

118TH CONGRESS
2D SESSION

S. 4915

To amend the Internal Revenue Code of 1986 to modify the low-income housing credit and to reauthorize and reform the Generalized System of Preferences, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 31, 2024

Ms. CANTWELL introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify the low-income housing credit and to reauthorize and reform the Generalized System of Preferences, and for other purposes.

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

3 **SECTION 1. TABLE OF CONTENTS.**

4 The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—AFFORDABLE HOUSING

Sec. 101. State housing credit ceiling increase for low-income housing credit.

Sec. 102. Tax-exempt bond financing requirement.

TITLE II—REAUTHORIZATION AND REFORM OF GENERALIZED
SYSTEM OF PREFERENCES

Sec. 201. Modification of eligibility criteria for beneficiary developing countries.
 Sec. 202. Supplemental reviews and reporting.
 Sec. 203. Extension of Generalized System of Preferences.

1 **TITLE I—AFFORDABLE HOUSING**

2 **SEC. 101. STATE HOUSING CREDIT CEILING INCREASE FOR** 3 **LOW-INCOME HOUSING CREDIT.**

4 (a) IN GENERAL.—Section 42(h)(3)(I) of the Inter-
 5 nal Revenue Code of 1986 is amended—

6 (1) by striking “and 2021,” and inserting
 7 “2021, 2023, 2024, and 2025,” and

8 (2) by striking “2018, 2019, 2020, AND 2021” in
 9 the heading and inserting “CERTAIN CALENDAR
 10 YEARS”.

11 (b) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to calendar years after 2022.

13 **SEC. 102. TAX-EXEMPT BOND FINANCING REQUIREMENT.**

14 (a) IN GENERAL.—Section 42(h)(4) of the Internal
 15 Revenue Code of 1986 is amended by striking subpara-
 16 graph (B) and inserting the following:

17 “(B) SPECIAL RULE WHERE MINIMUM
 18 PERCENT OF BUILDINGS IS FINANCED WITH
 19 TAX-EXEMPT BONDS SUBJECT TO VOLUME
 20 CAP.—For purposes of subparagraph (A), para-
 21 graph (1) shall not apply to any portion of the
 22 credit allowable under subsection (a) with re-
 23 spect to a building if—

1 “(i) 50 percent or more of the aggre-
2 gate basis of such building and the land on
3 which the building is located is financed by
4 1 or more obligations described in subpara-
5 graph (A), or

6 “(ii)(I) 30 percent or more of the ag-
7 gregate basis of such building and the land
8 on which the building is located is financed
9 by 1 or more qualified obligations, and

10 “(II) 1 or more of such qualified obli-
11 gations—

12 “(aa) are part of an issue the
13 issue date of which is after December
14 31, 2023, and

15 “(bb) provide the financing for
16 not less than 5 percent of the aggre-
17 gate basis of such building and the
18 land on which the building is located.

19 “(C) QUALIFIED OBLIGATION.—For pur-
20 poses of subparagraph (B)(ii), the term ‘quali-
21 fied obligation’ means an obligation which is de-
22 scribed in subparagraph (A) and which is part
23 of an issue the issue date of which is before
24 January 1, 2026.”.

25 (b) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendment made by
2 this section shall apply to buildings placed in service
3 in taxable years beginning after December 31, 2023.

4 (2) REHABILITATION EXPENDITURES TREATED
5 AS SEPARATE NEW BUILDING.—In the case of any
6 building with respect to which any expenditures are
7 treated as a separate new building under section
8 42(e) of the Internal Revenue Code of 1986, for
9 purposes of paragraph (1), both the existing building
10 and the separate new building shall be treated as
11 having been placed in service on the date such ex-
12 penditures are treated as placed in service under
13 section 42(e)(4) of such Code.

