A) S CORPORATION PARTNERS.—In the
4 case of a partner that is an S corporation—

5 “(i) the partnership shall only be
6 treated as meeting the requirements of
7 paragraph (1)(C) with respect to such
8 partner if such partnership includes (in the
9 manner prescribed by the Secretary) a dis-
10 closure of the name and taxpayer identi-
11 fication number of each person with re-
12 spect to whom such S corporation is re-
13 quired to furnish a statement under sec-
14 tion 6037(b) for the taxable year of the S
15 corporation ending with or within the part-
16 nership taxable year for which the applica-
17 tion of this subsection is elected, and

18 “(ii) the statements such S corpora-
19 tion is required to so furnish shall be treat-
20 ed as statements furnished by the partner-
21 ship for purposes of paragraph (1)(B).

22 “(B) FOREIGN PARTNERS.—For purposes
23 of paragraph (1)(D)(ii), the Secretary may pro-
24 vide for alternative identification of any foreign
25 partners.

1 “(C) OTHER PARTNERS.—The Secretary
2 may by regulation or other guidance prescribe
3 rules similar to the rules of subparagraph (A)
4 with respect to any partners not described in
5 such subparagraph or paragraph (1)(C).

6 **“SEC. 6222. PARTNER’S RETURN MUST BE CONSISTENT**
7 **WITH PARTNERSHIP RETURN.**

8 “(a) IN GENERAL.—A partner shall, on the partner’s
9 return, treat each item of income, gain, loss, deduction,
10 or credit attributable to a partnership in a manner which
11 is consistent with the treatment of such income, gain, loss,
12 deduction, or credit on the partnership return.

13 “(b) UNDERPAYMENT DUE TO INCONSISTENT
14 TREATMENT ASSESSED AS MATH ERROR.—Any under-
15 payment of tax by a partner by reason of failing to comply
16 with the requirements of subsection (a) shall be assessed
17 and collected in the same manner as if such underpayment
18 were on account of a mathematical or clerical error ap-
19 pearing on the partner’s return. Paragraph (2) of section
20 6213(b) shall not apply to any assessment of an under-
21 payment referred to in the preceding sentence.

22 “(c) EXCEPTION FOR NOTIFICATION OF INCON-
23 SISTENT TREATMENT.—

24 “(1) IN GENERAL.—In the case of any item re-
25 ferred to in subsection (a), if—

1 “(A)(i) the partnership has filed a return
2 but the partner’s treatment on the partner’s re-
3 turn is (or may be) inconsistent with the treat-
4 ment of the item on the partnership return, or

5 “(ii) the partnership has not filed a return,
6 and

7 “(B) the partner files with the Secretary a
8 statement identifying the inconsistency,
9 subsections (a) and (b) shall not apply to such item.

10 “(2) PARTNER RECEIVING INCORRECT INFOR-
11 MATION.—A partner shall be treated as having com-
12 plied with subparagraph (B) of paragraph (1) with
13 respect to an item if the partner—

14 “(A) demonstrates to the satisfaction of
15 the Secretary that the treatment of the item on
16 the partner’s return is consistent with the treat-
17 ment of the item on the statement furnished to
18 the partner by the partnership, and

19 “(B) elects to have this paragraph apply
20 with respect to that item.

21 “(d) FINAL DECISION ON CERTAIN POSITIONS NOT
22 BINDING ON PARTNERSHIP.—Any final decision with re-
23 spect to an inconsistent position identified under sub-
24 section (c) in a proceeding to which the partnership is not
25 a party shall not be binding on the partnership.

1 **“SEC. 6225. PARTNERSHIP ADJUSTMENT BY SECRETARY.**

2 “(a) IN GENERAL.—In the case of any adjustment
3 by the Secretary in the amount of any item of income,
4 gain, loss, deduction, or credit of a partnership, or any
5 partner’s distributive share thereof—

6 “(1) the partnership shall pay any imputed un-
7 derpayment with respect to such adjustment in the
8 adjustment year as provided in section 6232, and

9 “(2) any adjustment that does not result in an
10 imputed underpayment shall be taken into account
11 by the partnership in the adjustment year—

12 “(A) except as provided in subparagraph
13 (B), as a reduction in non-separately stated in-
14 come or an increase in non-separately stated
15 loss (whichever is appropriate) under section
16 702(a)(8), or

17 “(B) in the case of an item of credit, as a
18 separately stated item.

19 “(b) DETERMINATION OF IMPUTED UNDERPAY-
20 MENTS.—For purposes of this subchapter—

21 “(1) IN GENERAL.—Except as provided in sub-
22 section (c), any imputed underpayment with respect
23 to any partnership adjustment for any reviewed year
24 shall be determined—

25 “(A) by netting all adjustments of items of
26 income, gain, loss, or deduction and multiplying

1 such net amount by the highest rate of tax in
2 effect for the reviewed year under section 1 or
3 11,

4 “(B) by treating any net increase or de-
5 crease in loss under subparagraph (A) as a de-
6 crease or increase, respectively, in income, and

7 “(C) by taking into account any adjust-
8 ments to items of credit as an increase or de-
9 crease, as the case may be, in the amount de-
10 termined under subparagraph (A).

