

103^D CONGRESS
1ST SESSION

H. R. 17

To make technical corrections relating to the Revenue Reconciliation Act of 1990, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. ROSTENKOWSKI introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To make technical corrections relating to the Revenue Reconciliation Act of 1990, and for other purposes.

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

3 **SECTION 1. SHORT TITLE. ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Technical Corrections Act of 1993”.

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

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

3 **TITLE I—REVENUE PROVISIONS**

4 **SEC. 101. AMENDMENTS RELATED TO REVENUE REC- 5 ONCILIATION ACT OF 1990.**

6 (a) AMENDMENTS RELATED TO SUBTITLE A.—

7 (1) Subparagraph (B) of section 59(j)(3) is
8 amended by striking “section 1(i)(3)(B)” and insert-
9 ing “section 1(g)(3)(B)”.

10 (2) Paragraph (2) of section 897(a) is amended
11 by striking “21” in the heading of such paragraph
12 and in subparagraph (A) and inserting “24”.

13 (3) Clause (ii) of section 32(b)(1)(B) is amend-
14 ed by inserting a comma after “greater”.

15 (4) Section 541 is amended by striking “28
16 percent” and inserting “31 percent”.

17 (5) Subsection (c) of section 32 is amended by
18 adding at the end thereof the following new para-
19 graph:

20 “(4) TREATMENT OF DEDUCTION FOR MEDICAL
21 INSURANCE OF SELF-EMPLOYED.—In determining
22 the amount of adjusted gross income for purposes of
23 this section, the amount of the deduction under sec-
24 tion 162(l) shall be determined without regard to
25 section 162(l)(3)(B).”

1 (6) Clause (i) of section 151(d)(3)(C) is amend-
2 ed by striking “joint of a return” and inserting
3 “joint return”.

4 (7) Subsection (b) of section 1 is amended by
5 striking “\$26,500” in the table contained therein
6 and inserting “\$26,050”.

7 (b) AMENDMENTS RELATED TO SUBTITLE B.—

8 (1) Paragraph (1) of section 11212(e) of the
9 Revenue Reconciliation Act of 1990 is amended by
10 striking “Paragraph (1) of section 6724(d)” and in-
11 serting “Subparagraph (B) of section 6724(d)(1)”.

12 (2) Subsection (b) of section 4082 is amended
13 to read as follows:

14 “(b) TAX ON CERTAIN USES.—If any person uses
15 gasoline (other than in the production of gasoline or spe-
16 cial fuels referred to in section 4041), such use shall for
17 purposes of this chapter be considered a removal.”

18 (3)(A) Subparagraph (B) of section 4093(c)(2)
19 is amended by inserting before the period “unless
20 such fuel is sold for exclusive use by a State or any
21 political subdivision thereof”.

22 (B) Paragraph (4) of section 6427(l) is amend-
23 ed by inserting before the period “unless such fuel
24 was used by a State or any political subdivision
25 thereof”.

1 (4) Paragraph (1) of section 6416(b) is amend-
2 ed by striking “chapter 32 or by section 4051” and
3 inserting “chapter 31 or 32”.

4 (5) Section 7012 is amended—

5 (A) by striking “production or importation
6 of gasoline” in paragraph (3) and inserting
7 “taxes on gasoline and diesel fuel”, and

8 (B) by striking paragraph (4) and redesignig-
9 nating paragraphs (5) and (6) as paragraphs
10 (4) and (5), respectively.

11 (6) Subsection (c) of section 5041 is amended
12 by striking paragraph (6) and by inserting the fol-
13 lowing new paragraphs:

14 “(6) CREDIT FOR TRANSFEREE IN BOND.—If—

15 “(A) wine produced by any person would
16 be eligible for any credit under paragraph (1)
17 if removed by such person during the calendar
18 year,

19 “(B) wine produced by such person is re-
20 moved during such calendar year by any other
21 person (hereafter in this paragraph referred to
22 as the ‘transferee’) to whom such wine was
23 transferred in bond and who is liable for the tax
24 imposed by this section with respect to such
25 wine, and

1 “(C) such producer holds title to such wine
2 at the time of its removal and provides to the
3 transferee such information as is necessary to
4 properly determine the transferee’s credit under
5 this paragraph,

6 then, the transferee (and not the producer) shall be
7 allowed the credit under paragraph (1) which would
8 be allowed to the producer if the wine removed by
9 the transferee had been removed by the producer on
10 that date.

11 “(7) REGULATIONS.—The Secretary may pre-
12 scribe such regulations as may be necessary to carry
13 out the purposes of this subsection, including regula-
14 tions—

15 “(A) to prevent the credit provided in this
16 subsection from benefiting any person who pro-
17 duces more than 250,000 wine gallons during a
18 calendar year, and

19 “(B) to assure proper reduction of such
20 credit for persons producing more than 150,000
21 wine gallons of wine during a calendar year.”

22 (7) Paragraph (3) of section 5061(b) is amend-
23 ed to read as follows:

24 “(3) section 5041(f),”.

1 (8) Section 5354 is amended by inserting “(tak-
2 ing into account the appropriate amount of credit
3 with respect to such wine under section 5041(c))”
4 after “any one time”.

5 (9) Effective on the date of the enactment of
6 this Act, paragraph (7) of section 11202(i) of the
7 Revenue Reconciliation Act of 1990 is amended by
8 adding at the end thereof the following: “The Sec-
9 retary may treat any person who bore the ultimate
10 burden of the tax imposed by this subsection as the
11 person to whom a credit or refund under such provi-
12 sions may be allowed or made.”

13 (c) AMENDMENTS RELATED TO SUBTITLE C.—

14 (1) Paragraph (4) of section 56(g) is amended
15 by redesignating subparagraph (I) as subparagraph
16 (H).

17 (2) Subparagraph (B) of section 6724(d)(1) is
18 amended—

19 (A) by striking “or” at the end of clause
20 (xi),

21 (B) by striking the period at the end of the
22 clause added by section 11212(e) of the Reve-
23 nue Reconciliation Act of 1990 and inserting “,
24 or”, and

1 (C) by redesignating the clause added by
2 section 11323(c)(2) of such Act as clause (xiii).

3 (3) Subsection (g) of section 6302 is amended
4 by inserting “, 22,” after “chapters 21”.

5 (4) The earnings and profits of any insurance
6 company to which section 11305(c)(3) of the Reve-
7 nue Reconciliation Act of 1990 applies shall be de-
8 termined without regard to any deduction allowed
9 under such section; except that, for purposes of ap-
10 plying sections 56, 902, 952(c)(1), and 960 of the
11 Internal Revenue Code of 1986, such deduction shall
12 be taken into account.

13 (5) Subparagraph (D) of section 6038A(e)(4) is
14 amended—

15 (A) by striking “any transaction to which
16 the summons relates” and inserting “any af-
17 fected taxable year”, and

18 (B) by adding at the end thereof the fol-
19 lowing new sentence: “For purposes of this sub-
20 paragraph, the term ‘affected taxable year’
21 means any taxable year if the determination of
22 the amount of tax imposed for such taxable
23 year is affected by the treatment of the trans-
24 action to which the summons relates.”

1 (6) Subparagraph (A) of section 6621(c)(2) is
2 amended by adding at the end thereof the following
3 new sentence: “The preceding sentence shall be ap-
4 plied without regard to any such letter or notice
5 which is withdrawn by the Secretary.”

6 (7) Clause (i) of section 6621(c)(2)(B) is
7 amended by striking “this subtitle” and inserting
8 “this title”.

9 (d) AMENDMENTS RELATED TO SUBTITLE D.—

10 (1) Paragraph (9) of section 132(h) is amended
11 by striking “or the last sentence of subsection (c)(1)
12 thereof”.

13 (2) Notwithstanding section 11402(c) of the
14 Revenue Reconciliation Act of 1990, the amendment
15 made by section 11402(b)(1) of such Act shall apply
16 to taxable years ending after December 31, 1989.

17 (3) Clause (ii) of section 143(m)(4)(C) is
18 amended—

19 (A) by striking “any month of the 10-year
20 period” and inserting “any year of the 4-year
21 period”,

22 (B) by striking “succeeding months” and
23 inserting “succeeding years”, and

1 (C) by striking “over the remainder of
2 such period (or, if lesser, 5 years)” and insert-
3 ing “to zero over the succeeding 5 years”.

4 (e) AMENDMENTS RELATED TO SUBTITLE E.—

5 (1)(A) Clause (ii) of section 56(d)(1)(B) is
6 amended to read as follows:

7 “(ii) appropriate adjustments in the
8 application of section 172(b)(2) shall be
9 made to take into account the limitation of
10 subparagraph (A).”

11 (B) For purposes of applying sections 56(g)(1)
12 and 56(g)(3) of the Internal Revenue Code of 1986
13 with respect to taxable years beginning in 1991 and
14 1992, the reference in such sections to the alter-
15 native tax net operating loss deduction shall be
16 treated as including a reference to the deduction
17 under section 56(h) of such Code as in effect before
18 the amendments made by section 1915 of the En-
19 ergy Policy Act of 1992.

20 (2) Clause (i) of section 613A(c)(3)(A) is
21 amended by striking “the table contained in”.

22 (3) Section 6501 is amended—

23 (A) by striking subsection (m) (relating to
24 deficiency attributable to election under section

1 44B) and by redesignating subsections (n) and
2 (o) as subsections (m) and (n), respectively, and
3 (B) by striking “section 40(f) or 51(j)” in
4 subsection (m) (as redesignated by subpara-
5 graph (A)) and inserting “section 40(f), 43, or
6 51(j)”.

7 (4) Subparagraph (C) of section 38(c)(2) (as in
8 effect on the day before the date of the enactment
9 of the Revenue Reconciliation Act of 1990) is
10 amended by inserting before the period at the end
11 of the first sentence the following: “and without re-
12 gard to the deduction under section 56(h)”.

13 (f) AMENDMENTS RELATED TO SUBTITLE F.—

14 (1)(A) Section 2701(a)(3) is amended by add-
15 ing at the end thereof the following new subpara-
16 graph:

17 “(C) VALUATION OF QUALIFIED PAYMENTS
18 WHERE NO LIQUIDATION, ETC. RIGHTS.—In the
19 case of an applicable retained interest which is
20 described in subparagraph (B)(i) but not sub-
21 paragraph (B)(ii), the value of the distribution
22 right shall be determined without regard to this
23 section.”

