



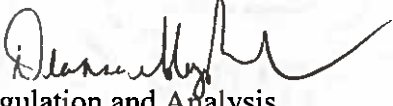
# United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT  
WASHINGTON, DC 20240-0001

NOV - 4 2016

## Memorandum

To: Walter D. Cruickshank  
Deputy Director

From: Deanna Meyer-Pietruszka   
Chief, Office of Policy, Regulation and Analysis

Subject: Bureau of Ocean Energy Management (BOEM) Manual Chapter 500.1 Civil  
Penalty Inflation Adjustment

In response to the Federal Civil Penalties Inflation Adjustment Improvements Act of 2015 (the 2015 Act), the Office of Policy, Regulation, and Analysis prepared this manual chapter. It is designed to clarify the responsibilities, process and timing for complying with the 2015 Act for BOEM staff and management.

The 2015 Act requires federal agencies to adjust their civil penalties annually in response to inflation.

The Federal Civil Penalties Inflation Adjustment Improvements Act of 2015 and the Office of Management and Budget guidance on implementation of the 2015 Act are attached for your reference.

Attachments

**DEPARTMENT OF THE INTERIOR  
BUREAU OF OCEAN ENERGY MANAGEMENT MANUAL**

TRANSMITTAL SHEET

Version No. 001

Effective Date: **FEB - 9 2017**

SUBJECT:      Series:      General Program  
                 Part: 500      Civil Monetary Penalties  
                 Chapter: 1      Civil Monetary Penalties Inflation Adjustments

**EXPLANATION OF MATERIAL TRANSMITTED:**

This BOEM Manual Chapter is added to comply with the requirements of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the 2015 Act) by clarifying the BOEM roles, responsibilities, and procedures for handling annual updates required under the 2015 Act.



Walter D. Cruickshank  
Deputy Director

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**FILING INSTRUCTIONS;**

**INSERT:**

Part	Chapter	Version
500	1	001

OPRA: Office of Policy, Regulation and Analysis

**DEPARTMENT OF THE INTERIOR  
BUREAU OF OCEAN ENERGY MANAGEMENT  
BOEM Manual Chapter**

**Effective Date:** FEB = § 2017  
**Series:** Program  
**Part 500:** General Program  
**Chapter 1:** Civil Monetary Penalty Inflation Adjustments

**Originating Office:** Office of Policy, Regulation and Analysis

**1. Purpose.**

The purpose of this chapter is to document the Bureau of Ocean Energy Management's (BOEM) civil monetary penalty inflation adjustment procedures to comply with the Outer Continental Shelf Lands Act (OCSLA) and the Federal Civil Penalties Inflation Adjustment Act of 1990 (Public Law 104-410) (FCPIA), as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the 2015 Act) (Section 701 of Public Law 114-74), signed into law by the President on November 2, 2015. The 2015 Act directs federal agencies to adjust most civil monetary penalties and publish an interim final rule (IFR) no later than July 1, 2016, with an effective date no later than August 1, 2016. BOEM's IFR, amending the civil penalties in 30 CFR 550.1403 and 30 CFR 553.51, was published July 1, 2016 (81 FR 43066). Hereafter, agencies are required to publish annual inflation adjustments in the *Federal Register* no later than January 15, starting in 2017, and each subsequent year. In accordance with the 2015 Act, agencies shall adjust civil monetary penalties notwithstanding Section 553 of the Administrative Procedures Act.

**2. Authorities.**

- A. Federal Civil Penalties Inflation Adjustment Act of 1990, Pub. L. No. 101-410, § 3(2), 104 Stat. 890 (amended 2015) (codified as amended at 28 U.S.C. § 2461 note).
- B. Outer Continental Shelf Lands Act of 1953 as amended by P.L. 106-580 (2000) (43 U.S.C. § 1350).
- C. Oil Pollution Act of 1990 (33 U.S.C. § 2716a), as amended.

**3. References.**

- OMB Memorandum M-16-06 "Implementation of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015," (February 24, 2016).
- 30 CFR 550.1403 "What is the maximum civil penalty?"
- 30 CFR 553.51 "What are the penalties for not complying with this part?"

**4. Policy.**

It is BOEM's policy to make annual adjustments for inflation to civil penalty monetary limits as specified in the FCPIA, codified as amended at 28 U.S.C. § 2461 note, and consistent with OCSLA and Office of Management and Budget (OMB) and Department of the Interior

guidance. Annual adjustments ensure that the maximum civil penalty amounts reflect any increases in the Consumer Price Index (CPI-U) as prepared by the Bureau of Labor Statistics, U.S. Department of Labor and, therefore, keep up with inflation.

## **5. Responsibility.**

### **A. Director /Deputy Director**

The Director/Deputy Director will ensure that BOEM supervisors and managers adhere to the guidance set forth in this Manual Chapter.

### **B. Chief, Economics Division, Office of Strategic Resources**

The Chief, Economics Division, will:

- (1) Calculate and adjust monetary civil penalties according to OMB requirements for publication in the *Federal Register* no later than January 15, starting in 2017, and each subsequent year, following the guidance to be supplied by OMB no later than December 15 of each succeeding year as specified in 114 P.L. 74, § 701.
- (2) Prepare the Federal Register notice to publicize the adjusted civil penalties, route for surnaming and clear through the ASLM.
- (3) Secure Director's signature on notice.
- (4) Provide signed notice to OPRA by December 31 of each year.

### **C. Chief, Office of Policy, Regulation and Analysis**

The Chief, Office of Policy Regulation and Analysis, will:

- (1) Receive annual guidance supplied by OMB and provide the guidance to the Chief, Economics Division.
- (2) Receive signed notice from Economics Division and secure Executive Secretary clearance to publish.
- (3) Ensure that a notice of the annual inflation adjustments is published in the *Federal Register* NLT January 15 of each year, beginning in 2017.
- (4) Provide the affected penalties and the dates and amounts of adjustments to the Department such that they will be identified in the Agency Financial Report (AFR).

## **6. Procedure.**

Beginning in 2016, OMB will provide annual guidance to agencies no later than December 15. This guidance will provide data or instructions on implementing the civil monetary penalty inflation adjustment requirements of the 2015 Act.

BOEM will calculate and publish any necessary annual inflation adjustments in the *Federal Register* no later than January 15 of each year. In accordance with the 2015 Act, BOEM will adjust civil monetary penalties notwithstanding Section 553 of the Administrative Procedures Act.



**PUBLIC LAW 114-74—NOV. 2, 2015**

**BIPARTISAN BUDGET ACT OF 2015**

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”.

## TITLE I—BUDGET ENFORCEMENT

### SEC. 101. AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.

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

“(3) for fiscal year 2016—

“(A) for the revised security category, \$548,091,000,000 in new budget authority; and

“(B) for the revised nonsecurity category \$518,491,000,000 in new budget authority;

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

Deadlines.  
Time period.