11 “(2) ADJUSTMENTS TO DISTRIBUTIVE SHARES
12 OF PARTNERS NOT NETTED.—In the case of any ad-
13 justment which reallocates the distributive share of
14 any item from one partner to another, such adjust-
15 ment shall be taken into account under paragraph
16 (1) by disregarding—

17 “(A) any decrease in any item of income or
18 gain, and

19 “(B) any increase in any item of deduc-
20 tion, loss, or credit.

21 “(c) MODIFICATION OF IMPUTED UNDERPAY-
22 MENTS.—

23 “(1) IN GENERAL.—The Secretary shall estab-
24 lish procedures under which the imputed under-

1 payment amount may be modified consistent with
2 the requirements of this subsection.

3 “(2) AMENDED RETURNS OF PARTNERS.—

4 “(A) IN GENERAL.—Such procedures shall
5 provide that if—

6 “(i) one or more partners file returns
7 (notwithstanding section 6511) for the tax-
8 able year of the partners which includes
9 the end of the reviewed year of the part-
10 nership,

11 “(ii) such returns take into account
12 all adjustments under subsection (a) prop-
13 erly allocable to such partners (and for any
14 other taxable year with respect to which
15 any tax attribute is affected by reason of
16 such adjustments), and

17 “(iii) payment of any tax due is in-
18 cluded with such return,

19 then the imputed underpayment amount shall
20 be determined without regard to the portion of
21 the adjustments so taken into account.

22 “(B) REALLOCATION OF DISTRIBUTIVE
23 SHARE.—In the case of any adjustment which
24 reallocates the distributive share of any item
25 from one partner to another, paragraph (2)

1 shall apply only if returns are filed by all part-
2 ners affected by such adjustment.

3 “(3) TAX-EXEMPT PARTNERS.—Such proce-
4 dures shall provide for determining the imputed un-
5 derpayment without regard to the portion thereof
6 that the partnership demonstrates is allocable to a
7 partner that would not owe tax by reason of its sta-
8 tus as a tax-exempt entity (as defined in section
9 168(h)(2)).

10 “(4) MODIFICATION OF APPLICABLE HIGHEST
11 TAX RATES.—

12 “(A) IN GENERAL.—Such procedures shall
13 provide for taking into account a rate of tax
14 lower than the rate of tax described in sub-
15 section (b)(1)(A) with respect to any portion of
16 the imputed underpayment that the partnership
17 demonstrates is allocable to a partner which—

18 “(i) in the case of ordinary income, is
19 a C corporation, or

20 “(ii) in the case of a capital gain or
21 qualified dividend, is an individual.

22 In no event shall the lower rate determined
23 under the preceding sentence be less than the
24 highest rate in effect with respect to the income
25 and taxpayer described in clause (i) or clause

1 (ii), as the case may be. For purposes of clause
2 (ii), an S corporation shall be treated as an in-
3 dividual.

4 “(B) PORTION OF IMPUTED UNDER-
5 PAYMENT TO WHICH LOWER RATE APPLIES.—

6 “(i) IN GENERAL.—Except as pro-
7 vided in clause (ii), the portion of the im-
8 puted underpayment to which the lower
9 rate applies with respect to a partner
10 under subparagraph (A) shall be deter-
11 mined by reference to the partners’ dis-
12 tributive share of items to which the im-
13 puted underpayment relates.

14 “(ii) RULE IN CASE OF VARIED
15 TREATMENT OF ITEMS AMONG PART-
16 NERS.—If the imputed underpayment is
17 attributable to the adjustment of more
18 than 1 item, and any partner’s distributive
19 share of such items is not the same with
20 respect to all such items, then the portion
21 of the imputed underpayment to which the
22 lower rate applies with respect to a partner
23 under subparagraph (A) shall be deter-
24 mined by reference to the amount which
25 would have been the partner’s distributive

1 share of net gain or loss if the partnership
2 had sold all of its assets at their fair mar-
3 ket value as of the close of the reviewed
4 year of the partnership.

5 “(5) OTHER PROCEDURES FOR MODIFICATION
6 OF IMPUTED UNDERPAYMENT.—The Secretary may
7 by regulations or guidance provide for additional
8 procedures to modify imputed underpayment
9 amounts on the basis of such other factors as the
10 Secretary determines are necessary or appropriate to
11 carry out the purposes of this subsection.