1 (B) Section 2701(a)(3)(B) is amended by in-
2 sserting “CERTAIN” before “QUALIFIED” in the head-
3 ing thereof.

4 (C) Sections 2701 (d)(1) and (d)(4) are each
5 amended by striking “subsection (a)(3)(B)” and in-
6 sserting “subsection (a)(3) (B) or (C)”.

7 (2) Clause (i) of section 2701(a)(4)(B) is
8 amended by inserting “(or, to the extent provided in
9 regulations, the rights as to either income or cap-
10 ital)” after “income and capital”.

11 (3)(A) Section 2701(b)(2) is amended by add-
12 ing at the end thereof the following new subpara-
13 graph:

14 “(C) APPLICABLE FAMILY MEMBER.—For
15 purposes of this subsection, the term ‘applicable
16 family member’ includes any lineal descendant
17 of any parent of the transferor or the transfer-
18 or’s spouse.”

19 (B) Section 2701(e)(3) is amended—

20 (i) by striking subparagraph (B), and

21 (ii) by striking so much of paragraph (3)
22 as precedes “shall be treated as holding” and
23 inserting:

24 “(3) ATTRIBUTION OF INDIRECT HOLDINGS
25 AND TRANSFERS.—An individual”.

1 (C) Section 2704(c)(3) is amended by striking
2 “section 2701(e)(3)(A)” and inserting “section
3 2701(e)(3)”.

4 (4) Clause (i) of section 2701(c)(1)(B) is
5 amended to read as follows:

6 “(i) a right to distributions with respect to
7 any interest which is junior to the rights of the
8 transferred interest.”.

9 (5)(A) Clause (i) of section 2701(c)(3)(C) is
10 amended to read as follows:

11 “(i) IN GENERAL.—Payments under any
12 interest held by a transferor which (without re-
13 gard to this subparagraph) are qualified pay-
14 ments shall be treated as qualified payments
15 unless the transferor elects not to treat such
16 payments as qualified payments. Payments de-
17 scribed in the preceding sentence which are held
18 by an applicable family member shall be treated
19 as qualified payments only if such member
20 elects to treat such payments as qualified pay-
21 ments.”.

22 (B) The first sentence of section
23 2701(c)(3)(C)(ii) is amended to read as follows: “A
24 transferor or applicable family member holding any
25 distribution right which (without regard to this sub-

1 paragraph) is not a qualified payment may elect to
2 treat such right as a qualified payment, to be paid
3 in the amounts and at the times specified in such
4 election.”

5 (C) The time for making an election under the
6 second sentence of section 2701(c)(3)(C)(i) of the
7 Internal Revenue Code of 1986 (as amended by sub-
8 paragraph (A)) shall not expire before the due date
9 (including extensions) for filing the transferor’s re-
10 turn of the tax imposed by section 2501 of such
11 Code for the first calendar year ending after the
12 date of enactment.

13 (6) Section 2701(d)(3)(A)(iii) is amended by
14 striking “the period ending on the date of”.

15 (7) Subclause (I) of section 2701(d)(3)(B)(ii) is
16 amended by inserting “or the exclusion under sec-
17 tion 2503(b),” after “section 2523,”.

18 (8) Section 2701(e)(5) is amended—

19 (A) by striking “such contribution to cap-
20 ital or such redemption, recapitalization, or
21 other change” in subparagraph (A) and insert-
22 ing “such transaction”, and

23 (B) by striking “the transfer” in subpara-
24 graph (B) and inserting “such transaction”.

1 (9) Section 2701(d)(4) is amended by adding at
2 the end thereof the following new subparagraph:

3 “(C) TRANSFER TO TRANSFERORS.—In
4 the case of a taxable event described in para-
5 graph (3)(A)(ii) involving a transfer of an ap-
6 plicable retained interest from an applicable
7 family member to a transferor, this subsection
8 shall continue to apply to the transferor during
9 any period the transferor holds such interest.”

10 (10) Section 2701(e)(6) is amended by insert-
11 ing “or to reflect the application of subsection (d)”
12 before the period at the end thereof.

13 (11)(A) Section 2702(a)(3)(A) is amended—

14 (i) by striking “to the extent” and insert-
15 ing “if” in clause (i),

16 (ii) by striking “or” at the end of clause
17 (i),

18 (iii) by striking the period at the end of
19 clause (ii) and inserting “, or”, and

20 (iv) by adding at the end thereof the fol-
21 lowing new clause:

22 “(iii) to the extent that regulations
23 provide that such transfer is not inconsis-
24 tent with the purposes of this section.”

1 (B)(i) Section 2702(a)(3) is amended by strik-
2 ing “incomplete transfer” each place it appears and
3 inserting “incomplete gift”.

4 (ii) The heading for section 2702(a)(3)(B) is
5 amended by striking “INCOMPLETE TRANSFER” and
6 inserting “INCOMPLETE GIFT”.

7 (g) AMENDMENTS RELATED TO SUBTITLE G.—

8 (1)(A) Subsection (a) of section 1248 is amend-
9 ed—

10 (i) by striking “, or if a United States per-
11 son receives a distribution from a foreign cor-
12 poration which, under section 302 or 331, is
13 treated as an exchange of stock” in paragraph
14 (1), and

15 (ii) by adding at the end thereof the follow-
16 ing new sentence: “For purposes of this section,
17 a United States person shall be treated as hav-
18 ing sold or exchanged any stock if, under any
19 provision of this subtitle, such person is treated
20 as realizing gain from the sale or exchange of
21 such stock.”

22 (B) Paragraph (1) of section 1248(e) is amend-
23 ed by striking “or receives a distribution from a do-
24 mestic corporation which, under section 302 or 331,
25 is treated as an exchange of stock”.

1 (C) Subparagraph (B) of section 1248(f)(1) is
2 amended by striking “or 361(c)(1)” and inserting
3 “355(c)(1), or 361(c)(1)”.

4 (D) Paragraph (1) of section 1248(i) is amend-
5 ed to read as follows:

6 “(1) IN GENERAL.—If any shareholder of a 10-
7 percent corporate shareholder of a foreign corpora-
8 tion exchanges stock of the 10-percent corporate
9 shareholder for stock of the foreign corporation,
10 such 10-percent corporate shareholder shall recog-
11 nize gain in the same manner as if the stock of the
12 foreign corporation received in such exchange had
13 been—

14 “(A) issued to the 10-percent corporate
15 shareholder, and

16 “(B) then distributed by the 10-percent
17 corporate shareholder to such shareholder in re-
18 demption or liquidation (whichever is appro-
19 priate).

20 The amount of gain recognized by such 10-percent
21 corporate shareholder under the preceding sentence
22 shall not exceed the amount treated as a dividend
23 under this section.”

24 (2) Section 897 is amended by striking sub-
25 section (f).

1 (3) Paragraph (13) of section 4975(d) is
2 amended by striking “section 408(b)” and inserting
3 “section 408(b)(12)”.

4 (4) Clause (iii) of section 56(g)(4)(D) is amend-
5 ed by inserting “, but only with respect to taxable
6 years beginning after December 31, 1989” before
7 the period at the end thereof.

8 (5)(A) Paragraph (11) of section 11701(a) of
9 the Revenue Reconciliation Act of 1990 (and the
10 amendment made by such paragraph) are hereby re-
11 pealed, and section 7108(r)(2) of the Revenue Rec-
12 onciliation Act of 1989 shall be applied as if such
13 paragraph (and amendment) had never been en-
14 acted.

15 (B) Subparagraph (A) shall not apply to any
16 building if the owner of such building establishes to
17 the satisfaction of the Secretary of the Treasury or
18 his delegate that such owner reasonably relied on the
19 amendment made by such paragraph (11).

20 (h) AMENDMENTS RELATED TO SUBTITLE H.—

21 (1)(A) Clause (vi) of section 168(e)(3)(B) is
22 amended by striking “or” at the end of subclause
23 (I), by striking the period at the end of subclause
24 (II) and inserting “, or”, and by adding at the end
25 thereof the following new subclause:

1 “(III) is described in section
2 48(l)(3)(A)(ix) (as in effect on the day be-
3 fore the date of the enactment of the Reve-
4 nue Reconciliation Act of 1990).”

5 (B) Subparagraph (K) of section 168(g)(4) is
6 amended by striking “section 48(a)(3)(A)(iii)” and
7 inserting “section 48(l)(3)(A)(ix) (as in effect on the
8 day before the date of the enactment of the Revenue
9 Reconciliation Act of 1990)”.

10 (2) Clause (ii) of section 172(b)(1)(E) is
11 amended by striking “subsection (m)” and inserting
12 “subsection (h)”.

13 (3) Sections 805(a)(4)(E), 832(b)(5)(C)(ii)(II),
14 and 832(b)(5)(D)(ii)(II) are each amended by strik-
15 ing “243(b)(5)” and inserting “243(b)(2)”.

16 (4) Subparagraph (A) of section 243(b)(3) is
17 amended by inserting “of” after “In the case”.

18 (5) The subsection heading for subsection (a) of
19 section 280F is amended by striking “INVESTMENT
20 TAX CREDIT AND”.

21 (6) Clause (i) of section 1504(c)(2)(B) is
22 amended by inserting “section” before “243(b)(2)”.

23 (7) Paragraph (3) of section 341(f) is amended
24 by striking “351, 361, 371(a), or 374(a)” and in-
25 serting “351, or 361”.

1 (8) Paragraph (2) of section 243(b) is amended
2 to read as follows:

3 “(2) AFFILIATED GROUP.—For purposes of this
4 subsection:

5 “(A) IN GENERAL.—The term ‘affiliated
6 group’ has the meaning given such term by sec-
7 tion 1504(b), except that for such purposes sec-
8 tions 1504(b)(2), 1504(b)(4), and 1504(c) shall
9 not apply.