(1) for the Committee on Appropriations, committee allocations for fiscal year 2017 consistent with discretionary spending limits set forth in section 251(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by this Act, for the purpose of enforcing section 302 of the Congressional Budget Act of 1974;

(2) for all committees other than the Committee on Appropriations, committee allocations for fiscal years 2017, 2017 through 2021, and 2017 through 2026 consistent with the most recent baseline of the Congressional Budget Office, as adjusted for the budgetary effects of any provision of law enacted during the period beginning on the date such baseline is issued and ending on the date of submission of such statement, for the purpose of enforcing section 302 of the Congressional Budget Act of 1974;

(3) aggregate spending levels for fiscal year 2017 in accordance with the allocations established under paragraphs (1) and (2), for the purpose of enforcing section 311 of the Congressional Budget Act of 1974;

(4) aggregate revenue levels for fiscal years 2017, 2017 through 2021, and 2017 through 2026 consistent with the most recent baseline of the Congressional Budget Office, as adjusted for the budgetary effects of any provision of law enacted during the period beginning on the date such baseline is issued and ending on the date of submission of such statement, for the purpose of enforcing section 311 of the Congressional Budget Act of 1974; and

(5) levels of Social Security revenues and outlays for fiscal years 2017, 2017 through 2021, and 2017 through 2026 consistent with the most recent baseline of the Congressional Budget Office, as adjusted for the budgetary effects of any provision of law enacted during the period beginning on the date such baseline is issued and ending on the date of submission of such statement, for the purpose of enforcing sections 302 and 311 of the Congressional Budget Act of 1974.

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

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

## TITLE II—AGRICULTURE

### SEC. 201. STANDARD REINSURANCE AGREEMENT.

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

(1) in subparagraph (A), in the matter preceding clause (i), by striking “may renegotiate” and all that follows through

the Secretary shall notify both Houses of Congress of the test.

“(B) EMERGENCY.—The prior notice requirement in subparagraph (A) shall not apply if the Secretary determines that an emergency exists which requires a test to be carried out, in which case the Secretary shall notify both Houses of Congress of the test as soon as possible.

Determination.

“(C) DETAILED DESCRIPTION.—

“(i) IN GENERAL.—Not later than 180 days after the date on which a test is completed under this subsection, the Secretary shall submit to both Houses of Congress a detailed description of the test.

Deadline.

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

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

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

Deadline.  
Strategic review.  
Plans.  
Proposed  
schedule.

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

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

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

(A) specifies near- and long-term roles of the Strategic Petroleum Reserve relative to the energy and economic security goals and objectives of the United States;

(B) describes whether existing legal authorities that govern the policies, configuration, and capabilities of the Strategic Petroleum Reserve are adequate to ensure that the Strategic Petroleum Reserve can meet the current and future energy and economic security goals and objectives of the United States;

(C) identifies the configuration and performance capabilities of the Strategic Petroleum Reserve and recommends an action plan to achieve the optimal—

(i) capacity, location, and composition of petroleum products in the Strategic Petroleum Reserve; and

(ii) storage and distributional capabilities; and

(D) estimates the resources required to attain and maintain the long-term sustainability and operational effectiveness of the Strategic Petroleum Reserve.

**SEC. 403. STRATEGIC PETROLEUM RESERVE DRAWDOWN AND SALE.** 42 USC 6241.

(a) DRAWDOWN AND SALE.—Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), except as provided in subsection (b), the Secretary of Energy shall draw down and sell—

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

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



(A) FINDINGS.—Congress finds the following:

(i) The Strategic Petroleum Reserve is one of the Nation's most valuable energy security assets.

(ii) The age and condition of the Strategic Petroleum Reserve have diminished its value as a Federal energy security asset.

(iii) Global oil markets and the location and amount of United States oil production and refining capacity have dramatically changed in the 40 years since the establishment of the Strategic Petroleum Reserve.

(iv) Maximizing the energy security value of the Strategic Petroleum Reserve requires a modernized infrastructure that meets the drawdown and distribution needs of changed domestic and international oil and refining market conditions.

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

(i) operational improvements to extend the useful life of surface and subsurface infrastructure;

(ii) maintenance of cavern storage integrity; and

(iii) addition of infrastructure and facilities to optimize the drawdown and incremental distribution capacity of the Strategic Petroleum Reserve.

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

(f) TRANSMISSION OF DEPARTMENT BUDGET REQUESTS.—The Secretary of Energy shall prepare and submit in the Department's annual budget request to Congress—

(1) an itemization of the amounts of funds necessary to carry out subsection (d); and

(2) a designation of any activities thereunder for which a multiyear budget authority would be appropriate.

(g) SUNSET.—The authority of the Secretary to draw down and sell crude oil from the Strategic Petroleum Reserve under this section shall expire at the end of fiscal year 2020.

## TITLE V—PENSIONS

### SEC. 501. SINGLE EMPLOYER PLAN ANNUAL PREMIUM RATES.

Time periods.

(a) FLAT-RATE PREMIUM.—

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

“(VI) for plan years beginning after December 31, 2016, and before January 1, 2018, \$69;

(3) **EFFECTIVE DATE.**—The amendments made by this section shall apply to plan years beginning after December 31, 2016. 29 USC 1306 note.

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

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

**SEC. 503. MORTALITY TABLES.**

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

(1) is materially different from rules under such section of such Code, including Revenue Procedure 2007-37, that are in effect on the date of the enactment of this Act; and

(2) permits the use of tables that reflect adjustments to the tables described in subparagraphs (A) and (B) of section 430(h)(3) of such Code, and subparagraphs (A) and (B) of section 303(h)(3) of such Act, if such adjustments are based on the experience described in subclause (II) of section 430(h)(3)(C)(iii) of such Code and in subclause (II) of section 303(h)(3)(C)(iii) of such Act.

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

**SEC. 504. EXTENSION OF CURRENT FUNDING STABILIZATION PERCENTAGES TO 2018, 2019, AND 2020.**

(a) **FUNDING STABILIZATION UNDER THE INTERNAL REVENUE CODE OF 1986.**—The table in subclause (II) of section 430(h)(2)(C)(iv) of the Internal Revenue Code of 1986 is amended to read as follows: 26 USC 430.

“If the calendar year is:	The applicable minimum percentage is:	The applicable maximum percentage is:
2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, or 2020.	90% .....	110%
2021 .....	85% .....	115%
2022 .....	80% .....	120%
2023 .....	75% .....	125%
After 2023 .....	70% .....	130%”.

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

(1) **IN GENERAL.**—The table in subclause (II) of section 303(h)(2)(C)(iv) of the Employee Retirement Income Security

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

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

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

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

“(iii) the amounts payable under this part as a result of the application of this paragraph for preceding months.

“(D) If the balance due amount computed under subparagraph (C), without regard to this subparagraph, for December of a year would be less than zero, the Chief Actuary of the Centers for Medicare & Medicaid Services shall estimate, and the Secretary shall apply, a reduction to the dollar amount increase applied under subparagraph (A) for each month during such year in a manner such that the balance due amount for January of the subsequent year is equal to zero.”

Estimate  
Applicability.

