

THE BOND BUYER LEGISLATIVE STATUS REPORT

LEGISLATION	CURRENT LAW	PROPOSED LAW	CURRENT STATUS
<p>HR 2701 and S 1452: Main Street Fairness Act</p> <p>S 1832: Marketplace Fairness Act</p> <p>HR 3179 Marketplace Equity Act of 2011</p>	<p>Generally states have been blocked from collecting sales taxes from Internet retailers for online sales by a 1992 Supreme Court ruling that in order for a state to tax an online retailer, the retailer must have a physical presence in the state.</p>	<p>HR 2701 and S 1452, introduced by Rep. John Conyers, Jr., D-Mich., and Sen. Richard Durbin, D-Ill. on July 29, would require states to conform to the Streamlined Sales and Use Tax Agreement to receive remote collection authority. HR 3179, introduced by Rep. Steve Womack, R-Ark. on Oct. 13, and S. 1832, introduced by Sen. Michael Enzi, R-Wyo. on Nov. 9, would authorize states to collect sales taxes from online sales if they meet certain conditions. Womack's bill would require states to implement simplified sales tax systems.</p>	<p>The bills pending in the House have been referred to the House Judiciary Committee and the bills pending in the Senate have been referred to the Senate Finance Committee.</p>
<p>HR 992: Building American Jobs Act</p>	<p>Build America Bonds and other bond-related programs and incentives created by the American Recovery and Reinvestment Act expired on Dec. 31. BABs provide issuers with federal tax payments equal to 35% of their interests costs.</p>	<p>The bill, introduced by Rep. Sander Levin, D-Mich. March 10, would extend BABs through 2012 at lower subsidy rates of 32% in 2011 and 32% in 2012. It would reinstate the higher, \$30 million, small-issuer limit for bank-qualified bonds and allocate \$25 million more for recovery zone bonds this year. It also would exempt tax-exempt bonds from the AMT and exempt water and sewer bonds from state private-activity bond volume caps. Federal home loan banks would be able to guarantee tax-exempt bonds in 2011.</p>	<p>The bill has been referred to the House Ways and Means Committee's panel on domestic monetary policy and technology.</p>
<p>HR 11: Build America Bonds to Create Jobs Now Act of 2011</p> <p>HR 736: Build America Bonds Extension for Rural and Urban Transportation and Highways, or BABE RUTH Act of 2011</p> <p>HR 747: Build America Bonds</p>	<p>The BAB program was created by the ARRA but expired on Dec. 31. BABs provide issuers with federal tax payments equal to 35% of their interests costs.</p>	<p>HR 11, introduced Feb. 10 by Rep. Gerald Connolly, D-Va., would extend BABs through 2012 at federal subsidy rates of 32% in 2011 and 31% in 2012. HR 736, introduced Feb. 16 by Rep. Laura Richardson, D-Calif., would reinstate BABs at reduced subsidy rates of 32% in 2011 and 30% for 2012-14, and clarify that BABs could be used to finance flood-control projects. HR 747, introduced Feb. 16 by Rep. Adam Schiff, D-Calif., would revive BABs for two years at a 28% rate and allow them to be issued by 501(c)(3)s and used for current refundings of previously issued BABs.</p>	<p>All three bills have been referred to the House Ways and Means Committee. On March 17, the House rejected an attempt to add HR 11 to legislation that would cut funding for National Public Radio.</p>
<p>HR 344: The Fiscal Responsibility Effective Enforcement, or FREE, Act.</p>	<p>Currently, the Federal Reserve has authority under Section 14 of the Federal Reserve Act to buy or sell municipal bills, notes, revenue bonds and warrants with maturities of six months or less in anticipation of the collection of taxes or receipt of revenues by the issuers, including irrigation, drainage and reclamation districts.</p>	<p>Rep. Randy Neugebauer, R-Tex., introduced the bill Jan. 19 to remove the power of Federal Reserve banks to buy and sell municipal securities, after becoming concerned this section of the law could be used by the federal government to bail out states and localities in severe fiscal distress.</p>	<p>The bill has been referred to the House Financial Services Committee, on which Neugebauer sits.</p>
<p>HR 278: Permit Qualified Small-Issue Bonds to be Sold to Finance Property Used for Agricultural Processing</p>	<p>Currently, qualified small-issue bonds cannot be used for property associated with agricultural processing.</p>	<p>Rep. Jeff Fortenberry, R-Neb., introduced a bill on Jan. 12 that would amend the federal tax code to permit tax-exempt small issue bonds to be used to finance property associated with agricultural processing.</p>	<p>The bill has been referred to the House Ways and Means Committee.</p>

Note: This is one of several charts that includes legislation introduced in the 112th Congress, which convened in January 2011 and extends through the end of 2013. Any bill introduced in the two-year period remains active until the session ends.