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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. ______

To strengthen services provided in rural areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. THOMPSON of California introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To strengthen services provided in rural areas, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Revitalize Rural America Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—RURAL AND UNDERSERVED HEALTH CARE

Subtitle A—Telehealth Coverage

PART 1—REMOVING BARRIERS TO TELEHEALTH COVERAGE

SEC. 1001. REMOVING GEOGRAPHIC REQUIREMENTS FOR TELEHEALTH SERVICES.

Section 1834(m)(4)(C) of the Social Security Act (42 U.S.C. 1395m(m)(4)(C)) is amended—

(1) in clause (i), in the matter preceding subclause (I), by striking “clause (iii)” and inserting “clauses (iii) and (iv)”; and

(2) by adding at the end the following new clause:

"(iv) REMOVAL OF GEOGRAPHIC REQUIREMENTS.—The geographic requirements described in clause (i) shall not apply with respect to telehealth services furnished on or after the date of the enactment of the Always Remember Our Rural America Act of 2026.".

SEC. 1002. EXPANDING ORIGINATING SITES.

(a) IN GENERAL.—Section 1834(m)(4)(C)(iii) of the Social Security Act (42 U.S.C. 1395m(m)(4)(C)(iii)) is amended by striking "In the case that" and all that follows through "December 31, 2027," and inserting "Beginning on the date of the enactment of the Always Remember Our Rural America Act of 2026,".

(b) CONFORMING AMENDMENTS.—Section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)) is amended—

(1) in paragraph (2)(B)(iii), by striking "In the case that" and all that follows through "December 31, 2027," and inserting "With respect to telehealth services furnished on or after the date of the enactment of the Always Remember Our Rural America Act of 2026,"; and

(2) in paragraph (4)(C)(ii)(X), by striking ", but only for purposes of section 1881(b)(3)(B) or telehealth services described in paragraph (7)".

SEC. 1003. EXPANDING AUTHORITY FOR PRACTITIONERS ELIGIBLE TO FURNISH TELEHEATH SERVICES.

Section 1834(m)(4)(E) of the Social Security Act (42 U.S.C. 1395m(m)(4)(E)) is amended—

(1) by striking "PRACTITIONER.—The term" and inserting "PRACTITIONER.—

"(i) IN GENERAL.—Subject to clause (ii), the term"; and

(2) by adding at the end the following new clause:

"(ii) EXPANDING PRACTITIONERS ELIGIBLE TO FURNISH TELEHEALTH SERVICES.—

"(I) IN GENERAL.—Notwithstanding any other provision of this subsection, in the case of telehealth services furnished on or after the date of the enactment of the Always Remember Our Rural America Act of 2026, the Secretary may waive any limitation on the types of practitioners who are eligible to furnish telehealth services if the Secretary determines that such waiver is clinically appropriate.

"(II) IMPLEMENTATION.—In implementing a waiver under this clause, the Secretary may establish requirements, as appropriate, for practitioners under such waiver, including with respect to beneficiary and program integrity protections.

"(III) PUBLIC COMMENT.—The Secretary shall establish a process by which stakeholders may (on at least an annual basis) provide public comment on such waiver under this clause.

"(IV) PERIODIC REVIEW.—The Secretary shall periodically, but not more frequently than every 3 years, reassess the waiver under this clause to determine whether such waiver continues to be clinically appropriate. The Secretary shall terminate any waiver that the Secretary determines is no longer clinically appropriate.''.

SEC. 1004. FEDERALLY QUALIFIED HEALTHCARE CENTERS AND RURAL HEALTHCARE CLINICS.

Section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)) is amended—

(1) in paragraph (4)(C)(i), in the matter preceding subclause (I), by striking ''and (7)'' and inserting ''(7), and (8)''; and

(2) in paragraph (8)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking ''During'' and all that follows through ''December 31, 2027'' and inserting the following: ''Beginning on the first day of the emergency period described in section 1135(g)(1)(B)'';

(ii) in clause (ii), by striking ''and'' at the end;

(iii) by redesignating clause (iii) as clause (iv); and

(iv) by inserting after clause (ii) the following new clause:

''(iii) the geographic requirements described in paragraph (4)(C)(i) shall not apply with respect to such a telehealth service; and";

(B) in subparagraph (B)—

(i) in the subparagraph heading, by inserting "DURING INITIAL PERIOD" after "RULE";

(ii) in the first sentence of clause (i) by striking "during the periods for which subparagraph (A) applies" and inserting "during the period beginning on the first day of the emergency period and ending on December 31, 2027"; and

(iii) in clause (ii), by striking "Costs associated" and inserting "During the period for which clause (i) applies, costs associated";

(C) by adding at the end the following new subparagraph:

"(C) PAYMENT AFTER INITIAL PERIOD.—

"(i) IN GENERAL.—A telehealth service furnished by a Federally qualified health center or a rural health clinic to an individual pursuant to this paragraph on or after January 1, 2028, shall be deemed to be so furnished to such individual as an outpatient of such clinic or facility (as applicable) for purposes of paragraph (1) or (3), respectively, of section 1861(aa) and payable as a Federally qualified health center service or rural health clinic service (as applicable) under the prospective payment system established under section 1834(o) or under section 1833(a)(3), respectively.

"(ii) TREATMENT OF COSTS FOR FQHC PPS CALCULATIONS AND RHC AIR CALCULATIONS.—Costs associated with the furnishing of telehealth services by a Federally qualified health center or rural health clinic serving as a distant site pursuant to this paragraph on or after January 1, 2028, shall be considered allowable costs for purposes of the prospective payment system established under section 1834(o) and any payment methodologies developed under section 1833(a)(3), as applicable.".

SEC. 1005. NATIVE AMERICAN HEALTH FACILITIES.