10 “(B) GROUP MUST BE CONSISTENT IN
11 FOREIGN TAX TREATMENT.—The requirements
12 of paragraph (1)(A) shall not be treated as
13 being met with respect to any dividend received
14 by a corporation if, for any taxable year which
15 includes the day on which such dividend is re-
16 ceived—

17 “(i) 1 or more members of the affili-
18 ated group referred to in paragraph (1)(A)
19 choose to any extent to take the benefits of
20 section 901, and

21 “(ii) 1 or more other members of such
22 group claim to any extent a deduction for
23 taxes otherwise creditable under section
24 901.”

1 (9) The amendment made by section
2 11813(b)(17) of the Revenue Reconciliation Act of
3 1990 shall be applied as if the material stricken by
4 such amendment included the closing parenthesis
5 after “section 48(a)(5)”.

6 (10) Paragraph (1) of section 179(d) is amend-
7 ed—

8 (A) by striking “in a trade or business”
9 and inserting “a trade or business”, and

10 (B) by adding at the end thereof the fol-
11 lowing new sentence: “Such term shall not in-
12 clude any property described in section 50(b)
13 and shall not include air conditioning or heating
14 units and horses”.

15 (11) Subparagraph (E) of section 50(a)(2) is
16 amended by striking “section 48(a)(5)(A)” and in-
17 serting “section 48(a)(5)”.

18 (12) The amendment made by section
19 11801(c)(9)(G)(ii) of the Revenue Reconciliation Act
20 of 1990 shall be applied as if it struck “Section
21 422A(c)(2)” and inserted “Section 422(c)(2)”.

22 (13) Subparagraph (B) of section 424(c)(3) is
23 amended by striking “a qualified stock option, an in-
24 centive stock option, an option granted under an em-
25 ployee stock purchase plan, or a restricted stock op-

1 tion” and inserting “an incentive stock option or an
2 option granted under an employee stock purchase
3 plan”.

4 (14) Subparagraph (E) of section 1367(a)(2) is
5 amended by striking “section 613A(c)(13)(B)” and
6 inserting “section 613A(c)(11)(B)”.

7 (15) Subparagraph (B) of section 460(e)(6) is
8 amended by striking “section 167(k)” and inserting
9 “section 168(e)(2)(A)(ii)”.

10 (16) Subparagraph (C) of section 172(h)(4) is
11 amended by striking “subsection (b)(1)(M)” and in-
12 serting “subsection (b)(1)(E)”.

13 (17) Section 6503 is amended—

14 (A) by redesignating the subsection relat-
15 ing to extension in case of certain summonses
16 as subsection (j), and

17 (B) by redesignating the subsection relat-
18 ing to cross references as subsection (k).

19 (18) Paragraph (4) of section 1250(e) is hereby
20 repealed.

21 (i) EFFECTIVE DATE.—Any amendment made by
22 this section shall take effect as if included in the provision
23 of the Revenue Reconciliation Act of 1990 to which such
24 amendment relates.

1 **SEC. 102. MISCELLANEOUS PROVISIONS.**

2 (a) APPLICATION OF AMENDMENTS MADE BY TITLE
3 XII OF OMNIBUS BUDGET RECONCILIATION ACT OF
4 1990.—Except as otherwise expressly provided, whenever
5 in title XII of the Omnibus Budget Reconciliation Act of
6 1990 an amendment or repeal is expressed in terms of
7 an amendment to, or repeal of, a section or other provi-
8 sion, the reference shall be considered to be made to a
9 section or other provision of the Internal Revenue Code
10 of 1986.

11 (b) TREATMENT OF CERTAIN AMOUNTS UNDER
12 HEDGE BOND RULES.—

13 (1) Clause (iii) of section 149(g)(3)(B) is
14 amended to read as follows:

15 “(iii) AMOUNTS HELD PENDING REIN-
16 VESTMENT OR REDEMPTION.—Amounts
17 held for not more than 30 days pending re-
18 investment or bond redemption shall be
19 treated as invested in bonds described in
20 clause (i).”

21 (2) The amendment made by paragraph (1)
22 shall take effect as if included in the amendments
23 made by section 7651 of the Omnibus Budget Rec-
24 onciliation Act of 1989.

25 (c) TREATMENT OF CERTAIN DISTRIBUTIONS
26 UNDER SECTION 1445.—

1 (1) IN GENERAL.—Paragraph (3) of section
2 1445(e) is amended by adding at the end thereof
3 the following new sentence: “Rules similar to the
4 rules of the preceding provisions of this paragraph
5 shall apply in the case of any distribution to which
6 section 301 applies and which is not made out of the
7 earnings and profits of such a domestic corpora-
8 tion.”

9 (2) EFFECTIVE DATE.—The amendment made
10 by paragraph (1) shall apply to distributions after
11 the date of the enactment of this Act.

12 (d) TREATMENT OF CERTAIN CREDITS UNDER SEC-
13 TION 469.—

14 (1) IN GENERAL.—Subparagraph (B) of section
15 469(c)(3) is amended by adding at the end thereof
16 the following new sentence: “If the preceding sen-
17 tence applies to the net income from any property
18 for any taxable year, any credits allowable under
19 subpart B (other than section 27(a)) or D of part
20 IV of subchapter A for such taxable year which are
21 attributable to such property shall be treated as
22 credits not from a passive activity to the extent the
23 amount of such credits does not exceed the regular
24 tax liability of the taxpayer for the taxable year
25 which is allocable to such net income.”

1 (2) EFFECTIVE DATE.—The amendment made
2 by paragraph (1) shall apply to taxable years begin-
3 ning after December 31, 1986.

4 (e) TREATMENT OF DISPOSITIONS UNDER PASSIVE
5 LOSS RULES.—

6 (1) IN GENERAL.—Subparagraph (A) of section
7 469(g)(1) is amended to read as follows:

8 “(A) IN GENERAL.—If all gain or loss real-
9 ized on such disposition is recognized, the ex-
10 cess of—

11 “(i) any loss from such activity for
12 such taxable year (determined after the ap-
13 plication of subsection (b)), over

14 “(ii) any net income or gain for such
15 taxable year from all other passive activi-
16 ties (determined after the application of
17 subsection (b)),

18 shall be treated as a loss which is not from a
19 passive activity.”

20 (2) EFFECTIVE DATE.—The amendment made
21 by paragraph (1) shall apply to taxable years begin-
22 ning after December 31, 1986.

23 (f) MISCELLANEOUS AMENDMENTS TO FOREIGN
24 PROVISIONS.—

1 (1) COORDINATION OF UNIFIED ESTATE TAX
2 CREDIT WITH TREATIES.—Subparagraph (A) of sec-
3 tion 2102(c)(3) is amended by adding at the end
4 thereof the following new sentence: “For purposes
5 of the preceding sentence, property shall not be
6 treated as situated in the United States if such
7 property is exempt from the tax imposed by this
8 subchapter under any treaty obligation of the United
9 States.”

10 (2) TREATMENT OF CERTAIN INTEREST PAID
11 TO RELATED PERSON.—

12 (A) IN GENERAL.—Subparagraph (B) of
13 section 163(j)(1) is amended by inserting before
14 the period at the end thereof the following:
15 “(and clause (ii) of paragraph (2)(A) shall not
16 apply for purposes of applying this subsection
17 to the amount so treated)”.

18 (B) EFFECTIVE DATE.—The amendment
19 made by subparagraph (A) shall apply as if in-
20 cluded in the amendments made by section
21 7210(a) of the Revenue Reconciliation Act of
22 1989.

23 (3) TREATMENT OF INTEREST ALLOCABLE TO
24 EFFECTIVELY CONNECTED INCOME.—

25 (A) IN GENERAL.—

1 (i) Subparagraph (B) of section
2 884(f)(1) is amended by striking “to the
3 extent” and all that follows down through
4 “subparagraph (A)” and inserting “to the
5 extent that the allocable interest exceeds
6 the interest described in subparagraph
7 (A)”.

8 (ii) The second sentence of section
9 884(f)(1) is amended by striking “reason-
10 ably expected” and all that follows down
11 through the period at the end thereof and
12 inserting “reasonably expected to be alloca-
13 ble interest.”

14 (iii) Paragraph (2) of section 884(f) is
15 amended to read as follows:

16 “(2) ALLOCABLE INTEREST.—For purposes of
17 this subsection, the term ‘allocable interest’ means
18 any interest which is allocable to income which is ef-
19 fectively connected (or treated as effectively con-
20 nected) with the conduct of a trade or business in
21 the United States.”

22 (B) EFFECTIVE DATE.—The amendments
23 made by subparagraph (A) shall take effect as
24 if included in the amendments made by section
25 1241(a) of the Tax Reform Act of 1986.

1 (4) CLARIFICATION OF SOURCE RULE.—

2 (A) IN GENERAL.—Paragraph (2) of sec-
3 tion 865(b) is amended by striking “863(b)”
4 and inserting “863”.

5 (B) EFFECTIVE DATE.—The amendment
6 made by subparagraph (A) shall take effect as
7 if included in the amendments made by section
8 1211 of the Tax Reform Act of 1986.

9 (5) REPEAL OF OBSOLETE PROVISIONS.—

10 (A) Paragraph (1) of section 6038(a) is
11 amended by striking “, and” at the end of sub-
12 paragraph (E) and inserting a period, and by
13 striking subparagraph (F).

14 (B) Subsection (b) of section 6038A is
15 amended by adding “and” at the end of para-
16 graph (2), by striking “, and” at the end of
17 paragraph (3) and inserting a period, and by
18 striking paragraph (4).

19 (g) TREATMENT OF ASSIGNMENT OF INTEREST IN
20 CERTAIN BOND-FINANCED FACILITIES.—

21 (1) IN GENERAL.—Subparagraph (A) of section
22 1317(3) of the Tax Reform Act of 1986 is amended
23 by adding at the end thereof the following new sen-
24 tence: “A facility shall not fail to be treated as de-
25 scribed in this subparagraph by reason of an assign-

1 ment (or an agreement to an assignment) by the
2 governmental unit on whose behalf the bonds are is-
3 sued of any part of its interest in the property fi-
4 nanced by such bonds to another governmental
5 unit.”

6 (2) EFFECTIVE DATE.—The amendment made
7 by paragraph (1) shall take effect as if included in
8 such section 1317 on the date of the enactment of
9 the Tax Reform Act of 1986.