14 **TITLE II—REAUTHORIZATION**
15 **AND REFORM OF GENERAL-**
16 **IZED SYSTEM OF PREF-**
17 **ERENCES**

18 **SEC. 201. MODIFICATION OF ELIGIBILITY CRITERIA FOR**
19 **BENEFICIARY DEVELOPING COUNTRIES.**

20 (a) IN GENERAL.—Section 502 of the Trade Act of
21 1974 (19 U.S.C. 2462) is amended—

22 (1) in subsection (b)(2)—

23 (A) by inserting after subparagraph (H)
24 the following:

1 “(I) Such country has failed, in a manner
2 affecting trade or investment—

3 “(i) to effectively enforce its environ-
4 mental laws or regulations through a sus-
5 tained or recurring course of action or in-
6 action; or

7 “(ii) to adopt and maintain measures
8 implementing its obligations under com-
9 mon multilateral environmental agree-
10 ments.

11 “(J) Such country engages in gross viola-
12 tions of internationally recognized human rights
13 in that country (including any designated zone
14 in that country).”; and

15 (B) in the text following subparagraph (J)
16 (as inserted by subparagraph (A)), by striking
17 “and (H) (to the extent described in section
18 507(6)(D))” and inserting “(H) (to the extent
19 described in section 507(6)(D)), (I), and (J)”;
20 and

21 (2) in subsection (c)—

22 (A) in paragraph (6)(B), by striking “;
23 and” and inserting a semicolon;

24 (B) in paragraph (7)—

1 (i) by striking “whether” and all that
2 follows through “afford” and inserting
3 “the extent to which such country is af-
4 fording”; and

5 (ii) by striking the period at the end
6 and inserting a semicolon; and

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

8 “(8) the extent to which such country is effec-
9 tively enforcing its environmental laws and regula-
10 tions and adopting and maintaining measures imple-
11 menting its obligations under common multilateral
12 environmental agreements;

13 “(9) the extent to which such country is achiev-
14 ing the goals described in section 3(b) of the Wom-
15 en’s Entrepreneurship and Economic Empowerment
16 Act of 2018 (22 U.S.C. 2151–2(b));

17 “(10) the extent to which such country has es-
18 tablished, or is making continual progress toward es-
19 tablishing—

20 “(A) the rule of law, political pluralism,
21 and the right to due process, a fair trial, and
22 equal protection under the law;

23 “(B) economic policies to reduce poverty,
24 increase the availability of health care and edu-
25 cational opportunities, expand physical infra-

1 structure, promote the development of private
2 enterprise, and encourage the formation of cap-
3 ital markets through micro-credit or other pro-
4 grams; and

5 “(C) a system to combat corruption and
6 bribery, such as signing and implementing the
7 Convention on Combating Bribery of Foreign
8 Public Officials in International Business
9 Transactions, done at Paris December 17,
10 1997, and entered into force February 15, 1999
11 (TIAS 99–215); and

12 “(11) the extent to which such country—

13 “(A) has refrained from imposing, or has
14 eliminated, digital trade barriers, including un-
15 necessary or discriminatory data localization or
16 data transfer restrictions; and

17 “(B) has taken steps in the digital environ-
18 ment to support consumer protections, the pri-
19 vacy of personal information, and open digital
20 ecosystems.”.

21 (b) MODIFICATION OF WITHDRAWAL, SUSPENSION,
22 OR LIMITATION REQUIREMENTS.—Section 502 of the
23 Trade Act of 1974 (19 U.S.C. 2462) is amended—

24 (1) in subsection (d)(1), in the second sen-
25 tence—

1 (A) by striking “shall consider” and insert-
2 ing the following: “shall—

3 “(A) consider”;

4 (B) by striking the period at the end and
5 inserting “; and”; and

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

7 “(B) hold a public hearing or provide for
8 a period of not less than 30 days for submission
9 of comments by the public.”; and

10 (2) in subsection (f)(2)—

11 (A) in the paragraph heading, by inserting
12 “OR SUSPENSION” after “TERMINATION”;

13 (B) by inserting “or suspend” after “ter-
14minate” each place it appears; and

15 (C) by inserting “or suspension” after
16 “termination”.

