

Stat. 2183; Pub. L. 114–113, div. Q, title I, § 164(a), Dec. 18, 2015, 129 Stat. 3066.)

REFERENCES IN TEXT

The date of the enactment of this section, referred to in subsec. (d)(1)(D)(i), is the date of enactment of Pub. L. 110–343, which was approved Oct. 3, 2008.

The National School Lunch Act, referred to in subsec. (d)(1)(D)(ii), probably means the Richard B. Russell National School Lunch Act, act June 4, 1946, ch. 281, 60 Stat. 230, which is classified generally to chapter 13 (§ 1751 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 1751 of Title 42 and Tables.

Section 8101 of the Elementary and Secondary Education Act of 1965, referred to in subsec. (d)(2), is classified to section 7801 of Title 20, Education.

AMENDMENTS

2015—Subsec. (c)(1). Pub. L. 114–113 substituted “2014, 2015, and 2016” for “and 2014”.

Subsec. (d)(2). Pub. L. 114–95 substituted “section 8101 of the Elementary and Secondary Education Act of 1965” for “section 9101 of the Elementary and Secondary Education Act of 1965”.

2014—Subsec. (c)(1). Pub. L. 113–295 substituted “2013, and 2014” for “and 2013”.

2013—Subsec. (c)(1). Pub. L. 112–240 inserted “, 2012, and 2013” after “for 2011”.

2010—Subsec. (c)(1). Pub. L. 111–312 substituted “2008,” for “2008 and” and inserted “and \$400,000,000 for 2011” after “2010.”

2009—Subsec. (c)(1). Pub. L. 111–5 substituted “and \$1,400,000,000 for 2009 and 2010” for “and 2009”.

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114–113, div. Q, title I, § 164(b), Dec. 18, 2015, 129 Stat. 3067, provided that: “The amendment made by this section [amending this section] shall apply to obligations issued after December 31, 2014.”

Amendment by Pub. L. 114–95 effective Dec. 10, 2015, except with respect to certain noncompetitive programs and competitive programs, see section 5 of Pub. L. 114–95, set out as a note under section 6301 of Title 20, Education.

EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113–295, div. A, title I, § 120(b), Dec. 19, 2014, 128 Stat. 4015, provided that: “The amendment made by this section [amending this section] shall apply to obligations issued after December 31, 2013.”

EFFECTIVE DATE OF 2013 AMENDMENT

Pub. L. 112–240, title III, § 310(b), Jan. 2, 2013, 126 Stat. 2330, provided that: “The amendments made by this section [amending this section] shall apply to obligations issued after December 31, 2011.”

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111–312, title VII, § 758(c), Dec. 17, 2010, 124 Stat. 3323, provided that: “The amendments made by this section [amending this section and section 6431 of this title] shall apply to obligations issued after December 31, 2010.”

EFFECTIVE DATE OF 2009 AMENDMENT

Pub. L. 111–5, div. B, title I, § 1522(b), Feb. 17, 2009, 123 Stat. 358, provided that: “The amendment made by this section [amending this section] shall apply to obligations issued after December 31, 2008.”

EFFECTIVE DATE

Section applicable to obligations issued after Oct. 3, 2008, see section 313(c) of title III of div. C of Pub. L. 110–343, set out as an Effective Date of 2008 Amendment note under section 54A of this title.

§ 54F. Qualified school construction bonds**(a) Qualified school construction bond**

For purposes of this subchapter, the term “qualified school construction bond” means any bond issued as part of an issue if—

(1) 100 percent of the available project proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

(2) the bond is issued by a State or local government within the jurisdiction of which such school is located, and

(3) the issuer designates such bond for purposes of this section.

(b) Limitation on amount of bonds designated

The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) by any issuer shall not exceed the limitation amount allocated under subsection (d) for such calendar year to such issuer.

(c) National limitation on amount of bonds designated

There is a national qualified school construction bond limitation for each calendar year. Such limitation is—

(1) \$11,000,000,000 for 2009,

(2) \$11,000,000,000 for 2010, and

(3) except as provided in subsection (e), zero after 2010.

(d) Allocation of limitation**(1) Allocation among States**

Except as provided in paragraph (2)(C), the limitation applicable under subsection (c) for any calendar year shall be allocated by the Secretary among the States in proportion to the respective amounts each such State is eligible to receive under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the most recent fiscal year ending before such calendar year. The limitation amount allocated to a State under the preceding sentence shall be allocated by the State education agency (or such other agency as is authorized under State law to make such allocation) to issuers within such State.