12 “(6) YEAR AND DAY FOR SUBMISSION TO SEC-
13 RETARY.—Anything required to be submitted pursu-
14 ant to paragraph (1) shall be submitted to the Sec-
15 retary not later than the close of the 270-day period
16 beginning on the date on which the notice of a pro-
17 posed partnership adjustment is mailed under sec-
18 tion 6231 unless such period is extended with the
19 consent of the Secretary.

20 “(7) DECISION OF SECRETARY.—Any modifica-
21 tion of the imputed underpayment amount under
22 this subsection shall be made only upon approval of
23 such modification by the Secretary.

24 “(d) DEFINITIONS.—For purposes of this sub-
25 chapter—

1 “(1) REVIEWED YEAR.—The term ‘reviewed
2 year’ means the partnership taxable year to which
3 the item being adjusted relates.

4 “(2) ADJUSTMENT YEAR.—The term ‘adjust-
5 ment year’ means the partnership taxable year in
6 which—

7 “(A) in the case of an adjustment pursu-
8 ant to the decision of a court in a proceeding
9 brought under section 6234, such decision be-
10 comes final,

11 “(B) in the case of an administrative ad-
12 justment request under section 6227, such ad-
13 ministrative adjustment request is made, or

14 “(C) in any other case, notice of the final
15 partnership adjustment is mailed under section
16 6231.

17 **“SEC. 6226. ALTERNATIVE TO PAYMENT OF IMPUTED UN-
18 DERPAYMENT BY PARTNERSHIP.**

19 “(a) IN GENERAL.—If the partnership—

20 “(1) not later than 45 days after the date of
21 the notice of final partnership adjustment, elects the
22 application of this section with respect to an im-
23 puted underpayment, and

24 “(2) at such time and in such manner as the
25 Secretary may provide, furnishes to each partner of

1 the partnership for the reviewed year and to the Sec-
2 retary a statement of the partner's share of any ad-
3 justment to income, gain, loss, deduction, or credit
4 (as determined in the notice of final partnership ad-
5 justment),
6 section 6225 shall not apply with respect to such under-
7 payment and each such partner shall take such adjust-
8 ment into account as provided in subsection (b). The elec-
9 tion under paragraph (1) shall be made in such manner
10 as the Secretary may provide and, once made, shall be
11 revocable only with the consent of the Secretary.

12 “(b) ADJUSTMENTS TAKEN INTO ACCOUNT BY
13 PARTNER.—

14 “(1) TAX IMPOSED IN YEAR OF STATEMENT.—
15 Each partner's tax imposed by chapter 1 for the tax-
16 able year which includes the date the statement was
17 furnished under subsection (a) shall be increased by
18 the aggregate of the adjustment amounts determined
19 under paragraph (2) for the taxable years referred
20 to therein.

21 “(2) ADJUSTMENT AMOUNTS.—The adjustment
22 amounts determined under this paragraph are—

23 “(A) in the case of the taxable year of the
24 partner which includes the end of the reviewed
25 year, the amount by which the tax imposed

1 under chapter 1 would increase if the partner's
2 share of the adjustments described in sub-
3 section (a) were taken into account for such
4 taxable year, plus

5 “(B) in the case of any taxable year after
6 the taxable year referred to in subparagraph
7 (A) and before the taxable year referred to in
8 paragraph (1), the amount by which the tax im-
9 posed under chapter 1 would increase by reason
10 of the adjustment to tax attributes under para-
11 graph (3).

12 “(3) ADJUSTMENT OF TAX ATTRIBUTES.—Any
13 tax attribute which would have been affected if the
14 adjustments described in subsection (a) were taken
15 into account for the taxable year referred to in para-
16 graph (2)(A) shall—

17 “(A) in the case of any taxable year re-
18 ferred to in paragraph (2)(B), be appropriately
19 adjusted for purposes of applying such para-
20 graph, and

21 “(B) in the case of any subsequent taxable
22 year, be appropriately adjusted.

23 “(c) PENALTIES AND INTEREST.—

24 “(1) PENALTIES.—Notwithstanding subsections
25 (a) and (b), any penalties, additions to tax, or addi-

1 tional amount shall be determined as provided under
2 section 6221 and the partners of the partnership for
3 the reviewed year shall be liable for any such pen-
4 alty, addition to tax, or additional amount.

5 “(2) INTEREST.—In the case of an imputed un-
6 derpayment with respect to which the application of
7 this section is elected, interest shall be determined—

8 “(A) at the partner level,

9 “(B) from the due date of the return for
10 the taxable year to which the increase is attrib-
11 utable (determined by taking into account any
12 increases attributable to a change in tax at-
13 tributes for a taxable year under subsection
14 (b)(2)), and

15 “(C) at the underpayment rate under sec-
16 tion 6621(a)(2), determined by substituting ‘5
17 percentage points’ for ‘3 percentage points’ in
18 subparagraph (B) thereof.

