to carry out this part. Upon request of the Chairperson of the Advisory Council, the head of that department or agency shall furnish that information to the Advisory Council.

''SEC. 156. REPORTS.

''(a) ANNUAL REPORTS.—The Advisory Council shall submit to the Secretary an annual report for each fiscal year.

''(b) INTERIM REPORTS.—The Advisory Council may submit to the Secretary such interim reports as the Advisory Council considers appropriate.

''(c) FINAL REPORT.—The Advisory Council shall transmit a final report to the Secretary not later than September 30, 2003. The final report shall contain a detailed statement of the findings and conclusions of the Advisory Council, together with any recommendations for legislative or administrative action that the Advisory Council considers appropriate.

''SEC. 157. TERMINATION.

''(a) IN GENERAL.—The Advisory Council shall terminate 30 days after submitting its final report under section 156(c).

''(b) EXTENSION.—Notwithstanding subsection (a), the Secretary may postpone the termination of the Advisory Council for a period not to exceed 3 years after the Advisory Council submits its final report under section 156(c).

''SEC. 158. APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.

''The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Advisory Council.

''SEC. 159. RESOURCES.

''The Secretary shall provide to the Advisory Council appropriate resources so that the Advisory Council may carry out its duties and functions under this part.

''SEC. 160. EFFECTIVE DATE.

''This part shall be effective 30 days after the date of its enactment [Dec. 21, 2000].''

PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

Sec.
1400F. Renewal community capital gain.
1400G. Renewal community business defined.

§ 1400F. Renewal community capital gain

(a) General rule

Gross income does not include any qualified capital gain from the sale or exchange of a qualified community asset held for more than 5 years.

(b) Qualified community asset

For purposes of this section—

(1) In general

The term ''qualified community asset'' means—

(A) any qualified community stock,

(B) any qualified community partnership interest, and

(C) any qualified community business property.

(2) Qualified community stock

(A) In general

Except as provided in subparagraph (B), the term ''qualified community stock'' means any stock in a domestic corporation if—

(i) such stock is acquired by the taxpayer after December 31, 2001, and before January 1, 2010, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

(B) Redemptions

A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

(3) Qualified community partnership interest

The term ''qualified community partnership interest'' means any capital or profits interest in a domestic partnership if—

(A) such interest is acquired by the taxpayer after December 31, 2001, and before January 1, 2010, from the partnership solely in exchange for cash,

(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

(4) Qualified community business property

(A) In general

The term ''qualified community business property'' means tangible property if—

(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 2001, and before January 1, 2010,

(ii) the original use of such property in the renewal community commences with the taxpayer, and

(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

(B) Special rule for substantial improvements

The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

(i) property which is substantially improved by the taxpayer before January 1, 2010, and

(ii) any land on which such property is located.

The determination of whether a property is substantially improved shall be made under clause (ii) of section 1400B(b)(4)(B), except that ''December 31, 2001'' shall be sub-

stituted for ''December 31, 1997'' in such clause.

(c) Qualified capital gain

For purposes of this section—

(1) In general

Except as otherwise provided in this subsection, the term ''qualified capital gain'' means any gain recognized on the sale or exchange of—

(A) a capital asset, or

(B) property used in the trade or business (as defined in section 1231(b)).

(2) Gain before 2002 or after 2014 not qualified

The term ''qualified capital gain'' shall not include any gain attributable to periods before January 1, 2002, or after December 31, 2014.

(3) Certain rules to apply

Rules similar to the rules of paragraphs (3), (4), and (5) of section 1400B(e) shall apply for purposes of this subsection.

(d) Certain rules to apply

For purposes of this section, rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (f) and (g), of section 1400B shall apply; except that for such purposes section 1400B(g)(2) shall be applied by substituting ''January 1, 2002'' for ''January 1, 1998'' and ''December 31, 2014'' for ''December 31, 2014''.

(e) Regulations

The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the abuse of the purposes of this section.

(Added Pub. L. 106–554, §1(a)(7) [title I, §101(a)], Dec. 21, 2000, 114 Stat. 2763, 2763A–594; amended Pub. L. 108–311, title III, §310(c)(2)(C), Oct. 4, 2004, 118 Stat. 1180; Pub. L. 109–432, div. A, title I, §110(c)(2)(C), Dec. 20, 2006, 120 Stat. 2940; Pub. L. 110–343, div. C, title III, §322(c)(2)(C), Oct. 3, 2008, 122 Stat. 3874.)

AMENDMENTS

2008—Subsec. (d). Pub. L. 110–343 substituted ''2014'.'' for ''2012'.''.

2006—Subsec. (d). Pub. L. 109–432 substituted ''2012'' for ''2010''.

2004—Subsec. (d). Pub. L. 108–311 substituted ''2010'' for ''2008''.

EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by Pub. L. 108–311 effective Jan. 1, 2004, see section 310(e)(1) of Pub. L. 108–311, set out as a note under section 1400 of this title.

§ 1400G. Renewal community business defined

For purposes of this subchapter, the term ''renewal community business'' means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397C if references to renewal communities were substituted for references to empowerment zones in such section.

(Added Pub. L. 106–554, §1(a)(7) [title I, §101(a)], Dec. 21, 2000, 114 Stat. 2763, 2763A–596.)

PART III—ADDITIONAL INCENTIVES

§ 1400H. Renewal community employment credit

(a) In general

Subject to the modification in subsection (b), a renewal community shall be treated as an empowerment zone for purposes of section 1396 with respect to wages paid or incurred after December 31, 2001.

(b) Modification

In applying section 1396 with respect to renewal communities—

(1) the applicable percentage shall be 15 percent, and

(2) subsection (c) thereof shall be applied by substituting ''$10,000'' for ''$15,000'' each place it appears.

(Added Pub. L. 106–554, §1(a)(7) [title I, §101(a)], Dec. 21, 2000, 114 Stat. 2763, 2763A–596.)

§ 1400I. Commercial revitalization deduction

(a) General rule

At the election of the taxpayer, either—

(1) one-half of any qualified revitalization expenditures chargeable to capital account with respect to any qualified revitalization building shall be allowable as a deduction for the taxable year in which the building is placed in service, or

(2) a deduction for all such expenditures shall be allowable ratably over the 120-month period beginning with the month in which the building is placed in service.

(b) Qualified revitalization buildings and expenditures

For purposes of this section—

(1) Qualified revitalization building

The term ''qualified revitalization building'' means any building (and its structural components) if—

(A) the building is placed in service by the taxpayer in a renewal community and the original use of the building begins with the taxpayer, or

(B) in the case of such building not described in subparagraph (A), such building—

(i) is substantially rehabilitated (within the meaning of section 47(c)(1)(C)) by the taxpayer, and

(ii) is placed in service by the taxpayer after the rehabilitation in a renewal community.

(2) Qualified revitalization expenditure

(A) In general

The term ''qualified revitalization expenditure'' means any amount properly chargeable to capital account for property for which depreciation is allowable under section 168 (without regard to this section) and which is—

(i) nonresidential real property (as defined in section 168(e)), or

(ii) section 1250 property (as defined in section 1250(c)) which is functionally related and subordinate to property described in clause (i).