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

(1) in subsection (a), by adding at the end the following: “In applying paragraph (1), the amounts transferred under subsection (d)(1) with respect to enrollees described in subparagraphs (A) and (B) of such subsection shall be treated as premiums payable and deposited in the Trust Fund under subparagraphs (A) and (B), respectively, of paragraph (1).”; and

Applicability.

(2) by adding at the end the following:

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

“(A) enrollees age 65 and over; and

“(B) enrollees under age 65.

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

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

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

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

(1) by striking “AMOUNT.—200 percent” and inserting the following: “AMOUNT.—

“(I) 200 percent”; and

“(II) subject to clause (iii), the reference in subparagraph (A)(ii) of such paragraph to ‘the calendar quarter beginning July 1, 1990’ shall be deemed a reference to ‘the calendar quarter beginning July 1, 2014’; and

“(III) subject to clause (iii), the reference in subparagraph (A)(ii) of such paragraph to ‘September 1990’ shall be deemed a reference to ‘September 2014’;

“(IV) the references in subparagraph (D) of such paragraph to ‘paragraph (1)(A)(ii)’, ‘this paragraph’, and ‘December 31, 2009’ shall be deemed references to ‘subparagraph (A)’, ‘this subparagraph’, and ‘December 31, 2014’, respectively; and

“(V) any reference in such paragraph to a ‘single source drug or an innovator multiple source drug’ shall be deemed to be a reference to a drug to which clause (i) applies.

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

“(I) by substituting ‘the applicable quarter’ for ‘the calendar quarter beginning July 1, 1990’; and

“(II) by substituting ‘the last month in such applicable quarter’ for ‘September 1990’.

“(iv) APPLICABLE QUARTER DEFINED.—In this subsection, the term ‘applicable quarter’ means, with respect to a drug described in clause (iii), the fifth full calendar quarter after which the drug is marketed as a drug other than a single source drug or an innovator multiple source drug.”

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

Applicability.  
Time period.  
42 USC 1396r-8.

**SEC. 603. TREATMENT OF OFF-CAMPUS OUTPATIENT DEPARTMENTS OF A PROVIDER.**

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

(1) in paragraph (1)(B)—

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

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

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

“(v) does not include applicable items and services (as defined in subparagraph (A) of paragraph (21)) that are furnished on or after January 1, 2017, by an off-campus outpatient department of a provider (as defined in subparagraph (B) of such paragraph).”; and

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

“(21) SERVICES FURNISHED BY AN OFF-CAMPUS OUTPATIENT DEPARTMENT OF A PROVIDER.—

**SEC. 604. REPEAL OF AUTOMATIC ENROLLMENT REQUIREMENT.**

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

29 USC 218a.

**TITLE VII—JUDICIARY****SEC. 701. CIVIL MONETARY PENALTY INFLATION ADJUSTMENTS.**

(a) **SHORT TITLE.**—This section may be cited as the “Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015”.

(b) **AMENDMENTS.**—The Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note) is amended—

(1) in section 4—

(A) by striking the matter preceding paragraph (1) and inserting the following:

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

(B) in paragraph (1)—

(i) by striking “by regulation adjust” and inserting “in accordance with subsection (b), adjust”; and

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

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

(D) by adding at the end the following:

“(b) **PROCEDURES FOR ADJUSTMENTS.**—

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

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

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

“(2) **SUBSEQUENT ADJUSTMENTS.**—For the second adjustment made under subsection (a) after the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, and each adjustment thereafter, the head of an agency shall adjust civil monetary penalties and shall make the adjustment notwithstanding section 553 of title 5, United States Code.

“(c) **EXCEPTION.**—For the first adjustment made under subsection (a) after the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, the head of an agency may adjust the amount of a civil monetary penalty by less than the otherwise required amount if—

“(1) the head of the agency, after publishing a notice of proposed rulemaking and providing an opportunity for comment, determines in a final rule that—

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

Federal Civil Penalties Inflation Adjustment Act of 2015.  
28 USC 1 note.  
28 USC 2461 note.

Deadlines.

Regulations.

Effective date.  
Deadline.

Publication.  
Notice.  
Public comments.  
Determination.  
Regulations.

**“SEC. 7. IMPLEMENTATION AND OVERSIGHT ENHANCEMENTS.**

28 USC 2461  
note.  
Deadlines.

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

“(b) AGENCY FINANCIAL REPORTS.—The head of each agency shall include in the Agency Financial Report submitted under OMB Circular A-136, or any successor thereto, information about the civil monetary penalties within the jurisdiction of the agency, including the adjustment of the civil monetary penalties by the head of the agency under this Act.

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

Reports.

(c) REPEAL.—Section 31001(s) of the Debt Collection Improvement Act of 1996 (28 U.S.C. 2461 note) is amended by striking paragraph (2).

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

Rescission.

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

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

Rescission.  
Cancellation.

Of the amounts deposited in the Department of Justice Assets Forfeiture Fund, \$746,000,000 are hereby rescinded and permanently cancelled.

**TITLE VIII—SOCIAL SECURITY**

**SEC. 801. SHORT TITLE.**

Social Security  
Benefit  
Protection and  
Opportunity  
Enhancement  
Act of 2015.  
42 USC 1305  
note.

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

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

**SEC. 811. EXPANSION OF COOPERATIVE DISABILITY INVESTIGATIONS UNITS.**

(a) IN GENERAL.—Not later than October 1, 2022, the Commissioner of Social Security shall take any necessary actions, subject to the availability of appropriations, to ensure that cooperative disability investigations units have been established, in areas where there is cooperation with local law enforcement agencies, that would cover each of the 50 States, the District of Columbia, Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa.

Deadline.  
42 USC 421.

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act and annually thereafter until the earlier of 2022 or the date on which nationwide coverage is achieved, the Commissioner of Social Security shall submit to the Committee

(C) by inserting after paragraph (4) the following:  
“(5) conspires to commit any offense described in any of paragraphs (1) through (3),”.

(3) AMENDMENT TO TITLE XVI.—Section 1632(a) of such Act (42 U.S.C. 1383a(a)) is amended—

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

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

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

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

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

(1) AMENDMENT TO TITLE II.—Section 208(a) of the Social Security Act (42 U.S.C. 408(a)), as amended by subsection (a), is further amended by striking the period at the end and inserting “, except that in the case of a person who receives a fee or other income for services performed in connection with any determination with respect to benefits under this title (including a claimant representative, translator, or current or former employee of the Social Security Administration), or who is a physician or other health care provider who submits, or causes the submission of, medical or other evidence in connection with any such determination, such person shall be guilty of a felony and upon conviction thereof shall be fined under title 18, United States Code, or imprisoned for not more than ten years, or both.”.