19 **“SEC. 6227. ADMINISTRATIVE ADJUSTMENT REQUEST BY**
20 **PARTNERSHIP.**

21 “(a) IN GENERAL.—A partnership may file a request
22 for an administrative adjustment in the amount of one or
23 more items of income, gain, loss, deduction, or credit of
24 the partnership for any partnership taxable year.

1 “(b) ADJUSTMENT.—Any such adjustment under
2 subsection (a) shall be determined and taken into account
3 for the partnership taxable year in which the administra-
4 tive adjustment request is made—

5 “(1) by the partnership under rules similar to
6 the rules of section 6225 (other than paragraphs
7 (2), (6) and (7) of subsection (c) thereof) for the
8 partnership taxable year in which the administrative
9 adjustment request is made, or

10 “(2) by the partnership and partners under
11 rules similar to the rules of section 6226 (deter-
12 mined without regard to the substitution described
13 in subsection (c)(2)(C) thereof).

14 In the case of an adjustment that would not result in an
15 imputed underpayment, paragraph (1) shall not apply and
16 paragraph (2) shall apply with appropriate adjustments.

17 “(c) PERIOD OF LIMITATIONS.—A partnership may
18 not file such a request more than 3 years after the later
19 of—

20 “(1) the date on which the partnership return
21 for such year is filed, or

22 “(2) the last day for filing the partnership re-
23 turn for such year (determined without regard to ex-
24 tensions).

1 In no event may a partnership file such a request after
2 a notice of an administrative proceeding with respect to
3 the taxable year is mailed under section 6231.

4 **“PART 1—PROCEDURE**

“Sec. 6231. Notice of proceedings and adjustment.

“Sec. 6232. Assessment, collection, and payment.

“Sec. 6233. Interest and penalties.

“Sec. 6234. Judicial review of partnership adjustment.

“Sec. 6235. Period of limitations on making adjustments.

5 **“SEC. 6231. NOTICE OF PROCEEDINGS AND ADJUSTMENT.**

6 “(a) IN GENERAL.—The Secretary shall mail to the
7 partnership and the partnership representative—

8 “(1) notice of any administrative proceeding
9 initiated at the partnership level with respect to an
10 adjustment of any item of income, gain, loss, deduc-
11 tion, or credit of a partnership for a partnership tax-
12 able year, or any partner’s distributive share thereof,

13 “(2) notice of any proposed partnership adjust-
14 ment resulting from such proceeding, and

15 “(3) notice of any final partnership adjustment
16 resulting from such proceeding.

17 Any notice of a final partnership adjustment shall not be
18 mailed earlier than 270 days after the date on which the
19 notice of the proposed partnership adjustment is mailed.
20 Such notices shall be sufficient if mailed to the last known
21 address of the partnership representative or the partner-
22 ship (even if the partnership has terminated its existence).

23 The first sentence shall apply to any proceeding with re-

1 spect to an administrative adjustment request filed by a
2 partnership under section 6227.

3 “(b) FURTHER NOTICES RESTRICTED.—If the Sec-
4 retary mails a notice of a final partnership adjustment to
5 any partnership for any partnership taxable year and the
6 partnership files a petition under section 6234 with re-
7 spect to such notice, in the absence of a showing of fraud,
8 malfeasance, or misrepresentation of a material fact, the
9 Secretary shall not mail another such notice to such part-
10 nership with respect to such taxable year.

11 “(c) AUTHORITY TO RESCIND NOTICE WITH PART-
12 NERSHIP CONSENT.—The Secretary may, with the con-
13 sent of the partnership, rescind any notice of a partner-
14 ship adjustment mailed to such partnership. Any notice
15 so rescinded shall not be treated as a notice of a partner-
16 ship adjustment for purposes of this subchapter, and the
17 taxpayer shall have no right to bring a proceeding under
18 section 6234 with respect to such notice.

19 **“SEC. 6232. ASSESSMENT, COLLECTION, AND PAYMENT.**

20 “(a) IN GENERAL.—Any imputed underpayment
21 shall be assessed and collected in the same manner as if
22 it were a tax imposed for the adjustment year by subtitle
23 A, except that in the case of an administrative adjustment
24 request to which section 6227(b)(1) applies, the under-
25 payment shall be paid when the request is filed.

1 “(b) LIMITATION ON ASSESSMENT.—Except as oth-
2 erwise provided in this chapter, no assessment of a defi-
3 ciency may be made (and no levy or proceeding in any
4 court for the collection of any amount resulting from such
5 adjustment may be made, begun or prosecuted) before—

6 “(1) the close of the 90th day after the day on
7 which a notice of a final partnership adjustment was
8 mailed, and

9 “(2) if a petition is filed under section 6234
10 with respect to such notice, the decision of the court
11 has become final.