10 (h) CLARIFICATION OF TREATMENT OF MEDICARE
11 ENTITLEMENT UNDER COBRA PROVISIONS.—

12 (1) IN GENERAL.—

13 (A) Subclause (V) of section
14 4980B(f)(2)(B)(i) is amended to read as fol-
15 lows:

16 “(V) MEDICARE ENTITLEMENT
17 FOLLOWED BY QUALIFYING EVENT.—

18 In the case of a qualifying event de-
19 scribed in paragraph (3)(B) that oc-
20 curs less than 18 months after the
21 date the covered employee became en-
22 titled to benefits under title XVIII of
23 the Social Security Act, the period of
24 coverage for qualified beneficiaries
25 other than the covered employee shall

1 not terminate under this clause before
2 the close of the 36-month period be-
3 ginning on the date the covered em-
4 ployee became so entitled.”

5 (B) Clause (v) of section 602(2)(A) of the
6 Employee Retirement Income Security Act of
7 1974 is amended to read as follows:

8 “(v) MEDICARE ENTITLEMENT FOL-
9 LOWED BY QUALIFYING EVENT.—In the
10 case of a qualifying event described in sec-
11 tion 603(2) that occurs less than 18
12 months after the date the covered em-
13 ployee became entitled to benefits under
14 title XVIII of the Social Security Act, the
15 period of coverage for qualified bene-
16 ficiaries other than the covered employee
17 shall not terminate under this subpara-
18 graph before the close of the 36-month pe-
19 riod beginning on the date the covered em-
20 ployee became so entitled.”

21 (C) Clause (iv) of section 2202(2)(A) of
22 the Public Health Service Act is amended to
23 read as follows:

24 “(iv) MEDICARE ENTITLEMENT FOL-
25 LOWED BY QUALIFYING EVENT.—In the

1 case of a qualifying event described in sec-
2 tion 2203(2) that occurs less than 18
3 months after the date the covered em-
4 ployee became entitled to benefits under
5 title XVIII of the Social Security Act, the
6 period of coverage for qualified bene-
7 ficiaries other than the covered employee
8 shall not terminate under this subpara-
9 graph before the close of the 36-month pe-
10 riod beginning on the date the covered em-
11 ployee became so entitled.”

12 (2) EFFECTIVE DATE.—The amendments made
13 by this subsection shall apply to plan years begin-
14 ning after December 31, 1989.

15 (i) TREATMENT OF CERTAIN REMIC INCLUSIONS.—

16 (1) IN GENERAL.—Subsection (a) of section
17 860E is amended by adding at the end thereof the
18 following new paragraph:

19 “(6) COORDINATION WITH MINIMUM TAX.—For
20 purposes of part VI of subchapter A of this chap-
21 ter—

22 “(A) the reference in section 55(b)(2) to
23 taxable income shall be treated as a reference
24 to taxable income determined without regard to
25 this subsection,

1 “(B) the alternative minimum taxable in-
2 come of any holder of a residual interest in a
3 REMIC for any taxable year shall in no event
4 be less than the excess inclusion for such tax-
5 able year, and

6 “(C) any excess inclusion shall be dis-
7 regarded for purposes of computing the alter-
8 native tax net operating loss deduction.

9 The preceding sentence shall not apply to any orga-
10 nization to which section 593 applies, except to the
11 extent provided in regulations prescribed by the Sec-
12 retary under paragraph (2).”

13 (2) EFFECTIVE DATE.—The amendment made
14 by paragraph (1) shall take effect as if included in
15 the amendments made by section 671 of the Tax Re-
16 form Act of 1986 unless the taxpayer elects to apply
17 such amendment only to taxable years beginning
18 after the date of the enactment of this Act.

19 (j) TREATMENT OF CERTAIN CONTRIBUTIONS MADE
20 PURSUANT TO VETERANS’ REEMPLOYMENT RIGHTS.—

21 (1) IN GENERAL.—Section 414 is amended by
22 adding at the end the following new subsection:

23 “(u) SPECIAL RULES RELATING TO VETERANS’ RE-
24 EMPLOYMENT RIGHTS.—

1 “(1) TREATMENT OF CERTAIN REQUIRED CON-
2 TRIBUTIONS.—If any contribution is made by an
3 employer under an individual account plan with re-
4 spect to an employee and such contribution is re-
5 quired by reason of such employee’s rights under
6 chapter 43 of title 38, United States Code, resulting
7 from qualified military service—

8 “(A) such contribution shall not be subject
9 to any otherwise applicable limitation contained
10 in section 402(g), 403(b), 404(a), 408, 415, or
11 457, and

12 “(B) such plan shall not be treated as fail-
13 ing to meet any requirement of this part or sec-
14 tion 457 by reason of the making of such con-
15 tribution and such contribution shall not be
16 taken into account in applying the limitations
17 referred to in subparagraph (A) to other con-
18 tributions.

19 For purposes of the preceding sentence, any addi-
20 tional elective deferral made under paragraph (2)
21 shall be treated as an employer contribution required
22 by reason of the employee’s rights under such chap-
23 ter 43.

24 “(2) REEMPLOYMENT RIGHTS WITH RESPECT
25 TO ELECTIVE DEFERRALS.—

1 “(A) IN GENERAL.—If an employee is enti-
2 tled to the benefits of chapter 43 of title 38,
3 United States Code, with respect to any plan
4 which provides for elective deferrals, such em-
5 ployer shall be treated as meeting the require-
6 ments of such chapter 43 with respect to such
7 elective deferrals if such employer—

8 “(i) permits such employee to make
9 additional elective deferrals under such
10 plan (in the amount determined under sub-
11 paragraph (B)) during the period (not
12 longer than 5 years) which begins on the
13 date of the reemployment and has the
14 same length as the period of qualified mili-
15 tary service which resulted in such rights,
16 and

17 “(ii) makes a matching contribution
18 in respect of any additional elective defer-
19 ral made pursuant to clause (i) which
20 would have been required had such defer-
21 ral actually been made during the period of
22 such qualified military service.

23 “(B) AMOUNT OF MAKEUP REQUIRED.—
24 The amount determined under this subpara-
25 graph is the maximum amount of elective defer-

1 rals that the individual would have been per-
2 mitted to make under the plan during his pe-
3 riod of qualified military service if he had con-
4 tinued to be employed by the employer during
5 such period and received compensation at the
6 same rate as the individual received from the
7 employer immediately before such qualified
8 military service. Proper adjustment shall be
9 made to the amount determined under the pre-
10 ceding sentence for any elective deferrals actu-
11 ally made during the period of such qualified
12 military service.

13 “(C) ELECTIVE DEFERRAL.—For purposes
14 of this paragraph, the term ‘elective deferral’
15 has the meaning given to such term by section
16 402(g)(3); except that such term shall include
17 any deferral of compensation under an eligible
18 deferred compensation plan (as defined in sec-
19 tion 457(b)).

20 “(3) CERTAIN RETROACTIVE ADJUSTMENTS
21 NOT REQUIRED.—Nothing in chapter 43 of title 38,
22 United States Code, shall be construed as requir-
23 ing—

1 “(A) any crediting of earnings to an em-
2 ployee with respect to any contribution before
3 such contribution is actually made, or

4 “(B) any allocation with respect to the pe-
5 riod of qualified military service of any of the
6 following amounts—

7 “(i) any forfeiture,

8 “(ii) any employer contribution which
9 was voluntary, and

10 “(iii) any employer contribution the
11 total amount of which was determined
12 without reference to the number of, or
13 compensation of, plan participants before
14 being allocated to the accounts of partici-
15 pants.

16 “(4) LOAN REPAYMENT SUSPENSIONS PER-
17 MITTED.—If any plan suspends the repayment of
18 any loan made to an individual for the period while
19 such individual is performing qualified military serv-
20 ice, such suspension shall not be taken into account
21 for purposes of section 72(p).

22 “(5) QUALIFIED MILITARY SERVICE.—For pur-
23 poses of this subsection, the term ‘qualified military
24 service’ means any service in the uniformed services
25 (as defined in chapter 43 of title 38, United States

1 Code) by any individual if such individual is entitled
2 to reemployment rights under such chapter 43, with
3 respect to such service.

4 “(6) INDIVIDUAL ACCOUNT PLAN.—For pur-
5 poses of this subsection, the term ‘individual account
6 plan’ means any defined contribution plan and any
7 eligible deferred compensation plan (as defined in
8 section 457(b)).

9 “(7) REFERENCES.—Any reference in this sub-
10 section to chapter 43 of title 38 of the United States
11 Code shall be treated as a reference to such chapter
12 as in effect on the day after the date of the enact-
13 ment of a law passed by the 103d Congress which
14 amends chapter 43 of title 38 of the United States
15 Code to expressly provide pension rights for reem-
16 ployed veterans.”

17 (2) EFFECTIVE DATE.—The amendment made
18 by paragraph (1) shall apply in cases where the em-
19 ployee is reemployed on or after August 1, 1990, but
20 only if there is enacted a law passed by the 103d
21 Congress which amends chapter 43 of title 38 of the
22 United States Code to expressly provide pension
23 rights for reemployed veterans.

24 (k) EXEMPTION FROM HARBOR MAINTENANCE TAX
25 FOR CERTAIN PASSENGERS.—

1 (1) IN GENERAL.—Subparagraph (D) of section
2 4462(b)(1) (relating to special rule for Alaska, Ha-
3 wain, and possessions) is amended by inserting be-
4 fore the period the following: “, or passengers trans-
5 ported on United States flag vessels operating solely
6 within the State waters of Alaska or Hawaii and ad-
7 jacent international waters”.

8 (2) EFFECTIVE DATE.—The amendment made
9 by paragraph (1) shall take effect as if included in
10 the amendments made by section 1402(a) of the
11 Harbor Maintenance Revenue Act of 1986.