(2) AMENDMENT TO TITLE VIII.—Section 811(a) of such Act (42 U.S.C. 1011(a)), as amended by subsection (a), is further amended by striking the period at the end and inserting “, except that in the case of a person who receives a fee or other income for services performed in connection with any determination with respect to benefits under this title (including a claimant representative, translator, or current or former employee of the Social Security Administration), or who is a physician or other health care provider who submits, or causes the submission of, medical or other evidence in connection with any such determination, such person shall be guilty of a felony and upon conviction thereof shall be fined under title 18, United States Code, or imprisoned for not more than ten years, or both.”.

(3) AMENDMENT TO TITLE XVI.—Section 1632(a) of such Act (42 U.S.C. 1383a(a)), as amended by subsection (a), is further amended by striking the period at the end and inserting “, except that in the case of a person who receives a fee or other income for services performed in connection with any determination with respect to benefits under this title (including a claimant representative, translator, or current or former employee of the Social Security Administration), or who is a physician or other health care provider who submits, or causes the submission of, medical or other evidence in connection with any such determination, such person shall be guilty of a felony and upon conviction thereof shall be fined under title 18, United States Code, or imprisoned for not more than ten years, or both.”.

(c) INCREASED CIVIL MONETARY PENALTIES FOR CERTAIN INDIVIDUALS VIOLATING POSITIONS OF TRUST.—Section 1129(a)(1) of the Social Security Act (42 U.S.C. 1320a-8(a)(1)) is amended,

engage in substantial gainful activity” before the semicolon;  
and

(3) in clause (ii)(III), by striking “and redeterminations” and inserting “, redeterminations, co-operative disability investigation units, and fraud prosecutions”.

## **Subtitle B—Promoting Opportunity for Disability Beneficiaries**

### **SEC. 821. TEMPORARY REAUTHORIZATION OF DISABILITY INSURANCE DEMONSTRATION PROJECT AUTHORITY.**

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

(b) **AUTHORITY TO WAIVE COMPLIANCE WITH BENEFITS REQUIREMENTS.**—Section 234(c) of such Act is amended by striking “December 17, 2005” and inserting “December 30, 2021”.

### **SEC. 822. MODIFICATION OF DEMONSTRATION PROJECT AUTHORITY.**

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

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

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

“(e) **ADDITIONAL REQUIREMENTS.**—In developing and carrying out any experiment or demonstration project under this section, the Commissioner may not require any individual to participate in such experiment or demonstration project and shall ensure—

“(1) that the voluntary participation of individuals in such experiment or demonstration project is obtained through informed written consent which satisfies the requirements for informed consent established by the Commissioner for use in such experiment or demonstration project in which human subjects are at risk;

“(2) that any individual’s voluntary agreement to participate in any such experiment or demonstration project may be revoked by such individual at any time; and

“(3) that such experiment or demonstration project is expected to yield statistically significant results.”

(d) **ANNUAL REPORTING DEADLINE.**—Section 234(d)(1) of such Act is amended by striking “June 9” and inserting “September 30”.

### **SEC. 823. PROMOTING OPPORTUNITY DEMONSTRATION PROJECT.**

Section 234 of the Social Security Act (42 U.S.C. 434), as amended by section 822 of this Act, is further amended by adding at the end the following:



an individual has rendered services in a month, as determined by the Commissioner under section 222(c)(4)(A). The Commissioner may test multiple minimum threshold amounts.

**“(C) EXCEPTION FOR ITEMIZED IMPAIRMENT-RELATED WORK EXPENSES.—**

**“(i) IN GENERAL.—**Notwithstanding subparagraph (A), in any case in which the amount of such an individual’s itemized impairment-related work expenses (as defined in clause (ii)) for a month is greater than the minimum threshold amount, the amount of the individual’s impairment-related work expenses for the month shall be equal to the amount of the individual’s itemized impairment-related work expenses (as so defined) for the month.

**“(ii) DEFINITION.—**In this subparagraph, the term ‘itemized impairment-related work expenses’ means the amount excluded under section 223(d)(4)(A) from an individual’s earnings for a month in determining whether an individual is able to engage in substantial gainful activity by reason of such earnings in such month, except that such amount does not include the cost to the individual of any item or service for which the individual does not provide to the Commissioner a satisfactory itemized accounting.

**“(D) LIMITATION.—**Notwithstanding the other provisions of this paragraph, for purposes of paragraph (2)(A), the amount of an individual’s impairment-related work expenses for a month shall not exceed the amount of earnings derived from services, prescribed by the Commissioner under regulations issued pursuant to section 223(d)(4)(A), sufficient to demonstrate an individual’s ability to engage in substantial gainful activity.”

**SEC. 824. USE OF ELECTRONIC PAYROLL DATA TO IMPROVE PROGRAM ADMINISTRATION.**

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

**“INFORMATION EXCHANGE WITH PAYROLL DATA PROVIDERS**

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

**“(1) efficiently administering—**

**“(A) monthly insurance benefits under subsections (d)(1)(B)(ii), (d)(6)(A)(ii), (d)(6)(B), (e)(1)(B)(ii), and (f)(1)(B)(ii) of section 202 and subsection (a)(1) of section 223; and**

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

**“(2) preventing improper payments of such benefits without the need for verification by independent or collateral sources.**

**“(b) NOTIFICATION REQUIREMENTS.—**Before entering into an information exchange pursuant to subsection (a), the Commissioner shall publish in the Federal Register a notice describing the

42 USC 1320e-3.

Federal Register,  
publication.  
Notice.

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

“(iii)(I) The Commissioner of Social Security may require each applicant for, or recipient of, benefits under this title to provide authorization by the applicant, recipient or legal guardian (or by any other person whose income or resources are material to the determination of the eligibility of the applicant or recipient for such benefits) for the Commissioner to obtain from any payroll data provider (as defined in section 1184(c)(1)) any record held by the payroll data provider with respect to the applicant or recipient (or any such other person) whenever the Commissioner determines the record is needed in connection with a determination of initial or ongoing eligibility or the amount of such benefits. Determination.

“(II) An authorization provided by an applicant, recipient or legal guardian (or any other person whose income or resources are material to the determination of the eligibility of the applicant or recipient) under this clause shall remain effective until the earliest of— Termination date.

“(aa) the rendering of a final adverse decision on the applicant’s application for eligibility for benefits under this title;

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

“(cc) the express revocation by the applicant, or recipient (or such other person referred to in subclause (I)) of the authorization, in a written notification to the Commissioner; Notification.

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

“(III) The Commissioner of Social Security is not required to furnish any authorization obtained pursuant to this clause to the payroll data provider.

“(IV) The Commissioner shall inform any person who provides authorization pursuant to this clause of the duration and scope of the authorization. Notification.

“(V) If an applicant for, or recipient of, benefits under this title (or any such other person referred to in subclause (I)) refuses to provide, or revokes, any authorization required by subclause (I), paragraph (2)(B) and paragraph (10) shall not apply to such applicant or recipient beginning with the first day of the first month in which he or she refuses or revokes such authorization.”. Effective date.