17 (c) PUBLICATION OF DETERMINATIONS RELATING
18 TO PETITIONS FOR REVIEW.—Section 502 of the Trade
19 Act of 1974 (19 U.S.C. 2462) is amended by adding at
20 the end the following:

21 “(g) PUBLICATION OF DETERMINATIONS RELATING
22 TO PETITIONS FOR REVIEW.—The United States Trade
23 Representative shall publish in the Federal Register a no-
24 tice of, and the rationale for, any determination of the
25 Trade Representative with respect to a petition for review

1 of the eligibility of a country for designation as a bene-
 2 ficiary developing country, including a determination—

3 “(1) to accept or deny such a petition;

4 “(2) to continue to review the eligibility of the
 5 country; or

6 “(3) to withdraw, suspend, or limit the applica-
 7 tion of duty-free treatment under this title with re-
 8 spect to the country.”.

9 (d) DEFINITIONS.—Section 507 of the Trade Act of
 10 1974 (19 U.S.C. 2467) is amended—

11 (1) in paragraph (4)—

12 (A) in subparagraph (D), by striking “;
 13 and” and inserting a semicolon;

14 (B) in subparagraph (E), by striking the
 15 period at the end and inserting “; and”; and

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

17 “(F) the elimination of all forms of dis-
 18 crimination with respect to occupation and em-
 19 ployment.”; and

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

21 “(7) COMMON MULTILATERAL ENVIRONMENTAL
 22 AGREEMENT.—

23 “(A) IN GENERAL.—The term ‘common
 24 multilateral environmental agreement’, for pur-
 25 poses of determining the eligibility of a country

1 for designation as a beneficiary developing
2 country under this title, means any agreement
3 specified in subparagraph (B) to which both the
4 United States and that country are full parties,
5 including any current or future mutually agreed
6 upon protocols, amendments, annexes, or ad-
7 justments to such an agreement.

8 “(B) AGREEMENTS SPECIFIED.—The
9 agreements specified in this subparagraph are
10 the following:

11 “(i) The Convention on International
12 Trade in Endangered Species of Wild
13 Fauna and Flora, done at Washington
14 March 3, 1973 (27 UST 1087; TIAS
15 8249).

16 “(ii) The Montreal Protocol on Sub-
17 stances that Deplete the Ozone Layer,
18 done at Montreal September 16, 1987.

19 “(iii) The Protocol of 1978 Relating
20 to the International Convention for the
21 Prevention of Pollution from Ships, 1973,
22 done at London February 17, 1978.

23 “(iv) The Convention on Wetlands of
24 International Importance, Especially as

1 Waterfowl Habitat, done at Ramsar Feb-
2 ruary 2, 1971 (TIAS 11084).

3 “(v) The Convention on the Conserva-
4 tion of Antarctic Marine Living Resources,
5 done at Canberra May 20, 1980 (33 UST
6 3476).

7 “(vi) The International Convention for
8 the Regulation of Whaling, done at Wash-
9 ington December 2, 1946 (62 Stat. 1716).

10 “(vii) The Convention for the Estab-
11 lishment of an Inter-American Tropical
12 Tuna Commission, done at Washington
13 May 31, 1949 (1 UST 230).”.