(a) IN GENERAL.—Section 1834(m)(4)(C) of the Social Security Act (42 U.S.C. 1395m(m)(4)(C)), as amended by section 101, is amended—

(1) in clause (i), by striking "and (iv)" and inserting ", (iv), and (v)"; and

(2) by adding at the end the following new clause:

"(v) NATIVE AMERICAN HEALTH FACILITIES.—With respect to telehealth services furnished on or after January 1, 2027, the originating site requirements described in clauses (i) and (ii) shall not apply with respect to a facility of the Indian Health Service, whether operated by such Service, or by an Indian tribe (as that term is defined in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603)) or a Tribal organization (as that term is defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)), or a facility of the Native Hawaiian health care systems authorized under the Native Hawaiian Health Care Improvement Act (42 U.S.C. 11701 et seq.).".

(b) NO ORIGINATING SITE FACILITY FEE FOR CERTAIN NATIVE AMERICAN FACILITIES.—Section 1834(m)(2)(B)(i) of the Social Security Act (42 U.S.C. 1395m(m)(2)(B)(i)) is amended, in the matter preceding subclause (I), by inserting "(other than an originating site that is only described in clause (v) of paragraph (4)(C), and does not meet the requirement for an originating site under clauses (i) and (ii) of such paragraph)'' after ''the originating site''.

SEC. 1006. REPEAL OF SIX-MONTH IN-PERSON VISIT REQUIREMENT FOR TELEMENTAL HEALTH SERVICES.

(a) IN GENERAL.—Section 1834(m)(7) of the Social Security Act (42 U.S.C. 1395m(m)(7)(B)) is amended—

(1) in subparagraph (A), by striking '', subject to subparagraph (B),'';

(2) by striking ''(A) IN GENERAL.—The geographic'';

(3) by striking subparagraph (B).

(b) RURAL HEALTH CLINICS.—Section 1834(y)(2) of the Social Security Act (42 U.S.C. 1395m(y)(2)) is amended by striking ''prior to January 1, 2028''.

(c) FEDERALLY QUALIFIED HEALTH CENTERS.—Section 1834(o)(4)(B) of the Social Security Act (42 U.S.C. 1395m(o)(4)(B)) is amended by striking ''prior to January 1, 2028''.

SEC. 1007. WAIVER OF TELEHEALTH REQUIREMENTS DURING PUBLIC HEALTH EMERGENCIES.

Section 1135(g)(1) of the Social Security Act (42 U.S.C. 1320b–5(g)(1)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i), by striking "subparagraph (B)" and inserting "subparagraphs (B) and (C)"; and

(2) by adding at the end the following new subparagraph:

"(C) EXCEPTION FOR WAIVER OF TELEHEALTH REQUIREMENTS DURING PUBLIC HEALTH EMERGENCIES.—For purposes of subsection (b)(8), in addition to the emergency period described in subparagraph (B), an 'emergency area' is a geographical area in which, and an 'emergency period' is the period during which, there exists a public health emergency declared by the Secretary pursuant to section 319 of the Public Health Service Act on or after the date of enactment of this subparagraph.".

SEC. 1008. USE OF TELEHEALTH IN RECERTIFICATION FOR HOSPICE CARE.

(a) IN GENERAL.—Section 1814(a)(7)(D)(i)(II) of the Social Security Act (42 U.S.C. 1395f(a)(7)(D)(i)(II)) is amended by striking "during the emergency period" and all that follows through "December 31, 2027" and inserting the following: "during and after the emergency period described in section 1135(g)(1)(B)".

(b) GAO REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report evaluating the impact of section 1814(a)(7)(D)(i)(II) of the Social Security Act (42 U.S.C. 1395f(a)(7)(D)(i)(II)), as amended by subsection (a), on—

(1) the number and percentage of beneficiaries recertified for the Medicare hospice benefit at 180 days and for subsequent benefit periods, to the extent such data is available;

(2) Federal oversight of the appropriateness for hospice care of the patients recertified through the use of telehealth; and

(3) any other factors determined appropriate by the Comptroller General.

PART 2—PROGRAM INTEGRITY

SEC. 1101. CLARIFICATION FOR FRAUD AND ABUSE LAWS REGARDING TECHNOLOGIES PROVIDED TO BENEFICIARIES.

Section 1128A(i)(6) of the Social Security Act (42 U.S.C. 1320a–7a(i)(6)) is amended—

(1) in subparagraph (I), by striking "; or" and inserting a semicolon;

(2) in subparagraph (J), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(K) the provision of technologies (as defined by the Secretary) on or after the date of the enactment of this subparagraph, by a provider of services or supplier (as such terms are defined for purposes of title XVIII) directly to an individual who is entitled to benefits under part A of title XVIII, enrolled under part B of such title, or both, for the purpose of furnishing telehealth services, remote patient monitoring services, or other services furnished through the use of technology (as defined by the Secretary), if—

"(i) the technologies are not offered as part of any advertisement or solicitation; and

"(ii) the provision of the technologies meets any other requirements set forth in regulations promulgated by the Secretary.".

SEC. 1102. ADDITIONAL RESOURCES FOR TELEHEALTH OVERSIGHT.

In addition to amounts otherwise available, there are authorized to be appropriated to the Inspector General of the Department of Health and Human Services for each of fiscal years 2026 through 2030, out of any money in the Treasury not otherwise appropriated, $3,000,000, to remain available until expended, for purposes of conducting audits, investigations, and other oversight and enforcement activities with respect to telehealth services, remote patient monitoring services, or other services furnished through the use of technology (as defined by the Secretary).

SEC. 1103. ADDRESSING SIGNIFICANT OULIER BILLING PATTERNS FOR TELEHEALTH SERVICES.