12 “(c) PREMATURE ACTION MAY BE ENJOINED.—Not-
13 withstanding section 7421(a), any action which violates
14 subsection (b) may be enjoined in the proper court, includ-
15 ing the Tax Court. The Tax Court shall have no jurisdic-
16 tion to enjoin any action under this subsection unless a
17 timely petition has been filed under section 6234 and then
18 only in respect of the adjustments that are the subject
19 of such petition.

20 “(d) EXCEPTIONS TO RESTRICTIONS ON ADJUST-
21 MENTS.—

22 “(1) ADJUSTMENTS ARISING OUT OF MATH OR
23 CLERICAL ERRORS.—

24 “(A) IN GENERAL.— If the partnership is
25 notified that, on account of a mathematical or

1 clerical error appearing on the partnership re-
2 turn, an adjustment to a item is required, rules
3 similar to the rules of paragraphs (1) and (2)
4 of section 6213(b) shall apply to such adjust-
5 ment.

6 “(B) SPECIAL RULE.—If a partnership is
7 a partner in another partnership, any adjust-
8 ment on account of such partnership’s failure to
9 comply with the requirements of section
10 6222(a) with respect to its interest in such
11 other partnership shall be treated as an adjust-
12 ment referred to in subparagraph (A), except
13 that paragraph (2) of section 6213(b) shall not
14 apply to such adjustment.

15 “(2) PARTNERSHIP MAY WAIVE RESTRIC-
16 TIONS.—The partnership may at any time (whether
17 or not any notice of partnership adjustment has
18 been issued), by a signed notice in writing filed with
19 the Secretary, waive the restrictions provided in sub-
20 section (b) on the making of any partnership adjust-
21 ment.

22 “(e) LIMIT WHERE NO PROCEEDING BEGUN.—If no
23 proceeding under section 6234 is begun with respect to
24 any notice of a final partnership adjustment during the
25 90-day period described in subsection (b) thereof, the

1 amount for which the partnership is liable under section
2 6225 shall not exceed the amount determined in accord-
3 ance with such notice.

4 **“SEC. 6233. INTEREST AND PENALTIES.**

5 “(a) INTEREST AND PENALTIES DETERMINED FROM
6 REVIEWED YEAR.—

7 “(1) IN GENERAL.—Except to the extent pro-
8 vided in section 6226(c), in the case of a partnership
9 adjustment for a reviewed year—

10 “(A) interest shall be computed under
11 paragraph (2), and

12 “(B) the partnership shall be liable for any
13 penalty, addition to tax, or additional amount
14 as provided in paragraph (3).

15 “(2) DETERMINATION OF AMOUNT OF INTER-
16 EST.—The interest computed under this paragraph
17 with respect to any partnership adjustment is the in-
18 terest which would be determined under chapter 67
19 for the period beginning on the day after the return
20 due date for the reviewed year and ending on the re-
21 turn due date for the adjustment year (or, if earlier,
22 the date payment of the imputed underpayment is
23 made). Proper adjustments in the amount deter-
24 mined under the preceding sentence shall be made
25 for adjustments required for partnership taxable

1 years after the reviewed year and before the adjust-
2 ment year by reason of such partnership adjustment.

3 “(3) PENALTIES.—Any penalty, addition to tax,
4 or additional amount shall be determined at the
5 partnership level as if such partnership had been an
6 individual subject to tax under chapter 1 for the re-
7 viewed year and the imputed underpayment were an
8 actual underpayment (or understatement) for such
9 year.

10 “(b) INTEREST AND PENALTIES WITH RESPECT TO
11 ADJUSTMENT YEAR RETURN.—

12 “(1) IN GENERAL.—In the case of any failure
13 to pay an imputed underpayment on the date pre-
14 scribed therefor, the partnership shall be liable—

15 “(A) for interest as determined under
16 paragraph (2), and

17 “(B) for any penalty, addition to tax, or
18 additional amount as determined under para-
19 graph (3).

20 “(2) INTEREST.—Interest determined under
21 this paragraph is the interest that would be deter-
22 mined by treating the imputed underpayment as an
23 underpayment of tax imposed in the adjustment
24 year.

1 “(3) PENALTIES.—Penalties, additions to tax,
2 or additional amounts determined under this para-
3 graph are the penalties, additions to tax, or addi-
4 tional amounts that would be determined—

5 “(A) by applying section 6651(a)(2) to
6 such failure to pay, and

7 “(B) by treating the imputed under-
8 payment as an underpayment of tax for pur-
9 poses of part II of subchapter A of chapter 68.

10 **“SEC. 6234. JUDICIAL REVIEW OF PARTNERSHIP ADJUST-**
11 **MENT.**

12 “(a) IN GENERAL.—Within 90 days after the date
13 on which a notice of a final partnership adjustment is
14 mailed under section 6231 with respect to any partnership
15 taxable year, the partnership may file a petition for a re-
16 adjustment for such taxable year with—

17 “(1) the Tax Court,

18 “(2) the district court of the United States for
19 the district in which the partnership’s principal place
20 of business is located, or

21 “(3) the Claims Court.