(c) REPORTING RESPONSIBILITIES FOR BENEFICIARIES SUBJECT TO INFORMATION EXCHANGE WITH PAYROLL DATA PROVIDER.—

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

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

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

(A) in paragraph (2)—

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

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

“(II) in any case in which there is a determination that no benefit is payable due to earnings, after the individual is notified of the presumption made and provided with an opportunity to submit additional information along with an explanation of what additional information is needed, the individual shows to the satisfaction of the Commissioner that such earnings were earned in another month.”

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect upon the date of the enactment of this Act, or as soon as practicable thereafter. 42 USC 423 note.

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

42 USC 423 note.

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

Deadline.

(1) allows an individual entitled to a monthly insurance benefit based on disability under title II of the Social Security Act (or a representative of the individual) to report to the Commissioner the individual's earnings derived from services through electronic means, including by telephone and Internet; and

(2) automatically issues a receipt to the individual (or representative) after receiving each such report.

(b) **SUPPLEMENTAL SECURITY INCOME REPORTING SYSTEM AS MODEL.**—The Commissioner shall model the system established under subsection (a) on the electronic wage reporting systems for recipients of supplemental security income under title XVI of such Act.

## Subtitle C—Protecting Social Security Benefits

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

(a) **PRESUMED FILING OF APPLICATION BY INDIVIDUALS ELIGIBLE FOR OLD-AGE INSURANCE BENEFITS AND FOR WIFE'S OR HUSBAND'S INSURANCE BENEFITS.**—

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

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

“(2) If an individual is eligible (but for section 202(k)(4)) for an old-age insurance benefit in any month for which the individual is entitled to a wife's or husband's insurance benefit (except in the case of entitlement pursuant to clause (ii) of

“(3) In the case of an individual who requests that such benefits be suspended under this subsection, for any month during the period in which the suspension is in effect—

“(A) no retroactive benefits (as defined in subsection (j)(4)(B)(iii)) shall be payable to such individual;

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

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

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

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to requests for benefit suspension submitted beginning at least 180 days after the date of the enactment of this Act.

Applicability.  
42 USC 402 note.

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

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

“(h) An initial determination under subsection (a), (c), (g), or (i) shall not be made until the Commissioner of Social Security has made every reasonable effort to ensure—

Determination.

“(1) in any case where there is evidence which indicates the existence of a mental impairment, that a qualified psychiatrist or psychologist has completed the medical portion of the case review and any applicable residual functional capacity assessment; and

“(2) in any case where there is evidence which indicates the existence of a physical impairment, that a qualified physician has completed the medical portion of the case review and any applicable residual functional capacity assessment.”

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

Applicability.  
42 USC 421 note.

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

Time periods.

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

(2) SELF-EMPLOYMENT INCOME.—Section 201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is amended by striking “and (R) 1.80 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999” and inserting “(R) 1.80 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999, and before January 1, 2016, (S) 2.37 per centum of

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

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

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

**(b) ACCESS TO FINANCIAL INFORMATION FOR SUPPLEMENTAL SECURITY INCOME WAIVERS.—**

(1) **IN GENERAL.**—Section 1631(b)(1)(B) of the Social Security Act (42 U.S.C. 1383(b)(1)(B)) is amended by adding at the end the following: “In making for purposes of this subparagraph a determination of whether an adjustment or recovery would defeat the purpose of this title, the Commissioner of Social Security shall require an individual to provide authorization for the Commissioner to obtain (subject to the cost reimbursement requirements of section 1115(a) of the Right to Financial Privacy Act) from any financial institution (within the meaning of section 1101(1) of such Act) any financial record (within the meaning of section 1101(2) of such Act) held by the institution with respect to such individual whenever the Commissioner determines that the record is needed in connection with a determination with respect to such adjustment or recovery, under the terms and conditions established under subsection (e)(1)(B).” Determination. Records.

(2) **CONFORMING AMENDMENT.**—Section 1631(e)(1)(B)(ii)(V) of such Act (42 U.S.C. 1383(e)(1)(B)(ii)(V)) is amended by inserting “, determine that adjustment or recovery on account of an overpayment with respect to the applicant or recipient would not defeat the purpose of this title, or both” before the period at the end.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to determinations made on or after the date that is 3 months after the date of the enactment of this section. Applicability. 42 USC 404 note.

## **Subtitle D—Relieving Administrative Burdens and Miscellaneous Provisions**

### **SEC. 841. INTERAGENCY COORDINATION TO IMPROVE PROGRAM ADMINISTRATION.**

(a) **IN GENERAL.**—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1127 the following:

“INTERAGENCY COORDINATION TO IMPROVE PROGRAM  
ADMINISTRATION

“SEC. 1127A. (a) **COORDINATION AGREEMENT.**—Notwithstanding any other provision of law, including section 207 of this Act, the Commissioner of Social Security (referred to in this section as Contracts. Procedure. 42 USC 1320a-6a.

concurrent entitlement to a disability insurance benefit under section 223 during such month.

“(f) **AUTHORIZATION TO WITHHOLD BENEFITS.**—The authorization described in this subsection, with respect to an individual, is written authorization provided by the individual to the Director which authorizes the Commissioner to withhold past-due benefits under section 223 to which such individual is entitled in order to pay the amount withheld to the Office of Personnel Management for any disability overpayments made to such individual.

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

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

Applicability.  
42 USC  
1320a-6a note.

**SEC. 842. ELIMINATION OF QUINQUENNIAL DETERMINATIONS RELATING TO WAGE CREDITS FOR MILITARY SERVICE PRIOR TO 1957.**

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

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

(2) by inserting after the first sentence the following: “The Secretary of Health and Human Services shall revise the amount determined under paragraph (1) with respect to the Federal Hospital Insurance Trust Fund under title XVIII in 2015 and each fifth year thereafter through such date, and using such data, as the Secretary determines appropriate on the basis of the amount of benefits and administrative expenses actually paid from such Trust Fund under title XVIII and the relevant actuarial assumptions set forth in the report of the Board of Trustees of such Trust Fund for such year under section 1817(b).”

**SEC. 843. CERTIFICATION OF BENEFITS PAYABLE TO A DIVORCED SPOUSE OF A RAILROAD WORKER TO THE RAILROAD RETIREMENT BOARD.**

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

**SEC. 844. TECHNICAL AMENDMENTS TO ELIMINATE OBSOLETE PROVISIONS.**

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

(1) by striking subsection (i); and

(2) by redesignating subsection (j) as subsection (i).

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

submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the number of work-related continuing disability reviews conducted each year to determine whether earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity. Such report shall include—

(1) the number of individuals receiving benefits based on disability under title II of such Act for whom reports of earnings were received from any source by the Commissioner in the previous calendar year, reported as a total number and separately by the source of the report;

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

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

(A) the average number of days—

(i) between the receipt of the report and the initiation of the review;

(ii) between the initiation and the completion of the review; and

(iii) the average amount of overpayment, if any;

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

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

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

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

(5) with respect to individuals for whom a work-related continuing disability review was completed during such calendar year—

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

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

(C) the number who received vocational rehabilitation services during such calendar year with respect to which the Commissioner of Social Security reimbursed a State agency under section 222(d).