(a) IDENTIFICATION AND NOTIFICATION OF OUTLIER BILLERS OF TELEHEALTH.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall, using standard unique health identifiers (described in section 1173(b) of the Social Security Act (42 U.S.C. 1320d–2) reported on claims for telehealth services furnished to individuals under section 1834(m) of such Act (42 U.S.C. 1395m(m)), identify physicians and practitioners that demonstrate significant outlier billing patterns (such as coding of telehealth services for inappropriate length of time and inaccurate complexity and inappropriate or duplicate billing) for telehealth services or items or services ordered or prescribed

concurrent to a telehealth service over a period of time specified by the Secretary.

(2) ESTABLISHMENT OF THRESHOLDS.—For purposes of this subsection, the Secretary shall establish thresholds for outlier billing patterns to identify whether a physician or practitioner is a significant outlier biller for telehealth services or items or services ordered or prescribed concurrent to a telehealth service as compared to other physicians or practitioners within the same specialty and geographic area.

(b) NOTIFICATION.—

(1) IN GENERAL.—The Secretary shall notify physicians and practitioners identified as a significant outlier biller for telehealth services or items or services ordered or prescribed concurrent to a telehealth service under subsection (a). Each notification under the preceding sentence shall include the following:

(A) Information on how the physician or practitioner compares to physicians or practitioners within the same specialty and geographic area with respect to billing for telehealth services or items or services ordered or prescribed concurrent to a telehealth service under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(B) Information on telehealth billing guidelines under the Medicare program.

(C) Other information determined appropriate by the Secretary.

(2) CLARIFICATION.—Nothing in this subsection or subsection (a) shall be construed as directing the Centers for Medicare & Medicaid Services to pursue further audits of providers of services and suppliers outside of those permitted or required under titles XI or XVIII of the Social Security Act, or otherwise under applicable Federal law.

(c) PUBLIC AVAILABILITY OF INFORMATION.—The Secretary shall make aggregate information on outlier billing patterns identified under subsection (a) available on the internet website of the Centers for Medicare & Medicaid Services. Such information shall be in a form and manner determined appropriate by the Secretary and shall not identify any specific physician or practitioner.

(d) OTHER ACTIVITIES.—Nothing in this section shall preclude the Secretary from conducting activities that provide physicians and practitioners with information as to how they compare to other physicians and practitioners that are in addition to the activities under this section.

(e) TELEHEALTH RESOURCE CENTERS EDUCATION ACTIVITIES.—Section 330I(j)(2) of the Public Health Service Act (42 U.S.C. 254c–14(j)(2)) is amended—

(1) in subparagraph (F), by striking ‘‘and’’ at the end;

(2) in subparagraph (G), by striking the period at the end and inserting ‘‘; and’’; and

(3) by adding at the end the following new subparagraph:

‘‘(H) providing technical assistance and education to physicians and practitioners that the Secretary identifies pursuant to section 1103(a) of the Always Remember Our Rural America Act of 2026 as having significant levels of outlier billing patterns with respect to telehealth services or items or services ordered or prescribed concurrent to a telehealth service under the Medicare program under title XVIII of the Social Security Act, including—

‘‘(i) education on practices to ensure coding of telehealth services for appropriate length of time and accurate complexity;

"(ii) education on prevention of inappropriate or duplicate billing;

"(iii) information provided in the annual physician fee schedule rulemaking regarding—

"(I) services specified in paragraph (4)(F)(i) of section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)) for authorized payment under paragraph (1) of such section; and

"(II) the process used to update such services under paragraph (4)(F)(ii) of such section 1834(m); and

"(iv) referral to the appropriate medicare administrative contractor for specific questions that fall outside of the scope of broad best practices.".

(f) DEFINITIONS.—In this section:

(1) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(2) TELEHEALTH SERVICE.—The term "telehealth service" has the meaning given that term in

section 1834(m)(4)(F) of the Social Security Act (42 U.S.C. 1395m(m)(4)(F)).

(3) PHYSICIAN; PRACTITIONER.—The terms "physician" and "practitioner" have the meaning given those terms for purposes of section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)).

PART 3—BENEFICIARY AND PROVIDER SUPPORTS, QUALITY

SEC. 1203. BENEFICIARY ENGAGEMENT ON TELEHEALTH.

(a) RESOURCES, GUIDANCE, AND TRAINING SESSIONS.—Section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)) is amended by adding at the end the following new paragraph:

"(10) RESOURCES, GUIDANCE, AND TRAINING SESSIONS.—

"(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this paragraph, the Secretary, in consultation with stakeholders, shall issue resources, guidance, and training sessions for beneficiaries, physicians, practitioners, and health information technology software vendors on best practices for ensuring telehealth services are accessible for—

"(i) individuals with limited English proficiency, including instructions on how to—

"(I) access telehealth platforms;

"(II) utilize interpreter services; and

"(III) integrate telehealth and virtual interpreter services; and

"(ii) individuals with disabilities, including instructions on accessibility of the telecommunications system being used for telehealth services, engagement with beneficiaries with disabilities prior to, during, and after the furnishing of the telehealth service, and training on captioning and transcripts.

"(B) ACCOUNTING FOR AGE AND OTHER DIFFERENCES.—Resources, guidance, and training sessions issued under this paragraph shall account for age and sociodemographic, geographic, literacy, cultural, cognitive, and linguistic differences in how individuals interact with technology.".

(b) STUDY AND REPORT ON TACTICS TO IMPROVE BENEFICIARY ENGAGEMENT ON TELEHEALTH.—

(1) STUDY.—The Secretary of Health and Human Services shall, to the maximum extent feasible, collect and analyze qualitative and quantitative data on strategies that clinicians, payers, and other health care organizations use to improve beneficiary engagement on telehealth services (as defined in section 1834(m)(4)(F) of the Social Security Act (42 U.S.C. 1395m(m)(4)(F))), with an emphasis on underserved communities, such as the use of digital navigators, providing patients with pre-visit information on telehealth, caregiver engagement, and training on telecommunications systems, and the investments necessary for health care professionals to effectively furnish telehealth services, including the costs of necessary technology and of training staff.