22 “(b) JURISDICTIONAL REQUIREMENT FOR BRINGING
23 ACTION IN DISTRICT COURT OR CLAIMS COURT.—

24 “(1) IN GENERAL.—A readjustment petition
25 under this section may be filed in a district court of

1 the United States or the Claims Court only if the
2 partnership filing the petition deposits with the Sec-
3 retary, on or before the date the petition is filed, the
4 amount of the imputed underpayment (as of the
5 date of the filing of the petition) if the partnership
6 adjustment was made as provided by the notice of
7 final partnership adjustment. The court may by
8 order provide that the jurisdictional requirements of
9 this paragraph are satisfied where there has been a
10 good faith attempt to satisfy such requirement and
11 any shortfall of the amount required to be deposited
12 is timely corrected.

13 “(2) INTEREST PAYABLE.—Any amount depos-
14 ited under paragraph (1), while deposited, shall not
15 be treated as a payment of tax for purposes of this
16 title (other than chapter 67).

17 “(c) SCOPE OF JUDICIAL REVIEW.—A court with
18 which a petition is filed in accordance with this section
19 shall have jurisdiction to determine all items of income,
20 gain, loss, deduction, or credit of the partnership for the
21 partnership taxable year to which the notice of final part-
22 nership adjustment relates, the proper allocation of such
23 items among the partners, and the applicability of any
24 penalty, addition to tax, or additional amount for which
25 the partnership may be liable under this subchapter.

1 “(d) DETERMINATION OF COURT REVIEWABLE.—
2 Any determination by a court under this section shall have
3 the force and effect of a decision of the Tax Court or a
4 final judgment or decree of the district court or the Claims
5 Court, as the case may be, and shall be reviewable as such.
6 The date of any such determination shall be treated as
7 being the date of the court’s order entering the decision.

8 “(e) EFFECT OF DECISION DISMISSING ACTION.—If
9 an action brought under this section is dismissed other
10 than by reason of a rescission under section 6231(c), the
11 decision of the court dismissing the action shall be consid-
12 ered as its decision that the notice of final partnership
13 adjustment is correct, and an appropriate order shall be
14 entered in the records of the court.

15 **“SEC. 6235. PERIOD OF LIMITATIONS ON MAKING ADJUST-**
16 **MENTS.**

17 “(a) IN GENERAL.—Except as otherwise provided in
18 this section, no adjustment under this subpart for any
19 partnership taxable year may be made after the later of—

20 “(1) the date which is 3 years after the latest
21 of—

22 “(A) the date on which the partnership re-
23 turn for such taxable year was filed,

24 “(B) the return due date for the taxable
25 year, or

1 “(C) the date on which the partnership
2 filed an administrative adjustment request with
3 respect to such year under section 6227, or

4 “(2) in the case of any modification of an im-
5 puted underpayment under section 6225(c), the date
6 that is 270 days (plus the number of days of any ex-
7 tension consented to by the Secretary under para-
8 graph (4) thereof) after the date on which every-
9 thing required to be submitted to the Secretary pur-
10 suant to such section is so submitted, or

11 “(3) in the case of any notice of a proposed
12 partnership adjustment under section 6231(a)(2),
13 the date that is 270 days after the date of such no-
14 tice.

15 “(b) EXTENSION BY AGREEMENT.—The period de-
16 scribed in subsection (a) (including an extension period
17 under this subsection) may be extended by an agreement
18 entered into by the Secretary and the partnership before
19 the expiration of such period.

20 “(c) SPECIAL RULE IN CASE OF FRAUD, ETC.—

21 “(1) FALSE RETURN.—In the case of a false or
22 fraudulent partnership return with intent to evade
23 tax, the adjustment may be made at any time.

24 “(2) SUBSTANTIAL OMISSION OF INCOME.—If
25 any partnership omits from gross income an amount

1 properly includible therein and such amount is de-
2 scribed in section 6501(e)(1)(A), subsection (a) shall
3 be applied by substituting ‘6 years’ for ‘3 years’.

4 “(3) NO RETURN.—In the case of a failure by
5 a partnership to file a return for any taxable year,
6 the adjustment may be made at any time.

7 “(4) RETURN FILED BY SECRETARY.—For pur-
8 poses of this section, a return executed by the Sec-
9 retary under subsection (b) of section 6020 on be-
10 half of the partnership shall not be treated as a re-
11 turn of the partnership.

12 “(d) SUSPENSION WHEN SECRETARY MAILS NOTICE
13 OF ADJUSTMENT.—If notice of a final partnership adjust-
14 ment with respect to any taxable year is mailed under sec-
15 tion 6231, the running of the period specified in sub-
16 section (a) (as modified by the other provisions of this sec-
17 tion) shall be suspended—

18 “(1) for the period during which an action may
19 be brought under section 6234 (and, if a petition is
20 filed under such section with respect to such notice,
21 until the decision of the court becomes final), and

22 “(2) for 1 year thereafter.