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

(1) the number and total value of overpayments recovered or scheduled to be recovered by the Social Security Administration during the previous fiscal year of benefits under title II and title XVI, respectively, including the terms and conditions of repayment of such overpayments; and

42 USC 404 note.

**SEC. 902. RESTORING CONGRESSIONAL AUTHORITY OVER THE NATIONAL DEBT.** 31 USC 3101 note.

(a) **EXTENSION LIMITED TO NECESSARY OBLIGATIONS.**—An obligation shall not be taken into account under section 901(b)(1) unless the issuance of such obligation was necessary to fund a commitment incurred pursuant to law by the Federal Government that required payment before March 16, 2017.

(b) **PROHIBITION ON CREATION OF CASH RESERVE DURING EXTENSION PERIOD.**—The Secretary of the Treasury shall not issue obligations during the period specified in section 901(a) for the purpose of increasing the cash balance above normal operating balances in anticipation of the expiration of such period.

## TITLE X—SPECTRUM PIPELINE

**SEC. 1001. SHORT TITLE.**

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

**SEC. 1002. DEFINITIONS.**

In this title:

(1) **ASSISTANT SECRETARY.**—The term “Assistant Secretary” means the Assistant Secretary of Commerce for Communications and Information.

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

(3) **FEDERAL ENTITY.**—The term “Federal entity” has the meaning given such term in section 113(l) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(l)).

(4) **SECRETARY.**—The term “Secretary” means the Secretary of Commerce.

**SEC. 1003. RULE OF CONSTRUCTION.**

Each range of frequencies described in this title shall be construed to be inclusive of the upper and lower frequencies in the range.

**SEC. 1004. IDENTIFICATION, REALLOCATION, AND AUCTION OF FEDERAL SPECTRUM.**

(a) **IDENTIFICATION OF SPECTRUM.**—Not later than January 1, 2022, the Secretary shall submit to the President and to the Commission a report identifying 30 megahertz of electromagnetic spectrum (in bands of not less than 10 megahertz of contiguous frequencies) below the frequency of 3 gigahertz (except for the spectrum between the frequencies of 1675 megahertz and 1695 megahertz) for reallocation from Federal use to non-Federal use or shared Federal and non-Federal use, or a combination thereof.

(b) **CLEARING OF SPECTRUM.**—The President shall—

(1) not later than January 1, 2022, begin the process of withdrawing or modifying the assignment to a Federal Government station of the electromagnetic spectrum identified under subsection (a); and

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

(c) **REALLOCATION AND AUCTION.**—

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

Spectrum Pipeline Act of 2015.  
47 USC 901 note.

47 USC 921 note.

47 USC 921 note.

47 USC 921 note.

Deadline.  
Reports.

President.  
Deadlines.

Notifications.



“(ii) Systems that consolidate functions or services that have been provided using separate systems.

“(iii) Non-spectrum technology or systems.

“(C) FREQUENCIES DESCRIBED.—The frequencies described in this subparagraph are, with respect to a payment under subparagraph (A), frequencies that—

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

“(ii) at the time of the activities conducted with such payment, are not identified for auction.

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

“(i) unless—

“(I) the Federal entity has submitted to the Technical Panel established under section 113(h)(3) a plan describing the activities that the Federal entity will conduct with such payment; Plans.

“(II) the Technical Panel has approved such plan under subparagraph (E); and

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

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

“(E) REVIEW BY TECHNICAL PANEL.—

“(i) IN GENERAL.—Not later than 120 days after a Federal entity submits a plan under subparagraph (D)(i)(I) to the Technical Panel established under section 113(h)(3), the Technical Panel shall approve or disapprove such plan.

“(ii) CRITERIA FOR REVIEW.—In considering whether to approve or disapprove a plan under this subparagraph, the Technical Panel shall consider whether—

“(I) the activities that the Federal entity will conduct with the payment will—

“(aa) increase the probability of relocation from or sharing of Federal spectrum;

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

“(cc) increase the net expected auction proceeds in an amount not less than the time value of the amount of the payment; and

“(II) the transfer will leave sufficient amounts in the Fund for the other purposes of the Fund.

“(h) PRIORITIZATION OF PAYMENTS.—In determining whether to make payments under subsections (f) and (g), the Director of OMB shall, to the extent practicable, prioritize payments under subsection (g).”

(b) ADMINISTRATIVE SUPPORT FOR TECHNICAL PANEL.—Section 113(h)(3)(C) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(h)(3)(C)) is amended by striking “this subsection and subsection (i)” and inserting “this subsection, subsection (i), and section 118(g)(2)(E)”.

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

Not later than 3 years after the date of the enactment of this Act, the Commission shall submit to Congress—

(1) a report containing an analysis of the results of the rules changes relating to the frequencies between 3550 megahertz and 3650 megahertz; and

(2) a report containing an analysis of proposals to promote and identify additional spectrum bands that can be shared between incumbent uses and new licensed, and unlicensed services under such rules and identification of at least 1 gigahertz between 6 gigahertz and 57 GHz for such use.

## **TITLE XI—REVENUE PROVISIONS RELATED TO TAX COMPLIANCE**

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

(a) **REPEAL OF TEFRA PARTNERSHIP AUDIT RULES.**—Chapter 63 of the Internal Revenue Code of 1986 is amended by striking subchapter C (and by striking the item relating to such subchapter in the table of subchapters for such chapter).

26 USC 2601,  
6221–6231, 6233,  
6234.

(b) **REPEAL OF ELECTING LARGE PARTNERSHIP RULES.**—

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

26 USC  
prec. 6221.

(2) **ASSESSMENT RULES RELATING TO ELECTING LARGE PARTNERSHIPS.**—Chapter 63 of such Code is amended by striking subchapter D (and by striking the item relating to such subchapter in the table of subchapters for such chapter).

(c) **PARTNERSHIP AUDIT REFORM.**—

(1) **IN GENERAL.**—Chapter 63 of such Code, as amended by the preceding provisions of this section, is amended by inserting after subchapter B the following new subchapter:

26 USC  
prec. 6621.

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

#### **“PART I—IN GENERAL**

#### **“PART II—PARTNERSHIP ADJUSTMENTS**

#### **“PART III—PROCEDURE**

#### **“PART IV—DEFINITIONS AND SPECIAL RULES**

### **“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.

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

26 USC 6221.

“(a) **IN GENERAL.**—Any adjustment to items of income, gain, loss, deduction, or credit of a partnership for a partnership taxable year (and any partner’s distributive share thereof) shall be determined, any tax attributable thereto shall be assessed and collected, and the applicability of any penalty, addition to tax, or additional amount which relates to an adjustment to any such item or share shall be determined, at the partnership level pursuant to this subchapter.

underpayment were on account of a mathematical or clerical error appearing on the partner's return. Paragraph (2) of section 6213(b) shall not apply to any assessment of an underpayment referred to in the preceding sentence.

