

108TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. THOMAS introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to extend
certain expiring provisions, and for other purposes.

1. *Be it enacted by the Senate and House of Representatives*
2. *of the United States of America in Congress assembled,*
3. SECTION 1. SHORT TITLE; REFERENCES; ETC.
4. (a) SHORT TITLE.—This Act may be cited as the
5. “Tax Relief Extension Act of 2003”.
6. (b) AMENDMENT OF 1986 CODE.—Except as other-
7. wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment
2 to, or repeal of, a section or other provision, the reference
3 shall be considered to be made to a section or other provi-
4 sion of the Internal Revenue Code of 1986.

5 (c) TABLE OF CONTENTS.—

Sec. 1. Short title; references; etc.

TITLE I—EXTENSION OF CERTAIN EXPIRING PROVISIONS

- Sec. 1001. Allowance of nonrefundable personal credits against regular and minimum tax liability.
- Sec. 1002. Work opportunity credit.
- Sec. 1003. Welfare-to-work credit.
- Sec. 1004. Certain expenses of elementary and secondary school teachers.
- Sec. 1005. Charitable contributions of computer technology and equipment used for educational purposes.
- Sec. 1006. Expensing of environmental remediation costs.
- Sec. 1007. 5-year carryback of certain net operating losses.
- Sec. 1008. Availability of medical savings accounts.
- Sec. 1009. Temporary special rules for taxation of life insurance companies.
- Sec. 1010. Qualified zone academy bonds.
- Sec. 1011. District of Columbia.
- Sec. 1012. Work opportunity credit with respect to New York Liberty Zone.
- Sec. 1013. Disclosures relating to terrorist activities.
- Sec. 1014. Cover over of tax on distilled spirits.
- Sec. 1015. Parity in the application of certain limits to mental health benefits.
- Sec. 1016. Combined employment tax reporting project.

TITLE II—PROVISIONS RELATING TO PENSIONS

- Sec. 2001. Temporary replacement of 30-year Treasury rate.
- Sec. 2002. Funding requirements for defined benefit plans of commercial passenger airlines.

TITLE III—MISCELLANEOUS TRADE AND TECHNICAL CORRECTIONS

- Sec. 3001. Short title.
 - Subtitle A—Tariff Provisions
- Sec. 3101. Reference; expired provisions.

CHAPTER 1—TEMPORARY DUTY SUSPENSIONS AND REDUCTIONS

SUBCHAPTER A—NEW DUTY SUSPENSIONS AND REDUCTIONS

- Sec. 3111. Bitolyene diisocyanate (todi).
- Sec. 3112. 2-methylimidazole.
- Sec. 3113. Hydroxylamine free base.
- Sec. 3114. Prenol.
- Sec. 3115. 1-methylimidazole.

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

RELATING TO PENSIONS

SEC. 2001. TEMPORARY REPLACEMENT OF 30-YEAR TREASURY RATE.

(a) EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) DETERMINATION OF PERMISSIBLE RANGE.—

(A) IN GENERAL.—Clause (ii) of section 302(b)(5)(B) of the Employee Retirement Income Security Act of 1974 is amended by redesignating subclause (II) as subclause (III) and by inserting after subclause (I) the following new subclause:

“(II) SPECIAL RULE FOR YEARS 2004 AND 2005.—In the case of plan years beginning after December 31, 2003, and before January 1, 2006, the term ‘permissible range’ means a rate of interest which is not above, and not more than 10 percent below, the weighted average of the rates of interest on amounts invested conservatively

1 in long-term investment grade corporate
2 bonds during the 4-year period ending on

3 the last day before the beginning of the
4 plan year. Such rates shall be determined
5 by the Secretary on the basis of one or
6 more indices selected periodically by the
7 Secretary, and the Secretary shall make
8 the permissible range publicly available.”.

9 (B) SECRETARIAL AUTHORITY.—Subclause
10 (III) of section 302(b)(5)(B)(ii) of such Act, as
11 redesignated by subparagraph (A), is
12 amended—

13 (i) by inserting “or (II)” after “sub-
14 clause (I)” the first place it appears, and

15 (ii) by striking “subclause (I)” the
16 second place it appears and inserting
17 “such subclause”.

18 (C) CONFORMING AMENDMENT.—Sub-
19 clause (I) of section 302(b)(5)(B)(ii) of such
20 Act is amended by inserting “or (III)” after
21 “subclause (II)”.

22 (2) DETERMINATION OF CURRENT LIABILITY.—
23 Clause (i) of section 302(d)(7)(C) of such Act is
24 amended by adding at the end the following new
25 subclause:

1 “(IV) SPECIAL RULE FOR 2004
2 AND 2005.—For plan years beginning
3 in 2004 or 2005, notwithstanding
4 subclause (I), the rate of interest used
5 to determine current liability under
6 this subsection shall be the rate of in-
7 terest under subsection (b)(5).”.

8 (3) CONFORMING AMENDMENT.—Paragraph (7)
9 of section 302(e) of such Act is amended
10 to read as follows:

11 “(7) SPECIAL RULE FOR 2002.—In any case in
12 which the interest rate used to determine current
13 liability is determined under subsection
14 (d)(7)(C)(i)(III), for purposes of applying para-
15 graphs (1) and (4)(B)(ii) for plan years beginning
16 in 2002, the current liability for the preceding
17 plan year shall be redetermined using 120
18 percent as the specified percentage determined
19 under subsection (d)(7)(C)(i)(II).”.