(2) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Secretary shall submit to Congress and make available on the internet website of the Secretary of Health and Human Services a report containing the results of the study under paragraph (1), together with recommendations for such legislation and administrative action as the Secretary determines appropriate.

(c) FUNDING.—There are authorized to be appropriated such sums as necessary to carry out the provisions of, including the amendments made by, this section.

SEC. 1202. PROVIDER SUPPORTS ON TELEHEALTH.

(a) EDUCATIONAL RESOURCES AND TRAINING SESSIONS.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall develop and make available to health care professionals educational resources and training sessions on requirements relating to the furnishing of telehealth services under section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)) and topics including—

(1) requirements for payment for telehealth services;

(2) telehealth-specific health care privacy and security training;

(3) utilizing telehealth services to engage and support underserved, high-risk, and vulnerable patient populations; and

(4) other topics as determined appropriate by the Secretary.

(b) FUNDING.—There are authorized to be appropriated such sums as necessary to carry out this section.

SEC. 1203. ENSURING THE INCLUSION OF TELEHEALTH IN MEASURING QUALITY OF CARE.

Section 1890A of the Social Security Act (42 U.S.C. 1395aaa–1) is amended by adding at the end the following new subsection:

"(h) MEASURING QUALITY OF TELEHEALTH SERVICES.—

"(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this subsection, the Secretary shall review quality measures to ensure inclusion of measures relating to telehealth services, including care, prevention, diagnosis, patient experience, health outcomes, and treatment.

"(2) CONSULTATION.—In conducting the review and assessment under paragraph (1), the Secretary shall consult external technical experts in quality measurement, including patient organizations, providers, and experts in telehealth.

"(3) REVIEW AND ASSESSMENT.—The review and assessment under this subsection shall—

"(A) include review of existing and under development quality measures to identify measures that are currently inclusive of, and measures that fail to account for, telehealth services;

"(B) identify gaps in areas of quality measurement that relate to telehealth services, including health outcomes and patient experience of care; and

"(C) assess how to effectively streamline, implement, and assign accountability for health outcomes for quality measures for telehealth services across health care settings and providers.

"(4) TECHNICAL GUIDANCE.—The Secretary shall issue technical guidance on the following for health care providers and other stakeholders, as determined appropriate by the Secretary:

"(A) How to stratify measures by care modality and population to identify differences in health outcomes.

"(B) The use of uniform data elements.

"(C) How to identify and catalogue best practices related to the use of quality measurement and quality improvement for telehealth services.

"(D) Other areas determined appropriate by the Secretary.

"(5) REPORT.—Not later than 2 years after the date of the enactment of this subsection, the Secretary shall submit to Congress and post on the internet website of the Centers for Medicare & Medicaid Services a report on the review and assessment conducted under this subsection.''.

SEC. 1204. POSTING INFORMATION ON TELEHEALTH SERVICES.

Not later than 180 days after the date of the enactment of this Act, and quarterly thereafter, the Secretary of Health and Human Services shall post on the internet website of the Centers for Medicare & Medicaid Services information on—

(1) the furnishing of telehealth services under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), described by patient population, type of service, geography, place of service, and provider type;

(2) the impact of telehealth services on expenditures and utilization under the Medicare program for the most recent 4 quarters for which Medicare claims data is available; and

(3) other outcomes related to the furnishing of telehealth services under the Medicare program, as determined appropriate by the Secretary.

Subtitle B—Promoting Access to Physicians

SEC. 1301. CONRAD STATE 30 PROGRAM.

(a) EXTENSION.—Section 220(c) of the Immigration and Nationality Technical Corrections Act of 1994 (Public Law 103–416; 8 U.S.C. 1182 note) is amended by striking "September 30, 2015" and inserting "on the date that is 3 years after the date of the enactment of the Always Remember Our Rural America Act of 2026".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if enacted on September 30, 2026.

SEC. 1302. RETAINING PHYSICIANS WHO HAVE PRACTICED IN MEDICALLY UNDERSERVED COMMUNITIES.

Section 201(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(1)) is amended by adding at the end the following:

"(F)(i) Alien physicians who have completed service requirements of a waiver requested under section 203(b)(2)(B)(ii), including—

"(I) alien physicians who completed such service before the date of the enactment of the Always Remember Our Rural America Act of 2026; and

"(II) the spouse or children of an alien physician described in subclause (I).

"(ii) Nothing in this subparagraph may be construed—

"(I) to prevent the filing of a petition with the Secretary of Homeland Security for classification under section 204(a) or the filing of an application for adjustment of status under section 245 by an alien physician described in this subparagraph before the date by which such alien physician has completed the service described in section 214(l) or worked full-time as a physician for an aggregate of 5 years at the location identified in the section 214(l) waiver or in an area or areas designated by the Secretary of Health and Human Services as having a shortage of health care professionals; or

"(II) to permit the Secretary of Homeland Security to grant a petition or application described in subclause (I) until the alien has satisfied all of the requirements of the waiver received under section 214(l).''.

SEC. 1303. EMPLOYMENT PROTECTIONS FOR PHYSICIANS.