23 **“PART 2—DEFINITIONS AND SPECIAL RULES**

“Sec. 6241. Definitions and special rules.

1 **“SEC. 6241. DEFINITIONS AND SPECIAL RULES.**

2 “For purposes of this subchapter—

3 “(1) PARTNERSHIP.—The term ‘partnership’
4 means any partnership required to file a return
5 under section 6031(a).

6 “(2) PARTNERSHIP ADJUSTMENT.—The term
7 ‘partnership adjustment’ means any adjustment in
8 the amount of any item of income, gain, loss, deduc-
9 tion, or credit of a partnership, or any partner’s dis-
10 tributive share thereof.

11 “(3) RETURN DUE DATE.—The term ‘return
12 due date’ means, with respect to the taxable year,
13 the date prescribed for filing the partnership return
14 for such taxable year (determined without regard to
15 extensions).

16 “(4) PAYMENTS NONDEDUCTIBLE.—No deduc-
17 tion shall be allowed under subtitle A for any pay-
18 ment required to be made by a partnership under
19 this subchapter.

20 “(5) PARTNERSHIPS HAVING PRINCIPAL PLACE
21 OF BUSINESS OUTSIDE UNITED STATES.—For pur-
22 poses of sections 6234, a principal place of business
23 located outside the United States shall be treated as
24 located in the District of Columbia.

25 “(6) PARTNERSHIPS IN CASES UNDER TITLE 11
26 OF UNITED STATES CODE.—

1 “(A) SUSPENSION OF PERIOD OF LIMITA-
2 TIONS ON MAKING ADJUSTMENT, ASSESSMENT,
3 OR COLLECTION.—The running of any period of
4 limitations provided in this subchapter on mak-
5 ing a partnership adjustment (or provided by
6 section 6501 or 6502 on the assessment or col-
7 lection of any imputed underpayment deter-
8 mined under this subchapter) shall, in a case
9 under title 11 of the United States Code, be
10 suspended during the period during which the
11 Secretary is prohibited by reason of such case
12 from making the adjustment (or assessment or
13 collection) and—

14 “(i) for adjustment or assessment, 60
15 days thereafter, and

16 “(ii) for collection, 6 months there-
17 after.

18 A rule similar to the rule of section 6213(f)(2)
19 shall apply for purposes of section 6232(b).

20 “(B) SUSPENSION OF PERIOD OF LIMITA-
21 TION FOR FILING FOR JUDICIAL REVIEW.—The
22 running of the period specified in section 6234
23 shall, in a case under title 11 of the United
24 States Code, be suspended during the period
25 during which the partnership is prohibited by

1 reason of such case from filing a petition under
2 section 6234 and for 60 days thereafter.

3 “(7) TREATMENT WHERE PARTNERSHIP
4 CEASES TO EXIST.—If a partnership ceases to exist
5 before a partnership adjustment under this sub-
6 chapter takes effect, such adjustment shall be taken
7 into account by the former partners of such partner-
8 ship under regulations prescribed by the Secretary.

9 “(8) EXTENSION TO ENTITIES FILING PART-
10 NERSHIP RETURN.—If a partnership return is filed
11 by an entity for a taxable year but it is determined
12 that the entity is not a partnership (or that there is
13 no entity) for such year, then, to the extent provided
14 in regulations, the provisions of this subchapter are
15 hereby extended in respect of such year to such enti-
16 ty and its items and to persons holding an interest
17 in such entity.”.

18 (2) CLERICAL AMENDMENT.—The table of sub-
19 chapters for chapter 63 of the Internal Revenue
20 Code of 1986, as amended by the preceding provi-
21 sions of this section, is amended by inserting after
22 the item relating to subchapter B the following new
23 item:

 “SUBCHAPTER C. TREATMENT OF PARTNERSHIPS.”.

24 (d) BINDING NATURE OF PARTNERSHIP ADJUST-
25 MENT PROCEEDINGS.—Section 6330(c)(4) of such Code

1 is amended by striking “or” at the end of subparagraph
2 (A), by striking the period at the end of subparagraph
3 (B) and inserting “; or”, and by inserting after subpara-
4 graph (B) the following new subparagraph:

5 “(C) a final determination has been made
6 with respect to such issue in a proceeding
7 brought under subchapter C of chapter 63.”.

8 (e) RESTRICTION ON AUTHORITY TO AMEND PART-
9 NER INFORMATION STATEMENTS.—Section 6031(b) of
10 such Code is amended by adding at the end the following:
11 “Except as provided in the procedures under section
12 6225(e), with respect to statements under section 6226,
13 or as otherwise provided by the Secretary, information re-
14 quired to be furnished by the partnership under this sub-
15 section may not be amended after the due date of the re-
16 turn under subsection (a) to which such information re-
17 lates.”.