12 (I) TREATMENT OF CERTAIN RIC OR REIT REORGA-
13 NIZATIONS.—

14 (1) Subsection (a) of section 852 is amended by
15 adding at the end thereof the following new sen-
16 tence: “An investment company shall be treated as
17 failing to meet the requirements of paragraph (2) if,
18 by reason of any transaction occurring after Janu-
19 ary 5, 1993, such investment company is required to
20 take into account earnings and profits accumulated
21 by any other corporation unless the provisions of
22 this part applied to such other corporation for all of
23 its taxable years ending on or after November 8,
24 1983, or no portion of such earnings and profits
25 were accumulated in a taxable year to which the pro-

1 visions of this part (or the corresponding provisions
2 of prior law) did not apply to such other corpora-
3 tion.”.

4 (2) Subsection (a) of section 857 is amended by
5 adding at the end thereof the following new sen-
6 tence: “A real estate investment trust shall be treat-
7 ed as failing to meet the requirements of paragraph
8 (3) if, by reason of any transaction occurring after
9 January 5, 1993, such real estate investment trust
10 is required to take into account earnings and profits
11 accumulated by any other corporation unless the
12 provisions of this part applied to such other corpora-
13 tion for all of its taxable years beginning after Feb-
14 ruary 28, 1986, or no portion of such earnings and
15 profits were accumulated in a non-REIT year of
16 such other corporation.”.

17 (m) AMENDMENTS RELATED TO REVENUE PROVI-
18 SIONS OF ENERGY POLICY ACT OF 1992.—

19 (1) Subclause (II) of section 53(d)(1)(B)(iv) is
20 amended to read as follows:

21 “(II) the adjusted net minimum
22 tax for any taxable year is the amount
23 of the net minimum tax for such year
24 increased in the manner provided in
25 clause (iii).”

1 (2) Subsection (g) of section 179A is redesignig-
2 nated as subsection (f).

3 (n) MISCELLANEOUS CLERICAL AMENDMENTS.—

4 (1) Subclause (II) of section 56(g)(4)(C)(ii) is
5 amended by striking “of the subclause” and insert-
6 ing “of subclause”.

7 (2) Paragraph (2) of section 72(m) is amended
8 by inserting “and” at the end of subparagraph (A),
9 by striking subparagraph (B), and by redesignating
10 subparagraph (C) as subparagraph (B).

11 (3) Paragraph (2) of section 86(b) is amended
12 by striking “adusted” and inserting “adjusted”.

13 (4)(A) The heading for section 112 is amended
14 by striking “**COMBAT PAY**” and inserting
15 “**COMBAT ZONE COMPENSATION**”.

16 (B) The item relating to section 112 in the
17 table of sections for part III of subchapter B of
18 chapter 1 is amended by striking “combat pay” and
19 inserting “combat zone compensation”.

20 (C) Paragraph (1) of section 3401(a) is amend-
21 ed by striking “combat pay” and inserting “combat
22 zone compensation”.

23 (5) Clause (i) of section 172(h)(3)(B) is amend-
24 ed by striking the comma at the end thereof and in-
25 serting a period.

1 (6) Clause (ii) of section 543(a)(2)(B) is
2 amended by striking “section 563(c)” and inserting
3 “section 563(d)”.

4 (7) Paragraph (1) of section 958(a) is amended
5 by striking “sections 955(b)(1)(A) and (B),
6 955(c)(2)(A)(ii), and 960(a)(1)” and inserting “sec-
7 tion 960(a)(1)”.

8 (8) Subparagraph (B) of section 4092(b)(1) is
9 amended by striking “or” at the end of clause (i).

10 (9) Subsection (g) of section 642 is amended by
11 striking “under 2621(a)(2)” and inserting “under
12 section 2621(a)(2)”.

13 (10) Section 1463 is amended by striking “this
14 subsection” and inserting “this section”.

15 (11) Subsection (k) of section 3306 is amended
16 by inserting a period at the end thereof.

17 (12) The item relating to section 4472 in the
18 table of sections for subchapter B of chapter 36 is
19 amended by striking “and special rules”.

20 (13) Paragraph (2) of section 4978(b) is
21 amended by striking the period at the end of sub-
22 paragraph (A) and inserting a comma, and by strik-
23 ing the period and quotation marks at the end of
24 subparagraph (B) and inserting a comma.

1 (14) Paragraph (3) of section 5134(c) is
2 amended by striking “section 6662(a)” and inserting
3 “section 6665(a)”.

4 (15) Paragraph (2) of section 5206(f) is
5 amended by striking “section 5(e)” and inserting
6 “section 105(e)”.

7 (16) Paragraph (1) of section 6050B(c) is
8 amended by striking “section 85(c)” and inserting
9 “section 85(b)”.

10 (17) Subsection (k) of section 6166 is amended
11 by striking paragraph (6).

12 (18) Subsection (e) of section 6214 is amended
13 to read as follows:

14 “(e) CROSS REFERENCE.—
 **“For provision giving Tax Court jurisdiction to
 order a refund of an overpayment and to award
 sanctions, see section 6512(b)(2).”**

15 (19) The section heading for section 6043 is
16 amended by striking the semicolon and inserting a
17 comma.

18 (20) The item relating to section 6043 in the
19 table of sections for subpart B of part III of sub-
20 chapter A of chapter 61 is amended by striking the
21 semicolon and inserting a comma.

22 (21) The table of sections for part I of sub-
23 chapter A of chapter 68 is amended by striking the
24 item relating to section 6662.

1 (22)(A) Section 7232 is amended—

2 (i) by striking “**LUBRICATING OIL,**”
3 in the heading, and

4 (ii) by striking “lubricating oil,” in the
5 text.

6 (B) The table of sections for part II of sub-
7 chapter A of chapter 75 is amended by striking “lu-
8 bricating oil,” in the item relating to section 7232.

9 (23) Paragraph (1) of section 6701(a) of the
10 Omnibus Budget Reconciliation Act of 1989 is
11 amended by striking “subclause (IV)” and inserting
12 “subclause (V)”.

13 (24) Clause (ii) of section 7304(a)(2)(D) of
14 such Act is amended by striking “subsection (c)(2)”
15 and inserting “subsection (c)”.

16 (25) Paragraph (1) of section 7646(b) of such
17 Act is amended by striking “section 6050H(b)(1)”
18 and inserting “section 6050H(b)(2)”.

19 (26) Paragraph (10) of section 7721(c) of
20 such Act is amended by striking “section
21 6662(b)(2)(C)(ii)” and inserting “section
22 6661(b)(2)(C)(ii)”.

23 (27) Subparagraph (A) of section 7811(i)(3) of
24 such Act is amended by inserting “the first place it
25 appears” before “in clause (i)”.

1 (28) Paragraph (10) of section 7841(d) of
2 such Act is amended by striking “section 381(a)”
3 and inserting “section 381(c)”.

4 (29) Paragraph (2) of section 7861(c) of such
5 Act is amended by inserting “the second place it ap-
6 pears” before “and inserting”.

7 (30) Paragraph (1) of section 460(b) is amend-
8 ed by striking “the look-back method of paragraph
9 (3)” and inserting “the look-back method of para-
10 graph (2)”.

11 (31) The heading for paragraph (2) of section
12 6427(b) is amended by striking “3-CENT” and in-
13 serting “3.1-CENT”.

14 (32) Subparagraph (C) of section 50(a)(2) is
15 amended by striking “subsection (c)(4)” and insert-
16 ing “subsection (d)(5)”.

17 (33) Subparagraph (B) of section 172(h)(4) is
18 amended by striking the material following the head-
19 ing and preceding clause (i) and inserting “For pur-
20 poses of subsection (b)(2)—”.

21 (34) Subparagraph (A) of section 355(d)(7) is
22 amended by inserting “section” before “267(b)”.

23 (35) Subparagraph (C) of section 420(e)(1) is
24 amended by striking “mean” and inserting “means”.

1 (36) Paragraph (4) of section 537(b) is amend-
2 ed by striking “section 172(i)” and inserting “sec-
3 tion 172(f)”.

4 (37) Subparagraph (B) of section 613(e)(1) is
5 amended by striking the comma at the end thereof
6 and inserting a period.

7 (38) Paragraph (4) of section 856(a) is amend-
8 ed by striking “section 582(c)(5)” and inserting
9 “section 582(c)(2)”.

10 (39) Sections 904(f)(2)(B)(i) and
11 907(c)(4)(B)(iii) are each amended by inserting “(as
12 in effect on the day before the date of the enactment
13 of the Revenue Reconciliation Act of 1990)” after
14 “section 172(h)”.

15 (40) Subsection (b) of section 936 is amended
16 by striking “subparagraphs (D)(ii)(I)” and inserting
17 “subparagraphs (D)(ii)”.

18 (41) Subsection (c) of section 2104 is amended
19 by striking “subparagraph (A), (C), or (D) of sec-
20 tion 861(a)(1)” and inserting “section
21 861(a)(1)(A)”.

22 (42) Paragraph (1) of section 5002(b) is
23 amended by striking “section 5041(c)” and inserting
24 “section 5041(d)”.

1 (43) Section 6038 is amended by redesignating
2 the subsection relating to cross references as sub-
3 section (f).

4 (44) Clause (iv) of section 6103(e)(1)(A) is
5 amended by striking all that follows “provisions of”
6 and inserting “section 1(g) or 59(j);”.

7 (45) The subsection (f) of section 6109 of the
8 Internal Revenue Code of 1986 which was added by
9 section 2201(d) of Public Law 101-624 is redesi-
10 gnated as subsection (g).

11 (46) Subsection (b) of section 7454 is amended
12 by striking “section 4955(e)(2)” and inserting “sec-
13 tion 4955(f)(2)”.

14 (47) Subsection (d) of section 11231 of the
15 Revenue Reconciliation Act of 1990 shall be applied
16 as if “comma” appeared instead of “period” and as
17 if the paragraph (9) proposed to be added ended
18 with a comma.

19 (48) Paragraph (1) of section 11303(b) of the
20 Revenue Reconciliation Act of 1990 shall be applied
21 as if “paragraph” appeared instead of “subpara-
22 graph” in the material proposed to be stricken.

23 (49) Subsection (f) of section 11701 of the Rev-
24 enue Reconciliation Act of 1990 is amended by in-

1 serting “(relating to definitions)” after “section
2 6038(e)”.

3 (50) Subsection (i) of section 11701 of the Rev-
4 enue Reconciliation Act of 1990 shall be applied as
5 if “subsection” appeared instead of “section” in the
6 material proposed to be stricken.