(a) EXCEPTIONS TO 2-YEAR FOREIGN RESIDENCY REQUIREMENT.—Section 214(l)(1) of the Immigration and Nationality Act (8 U.S.C. 1184(l)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''Attorney General'' and inserting ''Secretary of Homeland Security'';

(2) in subparagraph (A), by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State'';

(3) in subparagraph (B), by inserting '', except as provided in paragraphs (7) and (8)'' before the semicolon at the end;

(4) in subparagraph (C), by striking clauses (i) and (ii) and inserting the following:

''(i) the alien demonstrates a bona fide offer of full-time employment at a health facility or health care organization, which employment has been determined by the Secretary of Homeland Security to be in the public interest; and

''(ii) the alien—

"(I) has accepted employment with the health facility or health care organization in a geographic area or areas which are designated by the Secretary of Health and Human Services as having a shortage of health care professionals;

"(II) begins employment by the later of the date that is—

"(aa) 120 days after receiving such waiver;

"(bb) 120 days after completing graduate medical education or training under a program approved pursuant to section 212(j)(1); or

"(cc) 120 days after receiving nonimmigrant status or employment authorization, if the alien or the alien's employer petitions for such nonimmigrant status or employment authorization not later than 120 days after the date on which the alien completes his or her graduate medical education or training under a program approved pursuant to section 212(j)(1); and

"(III) agrees to continue to work for a total of not less than 3 years in the status authorized for such employment under this subsection, except as provided in paragraph (8)."; and

(5) in subparagraph (D), in the matter preceding clause (i), by inserting "(except as provided in paragraph (8))" after "3 years".

(b) ALLOWABLE VISA STATUS FOR PHYSICIANS FULFILLING WAIVER REQUIREMENTS IN MEDICALLY UNDERSERVED AREAS.—Section 214(l)(2)(A) of such Act (8 U.S.C. 1184(l)(2)(A)) is amended to read as follows:

"(A) Upon the request of an interested Federal agency or an interested State agency for recommendation of a waiver under this section by a physician who is maintaining valid nonimmigrant status under section 101(a)(15)(J) and a favorable recommendation by the Secretary of State, the Secretary of Homeland Security may change the status of such physician to any status authorized for employment under this Act. The numerical limitations contained in subsection (g)(1)(A) shall not apply to any alien whose status is changed under this subparagraph.''.

(c) VIOLATION OF AGREEMENTS.—Section 214(l)(3)(A) of such Act (8 U.S.C. 1184(l)(3)(A)) is amended by inserting ''substantial requirement of an'' before ''agreement entered into''.

(d) PHYSICIAN EMPLOYMENT IN UNDERSERVED AREAS.—Section 214(l) of such Act, as amended by this section, is further amended by adding at the end the following:

''(4)(A) If an interested State agency denies an application for a waiver under paragraph (1)(B) from a physician pursuing graduate medical education or training pursuant to section 101(a)(15)(J) because the State has requested the maximum number of waivers permitted for that fiscal year, the physician's nonimmigrant status shall be extended for up to 6 months if the physician agrees to seek a waiver under this subsection (except for paragraph (1)(D)(ii)) to work for an employer described in paragraph (1)(C) in a State that has not yet requested the maximum number of waivers.

''(B) Such physician shall be authorized to work only for the employer referred to in subparagraph (A) during the period beginning on the date on which a new waiver application is filed with such State and ending on the earlier of—

"(i) the date on which the Secretary of Homeland Security denies such waiver; or

"(ii) the date on which the Secretary approves an application for change of status under paragraph (2)(A) pursuant to the approval of such waiver.".

(e) CONTRACT REQUIREMENTS.—Section 214(l) of such Act, as amended by this section, is further amended by adding at the end the following:

"(5) An alien granted a waiver under paragraph (1)(C) shall enter into an employment agreement with the contracting health facility or health care organization that—

"(A) specifies the maximum number of on-call hours per week (which may be a monthly average) that the alien will be expected to be available and the compensation the alien will receive for on-call time;

"(B) specifies—

"(i) whether the contracting facility or organization—

"(I) has secured medical malpractice liability protection for the alien under section 224(g) of the Public Health Service Act (42 U.S.C. 233(g)); or

"(II) will pay the alien's malpractice insurance premiums;

"(ii) whether the employer will provide malpractice insurance for the alien; and

"(iii) the amount of such liability protection that will be provided;

"(C) describes all of the work locations that the alien will work and includes a statement that the contracting facility or organization will not add additional work locations without the approval of the Federal agency or State agency that requested the waiver; and

"(D) does not include a non-compete provision.

"(6) An alien granted a waiver under this subsection whose employment relationship with a health facility or health care organization terminates under paragraph (1)(C)(ii) during the 3-year service period required under paragraph (1) shall be considered to be maintaining lawful status in an authorized period of stay during the 120-day period referred to in items (aa) and (bb) of subclause (III) of paragraph (1)(C)(ii) or the 45-day period referred to in subclause (III)(cc) of such paragraph.''.

(f) RECAPTURING WAIVER SLOTS LOST TO OTHER STATES.—Section 214(l) of such Act, as amended by this section, is further amended by adding at the end the following:

"(7) If a recipient of a waiver under this subsection terminates the recipient's employment with a health facility or health care organization pursuant to paragraph (1)(C)(ii), including termination of employment because of circumstances described in paragraph (1)(C)(ii)(III), and accepts new employment with such a facility or organization in a different State, the State from which the alien is departing may be accorded an additional waiver by the Secretary of State for use in the fiscal year in which the alien's employment was terminated.''.

(g) EXCEPTION TO 3-YEAR WORK REQUIREMENT.—Section 214(l) of such Act, as amended by this section, is further amended by adding at the end the following:

"(8) The 3-year work requirement set forth in subparagraphs (C) and (D) of paragraph (1) shall not apply if—

''(A)(i) the Secretary of Homeland Security determines that extenuating circumstances, including violations by the employer of the employment agreement with the alien or of labor and employment laws, exist that justify a lesser period of employment at such facility or organization; and

''(ii) the alien demonstrates, not later than 120 days after the employment termination date (unless the Secretary determines that extenuating circumstances would justify an extension), another bona fide offer of employment at a health facility or health care organization in a geographic area or areas which are designated by the Secretary of Health and Human Services as having a shortage of health care professionals, for the remainder of such 3-year period;