14 **SEC. 202. SUPPLEMENTAL REVIEWS AND REPORTING.**

15 (a) ASSESSMENT AND REPORT ON COMPLIANCE
16 WITH ELIGIBILITY REQUIREMENTS.—Section 502 of the
17 Trade Act of 1974, as amended by section 201, is further
18 amended by adding at the end the following:

19 “(h) ASSESSMENT AND REPORT ON COMPLIANCE
20 WITH ELIGIBILITY REQUIREMENTS.—

21 “(1) IN GENERAL.—The President shall—

22 “(A) on an annual basis—

23 “(i) conduct assessments of the com-
24 pliance of an appropriate number of coun-
25 tries designated as beneficiary developing

1 countries for purposes of this title in meet-
2 ing or continuing to meet the eligibility re-
3 quirements under this title; and

4 “(ii) make determinations with re-
5 spect to whether to initiate full reviews of
6 the practices of those countries to assess
7 the continued eligibility of those countries
8 for designation as beneficiary developing
9 countries under this title; and

10 “(B) submit to Congress a report con-
11 sisting of the results of such assessments and
12 determinations.

13 “(2) FREQUENCY.—The President shall con-
14 duct an assessment described in clause (i) of para-
15 graph (1)(A) and make a determination described in
16 clause (ii) of that paragraph with respect to each
17 country designated as a beneficiary developing coun-
18 try for purposes of this title not less frequently than
19 once every 3 years.”.

20 (b) ASSESSMENT OF EFFECTIVENESS OF GENERAL-
21 IZED SYSTEM OF PREFERENCES IN STRENGTHENING AND
22 MAINTAINING INTERNATIONALLY RECOGNIZED WORKER
23 RIGHTS AND WOMEN’S ENTREPRENEURSHIP AND ECO-
24 NOMIC EMPOWERMENT.—

1 (1) POLICY OF THE UNITED STATES.—It is the
2 policy of the United States to support gender equal-
3 ity and worker rights by promoting legal reforms
4 that address legal, structural, and social barriers
5 that constrain the full and free economic participa-
6 tion of all workers in the global economy.

7 (2) AMENDMENT TO TRADE ACT OF 1974.—

8 (A) IN GENERAL.—Title V of the Trade
9 Act of 1974 (19 U.S.C. 2461 et seq.) is amend-
10 ed by inserting after section 504 the following:

11 **“SEC. 504A. ASSESSMENT OF EFFECTIVENESS IN**
12 **STRENGTHENING AND MAINTAINING INTER-**
13 **NATIONALLY RECOGNIZED WORKER RIGHTS**
14 **AND WOMEN’S ENTREPRENEURSHIP AND**
15 **ECONOMIC EMPOWERMENT.**

16 “(a) IN GENERAL.—Not later than 15 months after
17 the date of the enactment of this section, and every 2
18 years thereafter, the United States Trade Representative
19 and the Deputy Undersecretary of Labor for International
20 Affairs, in consultation with the policy advisory committee
21 on labor established under section 135(c)(1), shall jointly
22 submit to Congress an assessment of the effectiveness of
23 the administration of this title in maintaining or strength-
24 ening the efforts of beneficiary developing countries relat-

1 ing to the factors described in paragraphs (7) and (9) of
2 section 502(c).

3 “(b) **METHODOLOGY AND SOURCES.**—The assess-
4 ment required by subsection (a) shall include—

5 “(1) an explanation of the methodology and
6 sources used to prepare the assessment; and

7 “(2) where relevant, citations to data, informa-
8 tion, studies, and assessments that were used to pre-
9 pare the assessment and were gathered, compiled, or
10 developed by the United States Government, foreign
11 governments, multilateral institutions, nongovern-
12 mental organizations, or educational institutions.

13 “(c) **MEASUREMENT OF WOMEN’S ECONOMIC EM-**
14 **POWERMENT.**—To support the measurement of women’s
15 economic empowerment, the Trade Representative shall
16 encourage and support the reporting by beneficiary devel-
17 oping countries of sex-disaggregated economic and busi-
18 ness data, including the gathering of information con-
19 sistent with the United Nations Sustainable Development
20 Goals, particularly the goals relating to gender equality
21 and decent work.”.

22 (B) **CLERICAL AMENDMENT.**—The table of
23 contents for the Trade Act of 1974 is amended
24 by inserting after the item relating to section
25 504 the following:

“Sec. 504A. Assessment of effectiveness in strengthening and maintaining internationally recognized worker rights and women’s entrepreneurship and economic empowerment.”.