7 (51) Subparagraph (B) of section 11801(c)(2)
8 of the Revenue Reconciliation Act of 1990 shall be
9 applied as if “section 56(g)” appeared instead of
10 “section 59(g)”.

11 (52) Subparagraph (C) of section 11801(c)(8)
12 of the Revenue Reconciliation Act of 1990 shall be
13 applied as if “reorganizations” appeared instead of
14 “reorganization” in the material proposed to be
15 stricken.

16 (53) Subparagraph (H) of section 11801(c)(9)
17 of the Revenue Reconciliation Act of 1990 shall be
18 applied as if “section 1042(c)(1)(B)” appeared in-
19 stead of “section 1042(c)(2)(B)”.

20 (54) Subparagraph (F) of section 11801(c)(12)
21 of the Revenue Reconciliation Act of 1990 shall be
22 applied as if “and (3)” appeared instead of “and
23 (E)”.

24 (55) Subparagraph (A) of section 11801(c)(22)
25 of the Revenue Reconciliation Act of 1990 shall be

1 applied as if “chapters 21” appeared instead of
2 “chapter 21” in the material proposed to be stricken.
3

4 (56) Paragraph (3) of section 11812(b) of the
5 Revenue Reconciliation Act of 1990 shall be applied
6 by not executing the amendment therein to the
7 heading of section 42(d)(5)(B).

8 (57) Clause (i) of section 11813(b)(9)(A) of the
9 Revenue Reconciliation Act of 1990 shall be applied
10 as if a comma appeared after “(3)(A)(ix)” in the
11 material proposed to be stricken.

12 (58) Subparagraph (F) of section 11813(b)(13)
13 of the Revenue Reconciliation Act of 1990 shall be
14 applied as if “tax” appeared after “investment” in
15 the material proposed to be stricken.

16 (59) Paragraph (19) of section 11813(b) of the
17 Revenue Reconciliation Act of 1990 shall be applied
18 as if “Paragraph (20) of section 1016(a), as redesignated
19 by section 11801,” appeared instead of “Paragraph
20 (21) of section 1016(a)”.

21 (60) Paragraph (5) section 8002(a) of the Surface
22 Transportation Revenue Act of 1991 shall be
23 applied as if “4481(e)” appeared instead of
24 “4481(c)”.

1 **TITLE II—INCOME SECURITY**
2 **AND HUMAN RESOURCE**
3 **AMENDMENTS**

4 **Subtitle A—Amendments Relating**
5 **to Old-Age, Survivors, and Dis-**
6 **ability Insurance Program**

7 **SEC. 201. TECHNICAL CORRECTIONS RELATED TO OASDI**
8 **IN THE OMNIBUS BUDGET RECONCILIATION**
9 **ACT OF 1990.**

10 (a) AMENDMENTS RELATED TO PROVISIONS IN SEC-
11 TION 5103(b) RELATING TO DISABLED WIDOWS.—Sec-
12 tion 223(f)(2) of the Social Security Act (42 U.S.C.
13 423(f)(2)) is amended—

14 (1) in subparagraph (A), by striking “(in a case
15 to which clause (ii)(II) does not apply)”; and

16 (2) by striking subparagraph (B)(ii) and insert-
17 ing the following:

18 “(ii) the individual is now able to en-
19 gage in substantial gainful activity; or”.

20 (b) AMENDMENTS RELATED TO PROVISIONS IN SEC-
21 TION 5105(d) RELATING TO REPRESENTATIVE PAY-
22 EES.—Section 5105(d)(1)(A) of the Omnibus Budget
23 Reconciliation Act of 1990 (Public Law 101–508) is
24 amended—

1 (1) by striking “Section 205(j)(5)” and insert-
2 ing “Section 205(j)(6)”; and

3 (2) by redesignating the paragraph (5) as
4 amended thereby as paragraph (6).

5 (c) AMENDMENTS RELATED TO PROVISIONS IN SEC-
6 TION 5106 RELATING TO COORDINATION OF RULES
7 UNDER TITLES II AND XVI GOVERNING FEES FOR REP-
8 RESENTATIVES OF CLAIMANTS WITH ENTITLEMENTS
9 UNDER BOTH TITLES.—

10 (1) CALCULATION OF FEE OF CLAIMANT’S REP-
11 RESENTATIVE BASED ON AMOUNT OF PAST-DUE
12 SUPPLEMENTAL SECURITY INCOME BENEFITS AFTER
13 APPLICATION OF WINDFALL OFFSET PROVISION.—
14 Section 1631(d)(2)(A)(i) of the Social Security Act
15 (as amended by section 5106(a)(2) of the Omnibus
16 Budget Reconciliation Act of 1990) (42 U.S.C.
17 1383(d)(2)(A)(i)) is amended to read as follows:

18 “(i) by substituting, in subparagraphs (A)(ii)(I)
19 and (C)(i), the phrase ‘(as determined before any
20 applicable reduction under section 1631(g), and re-
21 duced by the amount of any reduction in benefits
22 under this title or title II made pursuant to section
23 1127(a))’ for the parenthetical phrase contained
24 therein; and”.

1 (2) CALCULATION OF PAST-DUE BENEFITS FOR
2 PURPOSES OF DETERMINING ATTORNEY FEES IN JU-
3 DICIAL PROCEEDINGS.—

4 (A) IN GENERAL.—Section 206(b)(1) of
5 such Act (42 U.S.C. 406(b)(1)) is amended—

6 (i) by inserting “(A)” after “(b)(1)”;

7 and

8 (ii) by adding at the end the following
9 new subparagraph:

10 “(B) For purposes of this paragraph—

11 “(i) the term ‘past-due benefits’ excludes any
12 benefits with respect to which payment has been
13 continued pursuant to subsection (g) or (h) of sec-
14 tion 223, and

15 “(ii) amounts of past-due benefits shall be
16 taken into account to the extent provided under the
17 rules applicable in cases before the Secretary.”.

18 (B) PROTECTION FROM OFFSETTING SSI
19 BENEFITS.—The last sentence of section
20 1127(a) of such Act (as added by section
21 5106(b) of the Omnibus Budget Reconciliation
22 Act of 1990) (42 U.S.C. 1320a-6(a)) is amend-
23 ed by striking “section 206(a)(4)” and inserting
24 “subsection (a)(4) or (b) of section 206”.

1 (3) APPLICATION OF SINGLE DOLLAR AMOUNT
2 CEILING TO CONCURRENT CLAIMS UNDER TITLES II
3 AND XVI.—

4 (A) IN GENERAL.—Section 206(a)(2) of
5 such Act (as amended by section 5106(a)(1) of
6 the Omnibus Budget Reconciliation Act of
7 1990) (42 U.S.C. 406(a)(2)) is amended—

8 (i) by redesignating subparagraph (C)
9 as subparagraph (D); and

10 (ii) by inserting after subparagraph

11 (B) the following new subparagraph:

12 “(C) In any case involving—

13 “(i) an agreement described in subparagraph
14 (A) with any person relating to both a claim of enti-
15 tlement to past-due benefits under this title and a
16 claim of entitlement to past-due benefits under title
17 XVI, and

18 “(ii) a favorable determination made by the
19 Secretary with respect to both such claims,

20 the Secretary may approve such agreement only if the
21 total fee or fees specified in such agreement does not ex-
22 ceed, in the aggregate, the dollar amount in effect under
23 subparagraph (A)(ii)(II).”.

24 (B) CONFORMING AMENDMENT.—Section
25 206(a)(3)(A) of such Act (as amended by sec-

1 tion 5106(a)(1) of the Omnibus Budget Rec-
2 conciliation Act of 1990) (42 U.S.C.
3 406(a)(3)(A)) is amended by striking “para-
4 graph (2)(C)” and inserting “paragraph
5 (2)(D)”.

6 (d) AMENDMENT RELATED TO PROVISIONS IN SEC-
7 TION 5115 RELATING TO ADVANCE TAX TRANSFERS.—
8 Section 201(a) of the Social Security Act (42 U.S.C.
9 401(a)) is amended in the last sentence by striking “and”
10 the second place it appears.

11 (e) EFFECTIVE DATE.—Each amendment made by
12 this section shall take effect as if included in the provisions
13 of the Omnibus Budget Reconciliation Act of 1990 to
14 which such amendment relates.

15 **SEC. 202. ELIMINATION OF ROUNDING DISTORTION IN THE**
16 **CALCULATION OF THE OLD-AGE, SURVIVORS,**
17 **AND DISABILITY INSURANCE CONTRIBUTION**
18 **AND BENEFIT BASE, THE EARNINGS TEST EX-**
19 **EMPT AMOUNTS, AND THE HOSPITAL INSUR-**
20 **ANCE TAX CONTRIBUTION BASE.**

21 (a) ADJUSTMENT OF OASDI CONTRIBUTION AND
22 BENEFIT BASE.—

23 (1) IN GENERAL.—Section 230(b) of the Social
24 Security Act (42 U.S.C. 430(b)) is amended by

1 striking paragraphs (1) and (2) and inserting the
2 following:

3 “(1) \$57,600, and

4 “(2) the ratio of (A) the deemed average total
5 wages (as defined in section 209(k)(1)) for the cal-
6 endar year before the calendar year in which the de-
7 termination under subsection (a) is made to (B) the
8 deemed average total wages (as so defined) for
9 1991,”.

10 (2) CONFORMING AMENDMENT RELATING TO
11 APPLICABLE PRIOR LAW.—Section 230(d) of such
12 Act (42 U.S.C. 430(d)) is amended by striking “(ex-
13 cept that” and all that follows through the end and
14 inserting “(except that, for purposes of subsection
15 (b) of such section 230 as so in effect, the reference
16 to the contribution and benefit base in paragraph
17 (1) of such subsection (b) shall be deemed a ref-
18 erence to an amount equal to \$42,900, each ref-
19 erence in paragraph (2) of such subsection (b) to the
20 average of the wages of all employees as reported to
21 the Secretary of the Treasury shall be deemed a ref-
22 erence to the deemed average total wages (as defined
23 in section 209(k)(1)), the reference to a preceding
24 calendar year in paragraph (2)(A) of such sub-
25 section (b) shall be deemed a reference to the cal-

1 endar year before the calendar year in which the de-
2 termination under subsection (a) of such section 230
3 is made, and the reference to a calendar year in
4 paragraph (2)(B) of such subsection (b) shall be
5 deemed a reference to 1991).”.