18 (f) CONFORMING AMENDMENTS.—

19 (1) Section 6031(b) of such Code is amended
20 by striking the last sentence.

21 (2) Section 6422 of such Code is amended by
22 striking paragraph (12).

23 (3) Section 6501(n) of such Code is amended
24 by striking paragraphs (2) and (3) and by striking
25 “CROSS REFERENCES” and all that follows through

1 “For period of limitations” and inserting “CROSS
2 REFERENCE.—For period of limitations”.

3 (4) Section 6503(a)(1) of such Code is amended
4 by striking “(or section 6229” and all that follows
5 through “of section 6230(a))”.

6 (5) Section 6504 of such Code is amended by
7 striking paragraph (11).

8 (6) Section 6511 of such Code is amended by
9 striking subsection (g).

10 (7) Section 6512(b)(3) of such Code is amend-
11 ed by striking the second sentence.

12 (8) Section 6515 of such Code is amended by
13 striking paragraph (6).

14 (9) Section 6601(c) of such Code is amended by
15 striking the last sentence.

16 (10) Section 7421(a) of such Code is amended
17 by striking “6225(b), 6246(b)” and inserting
18 “6232(c)”.

19 (11) Section 7422 of such Code is amended by
20 striking subsection (h).

21 (12) Section 7459(c) of such Code is amended
22 by striking “section 6226” and all that follows
23 through “or 6252” and inserting “section 6234”.

24 (13) Section 7482(b)(1) of such Code is amend-
25 ed—

1 (A) in subparagraph (E), by striking “sec-
2 tion 6226, 6228, 6247, or 6252” and inserting
3 “section 6234”,

4 (B) by striking subparagraph (F), by strik-
5 ing “or” at the end of subparagraph (E) and
6 inserting a period, and by inserting “or” at the
7 end of subparagraph (D), and

8 (C) in the last sentence, by striking “sec-
9 tion 6226, 6228(a), or 6234(c)” and inserting
10 “section 6234”.

11 (14) Section 7485(b) of such Code is amended
12 by striking “section 6226, 6228(a), 6247, or 6252”
13 and inserting “section 6234”.

14 (g) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as otherwise pro-
16 vided in this subsection, the amendments made by
17 this section shall apply to returns filed for partner-
18 ship taxable years beginning after December 31,
19 2017.

20 (2) ADMINISTRATIVE ADJUSTMENT RE-
21 QUESTS.—In the case of administrative adjustment
22 request under section 6227 of such Code, the
23 amendments made by this section shall apply to re-
24 quests with respect to returns filed for partnership
25 taxable years beginning after December 31, 2017.

1 (3) ADJUSTED PARTNERS STATEMENTS.—In
2 the case of a partnership electing the application of
3 section 6226 of such Code, the amendments made
4 by this section shall apply to elections with respect
5 to returns filed for partnership taxable years begin-
6 ning after December 31, 2017.

7 (4) ELECTION.—A partnership may elect (at
8 such time and in such form and manner as the Sec-
9 retary of the Treasury may prescribe) for the
10 amendments made by this section (other than the
11 election under section 6221(b) of such Code (as
12 added by this Act)) to apply to any return of the
13 partnership filed for partnership taxable years begin-
14 ning after the date of the enactment of this Act and
15 before January 1, 2018.

16 **SEC. 1102. PARTNERSHIP INTERESTS CREATED BY GIFT.**

17 (a) IN GENERAL.—Section 761(b) of the Internal
18 Revenue Code of 1986 is amended by adding at the end
19 the following: “In the case of a capital interest in a part-
20 nership in which capital is a material income-producing
21 factor, whether a person is a partner with respect to such
22 interest shall be determined without regard to whether
23 such interest was derived by gift from any other person.”.

24 (b) CONFORMING AMENDMENTS.—Section 704(e) of
25 such Code is amended—

1 (1) by striking paragraph (1) and by redesignig-
2 nating paragraphs (2) and (3) as paragraphs (1)
3 and (2), respectively,

4 (2) by striking “this section” in paragraph (2)
5 (as so redesignated) and inserting “this subsection”,
6 and

7 (3) by striking “FAMILY PARTNERSHIPS” in
8 the heading and inserting “PARTNERSHIP INTER-
9 ESTS CREATED BY GIFT”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to partnership taxable years begin-
12 ning after December 31, 2015.

13 **TITLE XII—DESIGNATION OF**
14 **SMALL HOUSE ROTUNDA**

15 **SEC. 1201. DESIGNATING SMALL HOUSE ROTUNDA AS**
16 **“FREEDOM FOYER”.**

17 The first floor of the area of the House of Represent-
18 atives wing of the United States Capitol known as the
19 small House rotunda is designated the “Freedom Foyer”.