''(B)(i) the interested State agency that requested the waiver attests that extenuating circumstances, including violations by the employer of the employment agreement with the alien or of labor and employment laws, exist that justify a lesser period of employment at such facility or organization; and "(ii) the alien demonstrates, not later than 120 days after the employment termination date (unless the Secretary determines that extenuating circumstances would justify an extension), another bona fide offer of employment at a health facility or health care organization in a geographic area or areas which are designated by the Secretary of Health and Human Services as having a shortage of health care professionals, for the remainder of such 3-year period; or

"(C) the alien—

"(i) elects not to pursue a determination of extenuating circumstances pursuant to subclause (A) or (B);

"(ii) terminates the alien's employment relationship with the health facility or health care organization at which the alien was employed;

"(iii) demonstrates, not later than 45 days after the employment termination date, another bona fide offer of employment at a health facility or health care organization in a geographic area or areas, in the State that requested the alien's waiver, which are designated by the Secretary of Health and Human Services as having a shortage of health care professionals; and

"(iv) agrees to be employed for the remainder of such 3-year period, and 1 additional year for each termination under clause (ii).".

SEC. 1304. ALLOTMENT OF CONRAD 30 WAIVERS.

(a) IN GENERAL.—Section 214(l) of the Immigration and Nationality Act (8 U.S.C. 1184(l)), as amended by section 4, is further amended by adding at the end the following:

"(9)(A)(i) All States shall be allotted a total of 35 waivers under paragraph (1)(B) for a fiscal year if 90 percent of the waivers available to the States receiving at least 5 waivers were used in the previous fiscal year.

"(ii) When an allotment occurs under clause (i), all States shall be allotted an additional 5 waivers under paragraph (1)(B) for each subsequent fiscal year if 90 percent of the waivers available to the States receiving at least 5 waivers were used in the previous fiscal year. If the States are allotted 45 or more waivers for a fiscal year, the States will only receive an additional increase of 5 waivers the following fiscal year if 95 percent of the waivers available to the States receiving at least 1 waiver were used in the previous fiscal year.

"(B) Any increase in allotments under subparagraph (A) shall be maintained indefinitely, unless in a fiscal year, the total number of such waivers granted is 5 percent lower than in the last year in which there was an increase in the number of waivers allotted pursuant to this paragraph, in which case—

"(i) the number of waivers allotted shall be decreased by 5 for all States beginning in the next fiscal year; and

"(ii) each additional 5 percent decrease in such waivers granted from the last year in which there was an increase in the allotment, shall result in an additional decrease of 5 waivers allotted for all States, provided that the number of waivers allotted for all States shall not drop below 30.".

(b) ACADEMIC MEDICAL CENTERS.—Section 214(l)(1)(D) of such Act (8 U.S.C. 1184(l)(1)(D)), as amended by section 4(a)(5), is further amended—

(1) in clause (ii), by striking "and" at the end;

(2) in clause (iii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(iv) in the case of a request by an interested State agency—

''(I) the head of such agency determines that the alien is to practice medicine in, or be on the faculty of a residency program at, an academic medical center (as that term is defined in section 411.355(e)(2) of title 42, Code of Federal Regulations, or similar successor regulation), without regard to whether such facility is located within an area designated by the Secretary of Health and Human Services as having a shortage of health care professionals; and

''(II) the head of such agency determines that—

''(aa) the alien physician's work is in the public interest; and

''(bb) the grant of such waiver would not cause the number of the waivers granted on behalf of aliens for such State for a fiscal year (within the limitation in subparagraph (B) and subject to paragraph (6)) in accordance with the conditions of this clause to exceed 3.''.

SEC. 1305. AMENDMENTS TO THE PROCEDURES, DEFINITIONS, AND OTHER PROVISIONS RELATED TO PHYSICIAN IMMIGRATION.

(a) DUAL INTENT FOR PHYSICIANS SEEKING GRADUATE MEDICAL TRAINING.—Section 214(b) of the Immigration and Nationality Act (8 U.S.C. 1184(b)) is amended by striking ''(other than a nonimmigrant described in subparagraph (L) or (V) of section 101(a)(15), and other than a nonimmigrant described in any provision of section 101(a)(15)(H)(i) except subclause (b1) of such section)'' and inserting ''(other than a nonimmigrant described in subparagraph (L) or (V) of section 101(a)(15), a nonimmigrant described in any provision of section 101(a)(15)(H)(i) (except subclause (b1) of such section), and an alien coming to the United States to receive graduate medical education or training described in section 212(j) or to take examinations required to receive graduate medical education or training described in section 212(j))''.

(b) PHYSICIAN NATIONAL INTEREST WAIVER CLARIFICATIONS.—

(1) PRACTICE AND GEOGRAPHIC AREA.—Section 203(b)(2)(B)(ii)(I) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(2)(B)(ii)(I)) is amended by striking items (aa) and (bb) and inserting the following:

''(aa) the alien physician agrees to work on a full-time basis practicing primary care, specialty medicine, or a combination thereof, in an area or areas designated by the Secretary of Health and Human Services as having a shortage of health care professionals, or at a health care facility under the jurisdiction of the Secretary of Veterans Affairs; or

''(bb) the alien physician is pursuing such waiver based upon service at a facility or facilities that serve patients who reside in a geographic area or areas designated by the Secretary of Health and Human Services as having a shortage of health care professionals (without regard to whether such facility or facilities are located within such an area) and a Federal agency, or a local, county, regional, or State department of public health determines the alien physician's work was or will be in the public interest.''.

(2) FIVE-YEAR SERVICE REQUIREMENT.—Section 203(b)(2)(B)(ii) of the Immigration and Nationality Act (8 U.S.C. 1153(B)(ii)) is amended—

(A) by moving subclauses (II), (III), and (IV) 4 ems to the left; and

(B) in subclause (II)—

(i) by inserting ''(aa)'' after ''(II)''; and

(ii) by adding at the end the following:

''(bb) The 5-year service requirement under item (aa) shall begin on the date on which the alien physician begins work in the shortage area in any legal status and not on the date on which an immigrant visa petition is filed or approved. Such service shall be aggregated without regard to when such service began and without regard to whether such service began during or in conjunction with a course of graduate medical education.