6 (3) ADJUSTMENT OF CONTRIBUTION AND BEN-
7 EFIT BASE APPLICABLE IN DETERMINING YEARS OF
8 COVERAGE FOR PURPOSES OF SPECIAL MINIMUM
9 PRIMARY INSURANCE AMOUNT.—Section
10 215(a)(1)(C)(ii) of such Act is amended by striking
11 “(except that” and all that follows through the end
12 and inserting “(except that, for purposes of sub-
13 section (b) of such section 230 as so in effect, the
14 reference to the contribution and benefit base in
15 paragraph (1) of such subsection (b) shall be
16 deemed a reference to an amount equal to \$42,900,
17 each reference in paragraph (2) of such subsection
18 (b) to the average of the wages of all employees as
19 reported to the Secretary of the Treasury shall be
20 deemed a reference to the deemed average total
21 wages (as defined in section 209(k)(1)), the ref-
22 erence to a preceding calendar year in paragraph
23 (2)(A) of such subsection (b) shall be deemed a ref-
24 erence to the calendar year before the calendar year
25 in which the determination under subsection (a) of

1 such section 230 is made, and the reference to a cal-
2 endar year in paragraph (2)(B) of such subsection
3 (b) shall be deemed a reference to 1991).”.

4 (b) ADJUSTMENT OF EARNINGS TEST EXEMPT
5 AMOUNT.—Section 203(f)(8)(B)(ii) of the Social Security
6 Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended to read as
7 follows:

8 “(ii) the product of the corresponding ex-
9 empt amount which is in effect with respect to
10 months in the taxable year ending after 1992
11 and before 1994, and the ratio of—

12 “(I) the deemed average total wages
13 (as defined in section 209(k)(1)) for the
14 calendar year before the calendar year in
15 which the determination under subpara-
16 graph (A) is made, to

17 “(II) the deemed average total wages
18 (as so defined) for 1991,

19 with such product, if not a multiple of \$10,
20 being rounded to the next higher multiple of
21 \$10 where such product is a multiple of \$5 but
22 not of \$10 and to the nearest multiple of \$10
23 in any other case.”.

24 (c) COMPUTATION OF ADJUSTMENT OF HEATH IN-
25 SURANCE TAX CONTRIBUTION BASE.—Paragraph (2) of

1 section 3121(x) of the Internal Revenue Code of 1986 (re-
2 lating to hospital insurance contribution base) is amended
3 to read as follows:

4 “(2) HOSPITAL INSURANCE.—For purposes of
5 the taxes imposed by sections 3101(b) and 3111(b),
6 the applicable contribution base for any calendar
7 year is the product of—

8 “(A) \$135,000, and

9 “(B) the ratio of (i) the deemed average
10 total wages (as defined in section 209(k)(1) of
11 the Social Security Act) for the second preced-
12 ing calendar year to (ii) the deemed average
13 total wages (as so defined) for 1991.

14 If the amount determined under the preceding sen-
15 tence is not a multiple of \$300, such amount shall
16 be rounded to the nearest multiple of \$300. In no
17 event shall the applicable contribution base for a cal-
18 endar year determined under this paragraph be less
19 than such applicable contribution base for the pre-
20 ceding calendar year.”

21 (d) EFFECTIVE DATES.—

22 (1) The amendments made by subsection (a)
23 shall be effective with respect to the determination
24 of the contribution and benefit base for years after
25 1993.

1 (2) The amendment made by subsection (b)
2 shall be effective with respect to the determination
3 of the exempt amounts applicable to any taxable
4 year ending after 1993.

5 (3) The amendment made by subsection (c)
6 shall be effective with respect to the determination
7 of the applicable contribution base for years after
8 1993.

9 **Subtitle B—Human Resources**
10 **Provisions**

11 **SEC. 211. CORRECTIONS RELATED TO THE INCOME SECUR-**
12 **RITY AND HUMAN RESOURCES PROVISIONS**
13 **OF THE OMNIBUS BUDGET RECONCILIATION**
14 **ACT OF 1990.**

15 (a) AMENDMENT RELATED TO SECTION
16 5035(a)(2).—Section 5035(a)(2) of the Omnibus Budget
17 Reconciliation Act of 1990 (Public Law 101–508) is
18 amended by striking “a semicolon” and inserting “ ‘; and’
19 ”.

20 (b) REPEAL OF PROVISION INADVERTENTLY IN-
21 CLUDED.—Section 5057 of the Omnibus Budget Rec-
22 onciliation Act of 1990 (Public Law 101–508), and the
23 amendment made by such section, are hereby repealed,
24 and section 1139(d) of the Social Security Act shall be

1 applied and administered as if such section 5057 had
2 never been enacted.

3 (c) AMENDMENT RELATED TO SECTION
4 5105(d)(1)(B).—Section 5105(d)(1)(B) of the Omnibus
5 Budget Reconciliation Act of 1990 (Public Law 101–508;
6 104 Stat. 1388–266) is amended to read as follows:

7 “(B) TITLE XVI.—Section 1631(a)(2)(F)
8 (42 U.S.C. 1383(a)(2)(F)), as so redesignated
9 by subsection (c)(2) of this section, is amended
10 to read as follows:

11 ““(F) The Secretary shall include as a part of the
12 annual report required under section 704 information with
13 respect to the implementation of the preceding provisions
14 of this paragraph, including—

15 ““(i) the number of cases in which the rep-
16 resentative payee was changed;

17 ““(ii) the number of cases discovered where
18 there has been a misuse of funds;

19 ““(iii) how any such cases were dealt with by
20 the Secretary;

21 ““(iv) the final disposition of such cases (in-
22 cluding any criminal penalties imposed); and

23 ““(v) such other information as the Secretary
24 determines to be appropriate.’”.

1 (d) AMENDMENT RELATED TO SECTION
2 5105(a)(1)(B).—The second paragraph of section 1631(a)
3 of the Social Security Act (42 U.S.C. 1383(a)) is amended
4 by striking “(A)(i) Payments” and inserting “(2)(A)(i)
5 Payments”.

6 (e) AMENDMENTS RELATED TO SECTION 5105(b).—
7 Section 1631(a)(2)(C) of the Social Security Act (42
8 U.S.C. 1383(a)(2)(C)) is amended—

9 (1) by striking clause (ii);

10 (2) by redesignating clauses (iii), (iv), and (v)
11 as clauses (ii), (iii), and (iv), respectively; and

12 (3) in clause (iv) (as so redesignated), by strik-
13 ing “(iii), and (iv)” and inserting “and (iii)”.

14 (f) AMENDMENTS RELATED TO SECTION
15 5107(a)(2)(B).—Section 1631(c)(1)(B) of the Social Se-
16 curity Act (42 U.S.C. 1383(c)(1)(B)) is amended by strik-
17 ing “paragraph (1)” each place such term appears and
18 inserting “subparagraph (A)”.

19 (g) AMENDMENT RELATED TO SECTION
20 5109(a)(2).—Section 1631 of the Social Security Act (42
21 U.S.C. 1383) is amended by redesignating the subsection
22 (n) added by section 5109(a)(2) of the Omnibus Budget
23 Reconciliation Act of 1990, as subsection (o).

24 (h) AMENDMENTS RELATED TO SECTION
25 11115(b)(2).—Section 11115(b)(2) of the Omnibus Budg-

1 et Reconciliation Act of 1990 (Public Law 101–508) is
2 amended—

3 (1) in subparagraph (A), by striking “para-
4 graph (8)” and inserting “paragraph (9)”;

5 (2) in subparagraph (B), by striking “para-
6 graph (9)” and inserting “paragraph (10)”; and

7 (3) in subparagraph (C), by redesignating the
8 new paragraph added thereby as paragraph (11).

9 (i) AMENDMENT RELATED TO SECTION
10 13101(d)(2).—Section 256(k)(2)(A) of the Balanced
11 Budget and Emergency Deficit Control Act of 1985 is
12 amended—

13 (1) by striking “—” the second place it appears
14 and all that follows through “(I)”; and

15 (2) by striking “; or” and all that follows
16 through “(II)” and inserting “, except that a State
17 may not be allotted an amount under this subpara-
18 graph that exceeds”.

19 (j) EFFECTIVE DATE.—Each amendment made by
20 this section shall take effect as if included in the provision
21 of the Omnibus Budget Reconciliation Act of 1990 to
22 which the amendment relates at the time such provision
23 became law.

1 **SEC. 212. TECHNICAL CORRECTIONS RELATED TO THE**
2 **HUMAN RESOURCE AND INCOME SECURITY**
3 **PROVISIONS OF OMNIBUS BUDGET REC-**
4 **ONCILIATION ACT OF 1989.**

5 (a) AMENDMENT RELATING TO SECTION 8004(a).—
6 Section 408(m)(2)(A) of the Social Security Act (42
7 U.S.C. 608(m)(2)(A)) is amended by striking “a fiscal”
8 and inserting “the fiscal”.

9 (b) AMENDMENT RELATING TO SECTION 8006(a).—
10 Section 473(a)(6)(B) of such Act (42 U.S.C.
11 673(a)(6)(B)) is amended by striking “474(a)(3)(B)” and
12 inserting “474(a)(3)(C)”.

13 (c) AMENDMENT RELATING TO SECTION
14 8007(b)(3).—Subparagraph (D) of section 475(5) of such
15 Act (42 U.S.C. 675(5)(D)) is amended by moving such
16 subparagraph 2 ems to the right so that the left margin
17 of such subparagraph is aligned with the left margin of
18 subparagraph (C) of such section.

19 (d) EFFECTIVE DATE.—Each amendment made by
20 this section shall take effect as if the amendment had been
21 included in the provision of the Omnibus Budget Rec-
22 onciliation Act of 1989 to which the amendment relates,
23 at the time the provision became law.