(2) 40 percent of limitation allocated among largest school districts**(A) In general**

40 percent of the limitation applicable under subsection (c) for any calendar year shall be allocated under subparagraph (B) by the Secretary among local educational agencies which are large local educational agencies for such year.

(B) Allocation formula

The amount to be allocated under subparagraph (A) for any calendar year shall be allocated among large local educational agencies in proportion to the respective amounts each such agency received under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the most recent fiscal year ending before such calendar year.

(C) Reduction in State allocation

The allocation to any State under paragraph (1) shall be reduced by the aggregate amount of the allocations under this paragraph to large local educational agencies within such State.

(D) Allocation of unused limitation to State

The amount allocated under this paragraph to a large local educational agency for any calendar year may be reallocated by such agency to the State in which such agency is located for such calendar year. Any amount reallocated to a State under the preceding sentence may be allocated as provided in paragraph (1).

(E) Large local educational agency

For purposes of this paragraph, the term “large local educational agency” means, with respect to a calendar year, any local educational agency if such agency is—

(i) among the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary, or

(ii) 1 of not more than 25 local educational agencies (other than those described in clause (i)) that the Secretary of Education determines (based on the most recent data available satisfactory to the Secretary) are in particular need of assistance, based on a low level of resources for school construction, a high level of enrollment growth, or such other factors as the Secretary deems appropriate.

(3) Allocations to certain possessions

The amount to be allocated under paragraph (1) to any possession of the United States other than Puerto Rico shall be the amount which would have been allocated if all allocations under paragraph (1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). In making other allocations, the amount to be allocated under paragraph (1) shall be reduced by the aggregate amount allocated under this paragraph to possessions of the United States.

(4) Allocations for Indian schools

In addition to the amounts otherwise allocated under this subsection, \$200,000,000 for calendar year 2009, and \$200,000,000 for calendar year 2010, shall be allocated by the Secretary of the Interior for purposes of the construction, rehabilitation, and repair of schools funded by the Bureau of Indian Affairs. In the case of amounts allocated under the preceding sentence, Indian tribal governments (as defined in section 7701(a)(40)) shall be treated as qualified issuers for purposes of this subchapter.

(e) Carryover of unused limitation

If for any calendar year—

(1) the amount allocated under subsection (d) to any State, exceeds

(2) the amount of bonds issued during such year which are designated under subsection (a) pursuant to such allocation,

the limitation amount under such subsection for such State for the following calendar year shall be increased by the amount of such excess. A similar rule shall apply to the amounts allocated under paragraphs (2) and (4) of subsection (d).

(Added Pub. L. 111-5, div. B, title I, § 1521(a), Feb. 17, 2009, 123 Stat. 355; amended Pub. L. 111-147, title III, § 301(b), Mar. 18, 2010, 124 Stat. 78.)

AMENDMENTS

2010—Subsec. (d)(1). Pub. L. 111-147, § 301(b)(1), substituted “by the State education agency (or such other agency as is authorized under State law to make such allocation)” for “by the State”.

Subsec. (e). Pub. L. 111-147, § 301(b)(2), substituted “paragraphs (2) and (4) of subsection (d)” for “subsection (d)(4)” in concluding provisions.

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-147, title III, § 301(c)(2), Mar. 18, 2010, 124 Stat. 78, provided that: “The amendments made by subsection (b) [amending this section] shall take effect as if included in section 1521 of the American Recovery and Reinvestment Tax Act of 2009 [Pub. L. 111-5].”

EFFECTIVE DATE

Section applicable to obligations issued after Feb. 17, 2009, see section 1521(c) of Pub. L. 111-5, set out as an Effective Date of 2009 Amendment note under section 54A of this title.

SUBPART J—BUILD AMERICA BONDS

Sec.

54AA. Build America bonds.

§ 54AA. Build America bonds**(a) In general**

If a taxpayer holds a build America bond on one or more interest payment dates of the bond during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

(b) Amount of credit

The amount of the credit determined under this subsection with respect to any interest payment date for a build America bond is 35 percent of the amount of interest payable by the issuer with respect to such date.

(c) Limitation based on amount of tax**(1) In general**

The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

(B) the sum of the credits allowable under this part (other than subpart C and this subpart).

(2) Carryover of unused credit

If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be