20 (4) PBGC.—Clause (iii) of section 20
21 4006(a)(3)(E) of such Act is amended by adding at
22 the end the following new subclause:
23 “(V) In the case of plan years beginning after
24 December 31, 2003, and before January 1, 2006,
25 the annual yield taken into account under subclause

1 (II) shall be the annual rate of interest determined
2 by the Secretary of the Treasury on amounts in-
3 vested conservatively in long-term investment grade
4 corporate bonds for the month preceding the month
5 in which the plan year begins. For purposes of the
6 preceding sentence, the Secretary of the Treasury
7 shall determine such rate of interest on the basis of
8 one or more indices selected periodically by the Sec-
9 retary, and the Secretary shall make such yield pub-
10 licly available.”.

11 (b) INTERNAL REVENUE CODE OF 1986.—

12 (1) DETERMINATION OF PERMISSIBLE
13 RANGE.—

14 (A) IN GENERAL.—Clause (ii) of section
15 412(b)(5)(B) is amended by redesignating sub-
16 clause (II) as subclause (III) and by inserting
17 after subclause (I) the following new subclause:

18 “(II) SPECIAL RULE FOR YEARS
19 2004 AND 2005.—In the case of plan
20 years beginning after December 31,
21 2003, and before January 1, 2006,
22 the term ‘permissible range’ means a
23 rate of interest which is not above,
24 and not more than 10 percent below,
25 the weighted average of the rates of

1 interest on amounts invested conserv-
2 atively in long-term investment grade
3 corporate bonds during the 4-year pe-
4 riod ending on the last day before the
5 beginning of the plan year. Such rates
6 shall be determined by the Secretary
7 on the basis of one or more indices se-
8 lected periodically by the Secretary,
9 and the Secretary shall make the per-
10 missible range publicly available.”.

11 (B) SECRETARIAL AUTHORITY.—Subclause
12 (III) of section 412(b)(5)(B)(ii), as redesignig-
13 nated by subparagraph (A), is amended—
14 (i) by inserting “or (II)” after “sub-
15 clause (I)” the first place it appears, and
16 (ii) by striking “subclause (I)” the
17 second place it appears and inserting
18 “such subclause”.

19 (C) CONFORMING AMENDMENT.—Sub-
20 clause (I) of section 412(b)(5)(B)(ii) is amend-
21 ed by inserting “or (III)” after “subclause
22 (II)”.

23 (2) DETERMINATION OF CURRENT LIABILITY.—
24 Clause (i) of section 412(l)(7)(C) is amended by
25 adding at the end the following new subclause:

1 “(IV) SPECIAL RULE FOR 2004
2 AND 2005.—For plan years beginning
3 in 2004 or 2005, notwithstanding
4 subclause (I), the rate of interest
5 used to determine current liability
6 under this subsection shall be the
7 rate of interest under subsection (b)(5).”.

8 (3) CONFORMING AMENDMENT.—Paragraph (7)
9 of section 412(m) is amended to read as follows:

10 “(7) SPECIAL RULE FOR 2002.—In any case in
11 which the interest rate used to determine current li-
12 ability is determined under subsection
13 (l)(7)(C)(i)(III), for purposes of applying paragraphs
14 (1) and (4)(B)(ii) for plan years beginning in 2002,
15 the current liability for the preceding plan year shall
16 be redetermined using 120 percent as the specified
17 percentage determined under subsection
18 (l)(7)(C)(i)(II).”.

19 (c) EFFECTIVE DATE.—

20 (1) IN GENERAL.—Except as provided in para-
21 graph (2), the amendments made by this section
22 shall apply to plan years beginning after December
23 31, 2003.

24 (2) LOOKBACK RULES.—For purposes of apply-
25 ing subsections (l)(9)(B)(ii) and (m)(1) of section

1 412 of the Internal Revenue Code of 1986 and sub-
2 sections (d)(9)(B)(ii) and (e)(1) of section 302 of
3 the Employee Retirement Income Security Act of
4 1974 to plan years beginning after December 31,
5 2003, the amendments made by this section may be
6 applied as if such amendments had been in effect for
7 all prior plan years. The Secretary of the Treasury
8 (or the Secretary's delegate) may prescribe sim-
9 plified assumptions which may be used in applying
10 the amendments made by this section to such prior
11 plan years.

12 SEC. 2002. FUNDING REQUIREMENTS FOR DEFINED BEN-
13 EFIT PLANS OF COMMERCIAL PASSENGER
14 AIRLINES.

15 (a) INTERNAL REVENUE CODE OF 1986.—Sub-
16 section (l) of section 412 (relating to additional funding
17 requirements for plans which are not multiemployer plans)
18 is amended by adding at the end the following new para-
19 graph:

20 “(12) SPECIAL RULE FOR COMMERCIAL PAS-
21 Senger AIRLINES.—In the case of a defined benefit
22 plan established and maintained by a commercial
23 passenger airline, the increased amount under para-
24 graph (1) for plan years beginning after December
25 31, 2003, and before January 1, 2006, shall be 20

1 percent of the increased amount under paragraph
2 (1) determined without regard to this paragraph.”.

3 (b) EMPLOYEE RETIREMENT INCOME SECURITY ACT
4 OF 1974.—Subsection (d) of section 302 of Employee Re-
5 tirement Income Security Act of 1974 is amended by add-
6 ing at the end the following new paragraph:

7 “(12) In the case of a defined benefit plan es-
8 tablished and maintained by a commercial passenger
9 airline, the increased amount under paragraph (1)
10 for plan years beginning after December 31, 2003,
11 and before January 1, 2006, shall be 20 percent of
12 the increased amount under paragraph (1) deter-
13 mined without regard to this paragraph.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to plan years beginning after De-
16 cember 31, 2003.