1 **SEC. 213. ELIMINATION OF OBSOLETE PROVISIONS RELAT-**
2 **ING TO TREATMENT OF THE EARNED IN-**
3 **COME TAX CREDIT.**

4 (a) TREATMENT OF EITC AS EARNED INCOME.—
5 Section 1612(a)(1) of the Social Security Act (42 U.S.C.
6 1382a(a)(1)) is amended by striking subparagraph (C)
7 and by redesignating subparagraphs (D) and (E) as sub-
8 paragraphs (C) and (D), respectively.

9 (b) ADJUSTMENT OF BENEFITS DUE TO TREAT-
10 MENT OF EITC AS EARNED INCOME.—Section 1631(b)
11 of such Act (42 U.S.C. 1383(b)) is amended by striking
12 paragraph (3) and by redesignating paragraphs (4) and
13 (5) as paragraphs (3) and (4), respectively.

14 **SEC. 214. REDESIGNATION OF CERTAIN PROVISIONS.**

15 Section 1631(e)(6) of the Social Security Act (42
16 U.S.C. 1383(e)(6)) is amended by redesignating subpara-
17 graphs (1) and (2) as subparagraphs (A) and (B), respec-
18 tively.

19 **TITLE III—TARIFF AND**
20 **CUSTOMS**

21 **SEC. 301. TECHNICAL AMENDMENTS TO THE HARMONIZED**
22 **TARIFF SCHEDULE OF THE UNITED STATES.**

23 (a) IN GENERAL.—The Harmonized Tariff Schedule
24 of the United States is amended as follows:

25 (1) TAPESTRY AND UPHOLSTERY FABRICS.—

26 The article description for subheading 5112.19.20 is

1 amended by striking “of a weight exceeding
2 300 g/m²”.

3 (2) GLOVES.—

4 (A) Chapter 61 is amended by redesignat-
5 ing subheading 6116.10.45 as subheading
6 6116.10.48.

7 (B) Chapter 62 is amended by striking the
8 superior text “Other:” that appears between
9 subheadings 6216.00.46 and 6216.00.52.

10 (3) AGGLOMERATE STONE FLOOR AND WALL
11 TILES.—The article description for subheading
12 6810.19.12 is amended to read as follows: “Of stone
13 agglomerated with binders other than cement”.

14 (4) 2,4-DIAMINOBENZENESULFONIC ACID.—
15 The article description for heading 9902.30.43 is
16 amended by striking “2921.51.50” and inserting
17 “2921.59.50”.

18 (5) MACHINES USED IN THE MANUFACTURE OF
19 BICYCLE PARTS.—The article description for heading
20 9902.84.79 is amended by striking “8479.89.90”
21 and inserting “8462.49.00, 8479.89.90 or
22 9031.80.00”.

23 (6) COPYING MACHINES AND PARTS.—The arti-
24 cle description for heading 9902.90.90 is amended
25 by inserting “or 8473.40.40” after “8472.90.80”.

1 (b) STAGED RATE REDUCTIONS FOR GLOVES.—Any
2 staged reduction of a special rate of duty set forth in sub-
3 heading 6116.10.45 of such Schedule that takes effect on
4 or after October 1, 1990, by reason of section 10011(a)(2)
5 of the Omnibus Budget Reconciliation Act of 1990 shall
6 apply to the corresponding rate of duty in subheading
7 6116.10.48 (as redesignated by subsection (a)(2)(A)).

8 (c) EFFECTIVE DATES.—

9 (1) IN GENERAL.—Except as provided in para-
10 graph (2), the amendments made by subsection (a)
11 shall apply with respect to goods entered, or with-
12 drawn from warehouse for consumption, on or after
13 the 15th day after the date of the enactment of this
14 Act.

15 (2) RETROACTIVE APPLICATION FOR CERTAIN
16 LIQUIDATIONS AND RELIQUIDATIONS.—

17 (A) Notwithstanding section 514 of the
18 Tariff Act of 1930 or any other provision of
19 law, upon proper request filed with the appro-
20 priate customs officer on or before the 90th day
21 after the date of the enactment of this Act, any
22 entry—

23 (i) that was made after the applicable
24 date and before the 15th day after such
25 date of enactment; and

1 (ii) with respect to which there would
2 have been a lesser or no duty if any
3 amendment made by subsection (a) applied
4 to such entry;
5 shall be liquidated or reliquidated as though
6 such amendment applied to such entry.

7 (B) For purposes of this subsection, the
8 term “applicable date” means—

9 (i) if such amendment is made by sub-
10 section (a)(3) or (a)(6), December 31,
11 1988; and

12 (ii) if such amendment is made by
13 subsection (a)(1), (a)(2), (a)(4), (a)(5),
14 September 30, 1990.

15 **SEC. 302. CLARIFICATION REGARDING THE APPLICATION**
16 **OF CUSTOMS USER FEES.**

17 (a) IN GENERAL.—Subparagraph (D) of section
18 13031(b)(8) of the Consolidated Omnibus Budget Rec-
19 onciliation Act of 1985 (19 U.S.C. 58c(b)(8)(D)) is
20 amended—

21 (1) by striking “and” at the end of clause (iv);

22 (2) by striking the period at the end of clause
23 (v) and inserting “; and”; and

24 (3) by inserting after clause (v) the following
25 new clause:

1 “(vi) in the case of merchandise entered from
2 a foreign trade zone (other than merchandise to
3 which clause (v) applies), be applied only to the
4 value of the privileged or nonprivileged foreign sta-
5 tus merchandise under section 3 of the Act of June
6 18, 1934 (commonly known as the Foreign Trade
7 Zones Act, 19 U.S.C. 81c).”

8 (b) EFFECTIVE DATE.—The amendments made by
9 subsection (a) apply to—

10 (1) any entry made from a foreign trade zone
11 on or after the 15th day after the date of the enact-
12 ment of this Act; and

13 (2) any entry made from a foreign trade zone
14 after November 30, 1986, and before such 15th day
15 if the entry was not liquidated before such 15th day.

16 (c) APPLICATION OF FEES TO CERTAIN AGRICUL-
17 TURAL PRODUCTS.—The amendment made by section
18 111(b)(2)(D)(iv) of the Customs and Trade Act of 1990
19 shall apply to—

20 (1) any entry made from a foreign trade zone
21 on or after the 15th day after the date of the enact-
22 ment of this Act; and

23 (2) any entry made from a foreign trade zone
24 after November 30, 1986, and before such 15th day
25 if the entry was not liquidated before such 15th day.

1 **SEC. 303. TECHNICAL AMENDMENTS TO THE OMNIBUS**
2 **TRADE AND COMPETITIVENESS ACT OF 1988.**

3 (a) IN GENERAL.—Paragraph (2) of section 1102(a)
4 of the Omnibus Trade and Competitiveness Act of 1988
5 (19 U.S.C. 2902(a)(2)) is amended—

6 (1) in subparagraph (A)—

7 (A) by striking “the date of enactment of
8 this Act” and inserting “January 1, 1989”; and

9 (B) by striking “such date of enactment”
10 and inserting “January 1, 1989”; and

11 (2) in subparagraph (B), by striking “such date
12 of enactment” and inserting “January 1, 1989”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 subsection (a) shall take effect January 1, 1989.

15 (c) CONSTRUCTION.—For purposes of applying the
16 amendments made by subsection (a), the column 1-general
17 rate of duty established by any amendment to the Har-
18 monized Tariff Schedule of the United States that was
19 enacted after January 1, 1989, shall, if—

20 (1) such amendment has, or is statutorily treat-
21 ed as having, an effective date of January 1, 1989;
22 or

23 (2) application for liquidation or reliquidation
24 at such rate with respect to entries made after De-
25 cember 31, 1988, and before the effective date of the
26 amendment, is provided for;

1 be treated as the rate in effect on January 1, 1989.

2 **SEC. 304. TECHNICAL AMENDMENT TO THE CUSTOMS AND**
3 **TRADE ACT OF 1990.**

4 Subsection (b) of section 484H of the Customs and
5 Trade Act of 1990 (19 U.S.C. 1553 note) is amended by
6 striking “, or withdrawn from warehouse for consump-
7 tion,” and inserting “for transportation in bond”.

8 **SEC. 305. TECHNICAL AMENDMENTS REGARDING CERTAIN**
9 **BENEFICIARY COUNTRIES.**

10 (a) CARIBBEAN BASIN ECONOMIC RECOVERY ACT.—
11 Section 213(h)(1) of the Caribbean Basin Economic Re-
12 covery Act (19 U.S.C. 2703(h)(1)) is amended by adding
13 at the end thereof the following flush sentence:

14 “The duty reductions provided for under this para-
15 graph shall not apply to textile and apparel articles
16 which are subject to textile agreements.”

17 (b) ANDEAN TRADE PREFERENCE ACT.—Section
18 204(c)(1) of the Andean Preference Act (19 U.S.C.
19 3203(c)(1)) is amended by adding at the end thereof the
20 following flush sentence:

21 “The duty reductions provided for under this para-
22 graph shall not apply to textile and apparel articles
23 which are subject to textile agreements.”

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section apply with respect to—

1 (1) articles entered, or withdrawn from ware-
2 house for consumption, on or after the 15th day
3 after the date of the enactment of this Act, and

4 (2) articles entered after December 31, 1991,
5 and before such 15th day, which are not liquidated
6 before such 15th day.

7 **SEC. 306. CLARIFICATION OF FEES FOR CERTAIN CUS-**
8 **TOMS SERVICES.**

9 (a) IN GENERAL.—Section 13031(b)(9)(A) of the
10 Consolidated Omnibus Budget Reconciliation Act of 1985
11 (19 U.S.C. 58c(b)(9)(A)) is amended—

12 (1) by striking “centralized hub facility or” in
13 clause (i); and

14 (2) in clause (ii)—

15 (A) by striking “facility—” and inserting
16 “facility or centralized hub facility—”,

17 (B) by striking “customs inspectional” in
18 subclause (I), and

19 (C) by striking “at the facility” in
20 subclause (I) and inserting “for the facility”.

21 (b) DEFINITIONS.—Section 13031(b)(9)(B)(i) of the
22 Consolidated Omnibus Budget Reconciliation Act of 1985
23 (19 U.S.C. 58c(b)(9)(B)(i)) is amended—

24 (1) by striking “, as in effect on July 30,
25 1990”, and

HR 17 IH—4

HR 17 IH—5