**“(c) EXCEPTION FOR NOTIFICATION OF INCONSISTENT TREATMENT.—**

**“(1) IN GENERAL.—**In the case of any item referred to in subsection (a), if—

**“(A)(i)** the partnership has filed a return but the partner's treatment on the partner's return is (or may be) inconsistent with the treatment of the item on the partnership return, or

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

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

**“(2) PARTNER RECEIVING INCORRECT INFORMATION.—**A partner shall be treated as having complied with subparagraph (B) of paragraph (1) with respect to an item if the partner—

**“(A)** demonstrates to the satisfaction of the Secretary that the treatment of the item on the partner's return is consistent with the treatment of the item on the statement furnished to the partner by the partnership, and

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

**“(d) FINAL DECISION ON CERTAIN POSITIONS NOT BINDING ON PARTNERSHIP.—**Any final decision with respect to an inconsistent position identified under subsection (c) in a proceeding to which the partnership is not a party shall not be binding on the partnership.

**“(e) ADDITION TO TAX FOR FAILURE TO COMPLY WITH SECTION.—**For addition to tax in the case of a partner's disregard of the requirements of this section, see part II of subchapter A of chapter 68.

**“SEC. 6223. PARTNERS BOUND BY ACTIONS OF PARTNERSHIP.**

26 USC 6223.

**“(a) DESIGNATION OF PARTNERSHIP REPRESENTATIVE.—**Each partnership shall designate (in the manner prescribed by the Secretary) a partner (or other person) with a substantial presence in the United States as the partnership representative who shall have the sole authority to act on behalf of the partnership under this subchapter. In any case in which such a designation is not in effect, the Secretary may select any person as the partnership representative.

**“(b) BINDING EFFECT.—**A partnership and all partners of such partnership shall be bound—

**“(1)** by actions taken under this subchapter by the partnership, and

**“(2)** by any final decision in a proceeding brought under this subchapter with respect to the partnership.

**“PART II—PARTNERSHIP ADJUSTMENTS**

26 USC  
prec. 6225.

“Sec. 6225. Partnership adjustment by Secretary.

“Sec. 6226. Alternative to payment of imputed underpayment by partnership.

“Sec. 6227. Administrative adjustment request by partnership.

“(iii) payment of any tax due is included with such return, then the imputed underpayment amount shall be determined without regard to the portion of the adjustments so taken into account.

“(B) REALLOCATION OF DISTRIBUTIVE SHARE.—In the case of any adjustment which reallocates the distributive share of any item from one partner to another, paragraph (2) shall apply only if returns are filed by all partners affected by such adjustment.

Applicability.

“(3) TAX-EXEMPT PARTNERS.—Such procedures shall provide for determining the imputed underpayment without regard to the portion thereof that the partnership demonstrates is allocable to a partner that would not owe tax by reason of its status as a tax-exempt entity (as defined in section 168(h)(2)).

“(4) MODIFICATION OF APPLICABLE HIGHEST TAX RATES.—“(A) IN GENERAL.—Such procedures shall provide for taking into account a rate of tax lower than the rate of tax described in subsection (b)(1)(A) with respect to any portion of the imputed underpayment that the partnership demonstrates is allocable to a partner which—

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

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

In no event shall the lower rate determined under the preceding sentence be less than the highest rate in effect with respect to the income and taxpayer described in clause (i) or clause (ii), as the case may be. For purposes of clause (ii), an S corporation shall be treated as an individual.

“(B) PORTION OF IMPUTED UNDERPAYMENT TO WHICH LOWER RATE APPLIES.—

Determination.

“(i) IN GENERAL.—Except as provided in clause (ii), the portion of the imputed underpayment to which the lower rate applies with respect to a partner under subparagraph (A) shall be determined by reference to the partners' distributive share of items to which the imputed underpayment relates.

“(ii) RULE IN CASE OF VARIED TREATMENT OF ITEMS AMONG PARTNERS.—If the imputed underpayment is attributable to the adjustment of more than 1 item, and any partner's distributive share of such items is not the same with respect to all such items, then the portion of the imputed underpayment to which the lower rate applies with respect to a partner under subparagraph (A) shall be determined by reference to the amount which would have been the partner's distributive share of net gain or loss if the partnership had sold all of its assets at their fair market value as of the close of the reviewed year of the partnership.

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

“(B) in the case of any taxable year after the taxable year referred to in subparagraph (A) and before the taxable year referred to in paragraph (1), the amount by which the tax imposed under chapter 1 would increase by reason of the adjustment to tax attributes under paragraph (3).

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

“(A) in the case of any taxable year referred to in paragraph (2)(B), be appropriately adjusted for purposes of applying such paragraph, and

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

“(c) PENALTIES AND INTEREST.—

“(1) PENALTIES.—Notwithstanding subsections (a) and (b), any penalties, additions to tax, or additional amount shall be determined as provided under section 6221 and the partners of the partnership for the reviewed year shall be liable for any such penalty, addition to tax, or additional amount.

“(2) INTEREST.—In the case of an imputed underpayment with respect to which the application of this section is elected, interest shall be determined—

“(A) at the partner level,

“(B) from the due date of the return for the taxable year to which the increase is attributable (determined by taking into account any increases attributable to a change in tax attributes for a taxable year under subsection (b)(2)), and

“(C) at the underpayment rate under section 6621(a)(2), determined by substituting ‘5 percentage points’ for ‘3 percentage points’ in subparagraph (B) thereof.

Determination.

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

26 USC 6227.

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

“(b) ADJUSTMENT.—Any such adjustment under subsection (a) shall be determined and taken into account for the partnership taxable year in which the administrative adjustment request is made—

Determination.

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

“(2) by the partnership and partners under rules similar to the rules of section 6226 (determined without regard to the substitution described in subsection (c)(2)(C) thereof).

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

Applicability.

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

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

resulting from such adjustment may be made, begun or prosecuted) before—

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

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

“(c) **PREMATURE ACTION MAY BE ENJOINED.**—Notwithstanding section 7421(a), any action which violates subsection (b) may be enjoined in the proper court, including the Tax Court. The Tax Court shall have no jurisdiction to enjoin any action under this subsection unless a timely petition has been filed under section 6234 and then only in respect of the adjustments that are the subject of such petition.

“(d) **EXCEPTIONS TO RESTRICTIONS ON ADJUSTMENTS.**—

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

“(A) **IN GENERAL.**— If the partnership is notified that, on account of a mathematical or clerical error appearing on the partnership return, an adjustment to a item is required, rules similar to the rules of paragraphs (1) and (2) of section 6213(b) shall apply to such adjustment.

“(B) **SPECIAL RULE.**— If a partnership is a partner in another partnership, any adjustment on account of such partnership's failure to comply with the requirements of section 6222(a) with respect to its interest in such other partnership shall be treated as an adjustment referred to in subparagraph (A), except that paragraph (2) of section 6213(b) shall not apply to such adjustment.

“(2) **PARTNERSHIP MAY WAIVE RESTRICTIONS.**—The partnership may at any time (whether or not any notice of partnership adjustment has been issued), by a signed notice in writing filed with the Secretary, waive the restrictions provided in subsection (b) on the making of any partnership adjustment.