1 (c) UNITED STATES INTERNATIONAL TRADE COM-
2 MISSION STUDY.—Not later than July 1, 2026, the United
3 States International Trade Commission shall submit to
4 Congress a report that contains a study on rules of origin,
5 utilization rates, and eligibility requirements for articles
6 under the Generalized System of Preferences program
7 under title V of the Trade Act of 1974 (19 U.S.C. 2461
8 et seq.), including an assessment of—

9 (1) the rate of utilization of the program by
10 countries designated as least-developed beneficiary
11 developing countries under section 502(a)(2) of that
12 Act (19 U.S.C. 2462(a)(2));

13 (2) the effectiveness of the rules of origin of the
14 program in—

15 (A) promoting trade benefits to least-devel-
16 oped beneficiary developing countries under the
17 program; and

18 (B) preventing the transshipment of arti-
19 cles from countries that are not designated as
20 beneficiary developing countries under section
21 502(a)(1) of that Act (19 U.S.C. 2462(a)(1));
22 and

1 (3) the requirements and procedures for designating articles as eligible articles under section 503
2 of that Act (19 U.S.C. 2463), including—

3 (A) the competitive need limitation under
4 subsection (c)(2) of that section; and

5 (B) the process for waiving that limitation
6 under subsection (d) of that section.

7
8 **SEC. 203. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.**
9

10 (a) **IN GENERAL.**—Section 505 of the Trade Act of
11 1974 (19 U.S.C. 2465) is amended by striking “December
12 31, 2020” and inserting “December 31, 2029”.

13 (b) **EFFECTIVE DATE.**—

14 (1) **IN GENERAL.**—The amendment made by
15 subsection (a) shall apply to articles entered on or
16 after the 30th day after the date of the enactment
17 of this Act.

18 (2) **RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.**—

19 (A) **IN GENERAL.**—Notwithstanding section
20 514 of the Tariff Act of 1930 (19 U.S.C.
21 1514) or any other provision of law and subject
22 to subparagraph (B), any entry of a covered article
23 to which duty-free treatment or other preferential
24 treatment under title V of the Trade
25 treatment under title V of the Trade

1 Act of 1974 (19 U.S.C. 2461 et seq.) would
2 have applied if the entry had been made on De-
3 cember 31, 2020, that was made—

4 (i) after December 31, 2020, and

5 (ii) before the effective date specified

6 in paragraph (1),

7 shall be liquidated or reliquidated as though
8 such entry occurred on the effective date speci-
9 fied in paragraph (1).

10 (B) REQUESTS.—A liquidation or reliqui-
11 dation may be made under subparagraph (A)
12 with respect to an entry only if a request there-
13 for is filed with U.S. Customs and Border Pro-
14 tection not later than 180 days after the date
15 of the enactment of this Act that contains suffi-
16 cient information to enable U.S. Customs and
17 Border Protection—

18 (i) to locate the entry; or

19 (ii) to reconstruct the entry if it can-
20 not be located.

21 (C) PAYMENT OF AMOUNTS OWED.—Any
22 amounts owed by the United States pursuant to
23 the liquidation or reliquidation of an entry of a
24 covered article under subparagraph (A) shall be
25 paid, without interest, not later than 90 days

1 after the date of the liquidation or reliquidation
2 (as the case may be).

3 (3) DEFINITIONS.—In this subsection:

4 (A) COVERED ARTICLE.—The term “cov-
5 ered article” means an article from a country
6 that is a beneficiary developing country under
7 title V of the Trade Act of 1974 (19 U.S.C.
8 2461 et seq.) as of the effective date specified
9 in paragraph (1).

10 (B) ENTER; ENTRY.—The terms “enter”
11 and “entry” include a withdrawal from ware-
12 house for consumption.

○