"(cc) An alien physician shall not be required to submit an employment contract with a term exceeding the balance of the 5-year commitment yet to be served or an employment contract dated within a minimum time period before filing a visa petition under this subsection.

"(dd) An alien physician shall not be required to file additional immigrant visa petitions upon a change of work location from the location approved in the original national interest immigrant petition.".

(c) TECHNICAL CLARIFICATION REGARDING ADVANCED DEGREE FOR PHYSICIANS.—Section 203(b)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(2)(A)) is amended by adding at the end the following: "An alien physician holding a foreign medical degree that has been deemed sufficient for acceptance by an accredited United States medical residency or fellowship program is a member of the professions holding an advanced degree or its equivalent.''.

(d) SHORT-TERM WORK AUTHORIZATION FOR PHYSICIANS COMPLETING THEIR RESIDENCIES.—

(1) IN GENERAL.—A physician completing graduate medical education or training described in section 212(j) of the Immigration and Nationality Act (8 U.S.C. 1182(j)) as a nonimmigrant described in section 101(a)(15)(H)(i) of such Act (8 U.S.C. 1101(a)(15)(H)(i))—

(A) shall have such nonimmigrant status automatically extended until October 1 of the fiscal year for which a petition for a continuation of such nonimmigrant status has been submitted in a timely manner and the employment start date for the beneficiary of such petition is October 1 of that fiscal year; and

(B) shall be authorized to be employed incident to status during the period between the filing of such petition and October 1 of such fiscal year.

(2) TERMINATION.—The physician's status and employment authorization shall terminate on the date that is 30 days after the date on which a peti-

tion described in paragraph (1)(A) is rejected, denied or revoked.

(3) AUTOMATIC EXTENSION.—A physician's status and employment authorization will automatically extend to October 1 of the next fiscal year if all of the visas described in section 101(a)(15)(H)(i) of such Act that were authorized to be issued for the fiscal year have been issued.

(e) APPLICABILITY OF SECTION 212(E) TO SPOUSES AND CHILDREN OF J–1 EXCHANGE VISITORS.—A spouse or child of an exchange visitor described in section 101(a)(15)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(J)) shall not be subject to the requirements under section 212(e) of such Act (8 U.S.C. 1182(e)).

SEC. 1306. ANNUAL CONRAD STATE 30 J–1 VISA WAIVER PROGRAM STATISTICAL REPORT.

The Director of U.S. Citizenship and Immigration Services shall submit an annual report to Congress and to the Department of Health and Human Services that identifies the number of aliens admitted during the most recently concluded fiscal year as a result of the Conrad State 30 J–1 Visa Waiver Program established under sections 212(e) and 214(l) of the Immigration and Nationality Act (8 U.S.C. 1182(e) and 1184(l)), disaggregated by State.

Subtitle C—Rural Hospital Retention

SEC. 1401. EMPLOYEE RETENTION CREDIT FOR CERTAIN RURAL HOSPITAL EMPLOYERS.

(a) IN GENERAL.—Subchapter D of chapter 21 of subtitle C of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 3135. EMPLOYEE RETENTION CREDIT FOR CERTAIN RURAL HOSPITAL EMPLOYERS.

"(a) IN GENERAL.—In the case of an eligible employer, there shall be allowed as a credit against applicable employment taxes for each calendar quarter an amount equal to 100 percent of the qualified wages with respect to each qualified employee of such employer for such calendar quarter.

"(b) LIMITATIONS AND REFUNDABILITY.—

"(1) WAGES TAKEN INTO ACCOUNT.—The amount of qualified wages which may be taken into account under subsection (a) with respect to any qualified employee shall not exceed, in the aggregate with respect to all calendar quarters in the taxable year, $15,000.

"(2) CREDIT LIMITED TO EMPLOYMENT TAXES.—The credit allowed by subsection (a) with respect to any calendar quarter shall not exceed the applicable employment taxes (reduced by any credits allowed under subsections (e) and (f) of section 3111) on the wages paid with respect to the employment of all the qualified employees of the eligible employer for such calendar quarter.

"(3) REFUNDABILITY OF EXCESS CREDIT.—If the amount of the credit under subsection (a) exceeds the limitation of paragraph (2) for any calendar quarter, such excess shall be treated as an overpayment that shall be refunded under sections 6402(a) and 6413(b).

"(c) DEFINITIONS.—For purposes of this section—

"(1) APPLICABLE EMPLOYMENT TAXES.—The term 'applicable employment taxes' means the following:

"(A) The taxes imposed under section 3111(a).

"(B) So much of the taxes imposed under section 3221(a) as are attributable to the rate in effect under section 3111(a).

"(2) ELIGIBLE EMPLOYER.—

"(A) IN GENERAL.—The term 'eligible employer' means any hospital in a rural area which, with respect to a calendar year, employed an average of at least 100 full-time employees (within the meaning of section 4980H) during the preceding calendar year.

"(B) RURAL AREA.—The term 'rural area' has the meaning given such term in section 7001 of the Always Remember Our Rural America Act of 2026.

"(3) QUALIFIED EMPLOYEE.—

"(A) IN GENERAL.—The term 'qualified employee' means any individual who performs any services described in subparagraph (B) on a full-time basis for the eligible employer and to whom the employer is required to furnish a statement under section 6051. Such term shall not include any executive officer of the employer, any centralized corporate personnel of the employer, any independent contractor, or any temporary staffing agency worker.

"(B) SERVICES DESCRIBED.—Services described in this subparagraph are the following:

"(i) Health care services.

"(ii) Health care support services.

"(iii) Essential operations services.

"(4) QUALIFIED WAGES.—The term 'qualified wages' means wages paid by the eligible employer with respect to a qualified employee.