“(e) **LIMIT WHERE NO PROCEEDING BEGUN.**—If no proceeding under section 6234 is begun with respect to any notice of a final partnership adjustment during the 90-day period described in subsection (b) thereof, the amount for which the partnership is liable under section 6225 shall not exceed the amount determined in accordance with such notice.

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

26 USC 6233.

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

“(1) **IN GENERAL.**—Except to the extent provided in section 6226(c), in the case of a partnership adjustment for a reviewed year—

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

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

“(2) **DETERMINATION OF AMOUNT OF INTEREST.**—The interest computed under this paragraph with respect to any partnership adjustment is the interest which would be determined under chapter 67 for the period beginning on the day after the return due date for the reviewed year and ending on the return due date for the adjustment year (or, if earlier,

Time period.

Courts.

Notification.  
Applicability.

Notice.

Time period.

any shortfall of the amount required to be deposited is timely corrected.

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

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

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

“(e) EFFECT OF DECISION DISMISSING ACTION.—If an action brought under this section is dismissed other than by reason of a rescission under section 6231(c), the decision of the court dismissing the action shall be considered as its decision that the notice of final partnership adjustment is correct, and an appropriate order shall be entered in the records of the court.

**“SEC. 6235. PERIOD OF LIMITATIONS ON MAKING ADJUSTMENTS.**

26 USC 6235.

“(a) IN GENERAL.—Except as otherwise provided in this section, no adjustment under this subpart for any partnership taxable year may be made after the later of—

“(1) the date which is 3 years after the latest of—

“(A) the date on which the partnership return for such taxable year was filed,

“(B) the return due date for the taxable year, or

“(C) the date on which the partnership filed an administrative adjustment request with respect to such year under section 6227, or

“(2) in the case of any modification of an imputed underpayment under section 6225(c), the date that is 270 days (plus the number of days of any extension consented to by the Secretary under paragraph (4) thereof) after the date on which everything required to be submitted to the Secretary pursuant to such section is so submitted, or

“(3) in the case of any notice of a proposed partnership adjustment under section 6231(a)(2), the date that is 270 days after the date of such notice.

“(b) EXTENSION BY AGREEMENT.—The period described in subsection (a) (including an extension period under this subsection) may be extended by an agreement entered into by the Secretary and the partnership before the expiration of such period.

“(c) SPECIAL RULE IN CASE OF FRAUD, ETC.—

“(1) FALSE RETURN.—In the case of a false or fraudulent partnership return with intent to evade tax, the adjustment may be made at any time.

“(2) SUBSTANTIAL OMISSION OF INCOME.—If any partnership omits from gross income an amount properly includible therein

Applicability.

“(i) for adjustment or assessment, 60 days thereafter, and

“(ii) for collection, 6 months thereafter.

A rule similar to the rule of section 6213(f)(2) shall apply for purposes of section 6232(b).

“(B) SUSPENSION OF PERIOD OF LIMITATION FOR FILING FOR JUDICIAL REVIEW.—The running of the period specified in section 6234 shall, in a case under title 11 of the United States Code, be suspended during the period during which the partnership is prohibited by reason of such case from filing a petition under section 6234 and for 60 days thereafter.

“(7) TREATMENT WHERE PARTNERSHIP CEASES TO EXIST.—If a partnership ceases to exist before a partnership adjustment under this subchapter takes effect, such adjustment shall be taken into account by the former partners of such partnership under regulations prescribed by the Secretary.

“(8) EXTENSION TO ENTITIES FILING PARTNERSHIP RETURN.—If a partnership return is filed by an entity for a taxable year but it is determined that the entity is not a partnership (or that there is no entity) for such year, then, to the extent provided in regulations, the provisions of this subchapter are hereby extended in respect of such year to such entity and its items and to persons holding an interest in such entity.”

(2) CLERICAL AMENDMENT.—The table of subchapters for chapter 63 of the Internal Revenue Code of 1986, as amended by the preceding provisions of this section, is amended by inserting after the item relating to subchapter B the following new item:

26 USC  
prec. 6201.

“SUBCHAPTER C. TREATMENT OF PARTNERSHIPS.”

(d) BINDING NATURE OF PARTNERSHIP ADJUSTMENT PROCEEDINGS.—Section 6330(c)(4) of such Code is amended by striking “or” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “; or”, and by inserting after subparagraph (B) the following new subparagraph:

26 USC 6330.

“(C) a final determination has been made with respect to such issue in a proceeding brought under subchapter C of chapter 63.”

Determination.

(e) RESTRICTION ON AUTHORITY TO AMEND PARTNER INFORMATION STATEMENTS.—Section 6031(b) of such Code is amended by adding at the end the following: “Except as provided in the procedures under section 6225(c), with respect to statements under section 6226, or as otherwise provided by the Secretary, information required to be furnished by the partnership under this subsection may not be amended after the due date of the return under subsection (a) to which such information relates.”

(f) CONFORMING AMENDMENTS.—

(1) Section 6031(b) of such Code is amended by striking the last sentence.

(2) Section 6422 of such Code is amended by striking paragraph (12).

(3) Section 6501(n) of such Code is amended by striking paragraphs (2) and (3) and by striking “CROSS REFERENCES” and all that follows through “For period of limitations” and inserting “CROSS REFERENCE.—For period of limitations”.



case of a capital interest in a partnership in which capital is a material income-producing factor, whether a person is a partner with respect to such interest shall be determined without regard to whether such interest was derived by gift from any other person.”.

(b) CONFORMING AMENDMENTS.—Section 704(e) of such Code is amended—

(1) by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively,

(2) by striking “this section” in paragraph (2) (as so redesignated) and inserting “this subsection”, and

(3) by striking “FAMILY PARTNERSHIPS” in the heading and inserting “PARTNERSHIP INTERESTS CREATED BY GIFT”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years beginning after December 31, 2015.

26 USC 704.

Applicability.  
26 USC 704.

## TITLE XII—DESIGNATION OF SMALL HOUSE ROTUNDA

**SEC. 1201. DESIGNATING SMALL HOUSE ROTUNDA AS “FREEDOM FOYER”.** 40 USC 5101 note.

The first floor of the area of the House of Representatives wing of the United States Capitol known as the small House rotunda is designated the “Freedom Foyer”.

Approved November 2, 2015.

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### LEGISLATIVE HISTORY—H.R. 1314:

HOUSE REPORTS: No. 114-67 (Comm. on Ways and Means).

CONGRESSIONAL RECORD, Vol. 161 (2015):

Apr. 15, considered and passed House.

May 14, 18-22, considered and passed Senate, amended.

June 12, House failed to concur in Senate amendment.

Oct. 28, House concurred in Senate amendment with an amendment. Senate considered House amendment.

Oct. 29, 30, Senate considered and concurred in House amendment.

DAILY COMPILATION OF PRESIDENTIAL DOCUMENTS (2015):

Nov. 2, Presidential remarks.