"(5) WAGES.—

"(A) IN GENERAL.—The term 'wages' means wages (as defined in section 3121(a)) and compensation (as defined in section 3231(e)).

"(B) ALLOWANCE FOR CERTAIN HEALTH PLAN EXPENSES.—

"(i) IN GENERAL.—Such term shall include amounts paid by the eligible employer to provide and maintain a group health plan (as defined in section 5000(b)(1)), but only to the extent that such amounts are excluded from the gross income of employees by reason of section 106(a).

"(ii) ALLOCATION RULES.—For purposes of this section, amounts treated as wages under clause (i) shall be treated as paid with respect to any qualified employee (and with respect to any period) to the extent that such amounts are properly allocable to such employee (and to such period) in such manner as the Secretary may prescribe. Except as otherwise provided by the Secretary, such allocation shall be treated as properly made if made on the basis of being pro rata among periods of coverage.

"(6) OTHER TERMS.—Any term used in this section which is also used in this chapter or chapter 22 shall have the same meaning as when used in such chapter.

"(d) AGGREGATION RULE.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (m) or (o) of section 414, shall be treated as one employer for purposes of this section.

"(e) CERTAIN RULES TO APPLY.—For purposes of this section, rules similar to the rules of sections 51(i)(1) and 280C(a) shall apply.

"(f) CERTAIN GOVERNMENTAL EMPLOYERS.—This credit shall not apply to the Government of the United States, the government of any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing.

"(g) ELECTION NOT TO HAVE SECTION APPLY.—This section shall not apply with respect to any eligible employer for any calendar quarter if such employer elects (at such time and in such manner as the Secretary may prescribe) not to have this section apply.

"(h) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.—A qualified employee shall not be included for purposes of this section for any period with respect to any eligible employer if such employer is allowed a credit under section 51 with respect to such employee for such period.

"(i) DENIAL OF DOUBLE BENEFIT.—Any wages taken into account in determining the credit allowed under this section shall not be taken into account for purposes of determining the credit allowed under section 45S.

"(j) THIRD-PARTY PAYORS.—Any credit allowed under this section shall be treated as a credit described in section 3511(d)(2).

"(k) TREATMENT OF DEPOSITS.—The Secretary shall waive any penalty under section 6656 for any failure to make a deposit of any applicable employment taxes if the Secretary determines that such failure was due to the reasonable anticipation of the credit allowed under this section.

"(l) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section, including regulations or other guidance—

"(1) to allow the advance payment of the credit under subsection (a), subject to the limitations provided in this section, based on such information as the Secretary shall require, and

"(2) to provide for the reconciliation of such advance payment with the amount of the credit at the time of filing the return of tax for the applicable quarter or taxable year.

"(m) APPLICATION.—This section shall only apply to wages paid after December 31, 2026, and before December 31, 2035.".

(b) REFUNDS.—Section 1324(b)(2) of title 31, United States Code, is amended by inserting "3135," before "6428,".

(c) CLERICAL AMENDMENT.—The table of sections for subchapter D of chapter 21 of subtitle C of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 3135. Employee retention credit for certain rural hospital employers.".

(d) TRANSFERS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.—There are hereby appropriated to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social

Security Act (42 U.S.C. 401) and the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n–1(a)) amounts equal to the reduction in revenues to the Treasury by reason of section 3135 of the Internal Revenue Code of 1986 (as added by this section), without regard to this subsection. Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund or Account had this section not been enacted.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning after December 31, 2026.

Subtitle D—Study

SEC. 1501. STUDY.

The Comptroller General of the United States shall conduct a study on Federal and State regulatory and administrative requirements applicable to rural health care providers, facilities, and patients for the purpose of identifying opportunities to improve coordination among Federal and State agencies, reduce unnecessary duplication, simplify compliance, and increase access for patients, health care workers, and Federal health care programs.

TITLE II—INFRASTRUCTURE

SEC. 2001. FEDERAL GRANT-WRITING SERVICES AND TECHNICAL ASSISTANCE FOR RURAL COMMUNITIES.

Section 607 of the Rural Development Act of 1972 (7 U.S.C. 2204b(d)) is amended—

(1) in paragraph (5), by striking ''and'';

(2) in paragraph (6), by adding ''and'' at the end; and

(3) by adding at the end the following:

''(7) providing grant-writing services and technical assistance to an entity that is seeking a grant or loan from a department, agency, or instrumentality of the Federal Government, and that has jurisdiction over—

''(A) an area eligible for a grant under section 306A of the Consolidated Farm and Rural Development Act;

''(B) an area of persistent poverty described in section 6702(a)(1)(A) of title 49, United States Code;

''(C) a community that has a median household income that is less than 80 percent of the median household income for the State in which the community is located; or

"(D) a tribal area.".

SEC. 2002. STUDY ON ACCESSIBILITY OF FEDERAL PROGRAMS IN RURAL COMMUNITIES.

Within 12 months after the date of the enactment of this Act, the Comptroller General of the United States shall conduct a study, and submit to the Congress, a report that contains—

(1) a list of all Federal programs under which a grant or loan is may be made available to an entity referred to in section 607(d)(7) of the Rural Development Act of 1972;

(2) statistics on the use of the programs; and

(3) recommendations on how the Congress and the Executive Branch can make the programs more accessible and beneficial to such an entity.

TITLE III—AGRICULTURE

SEC. 3001. COMPREHENSIVE STUDY ON COST OF AGRICULTURE REGULATIONS.

Not later than 12 months after the date of the enactment of this Act, the Comptroller General of the United States shall conduct a study, and submit to Congress, a report that contains—

(1) an assessment of the financial impacts of Federal regulations on United States farmers; and

(2) the Comptroller General's recommendations for regulatory or statutory changes needed to reduce costs associated with compliance with such regulations that are identified in such assessment.

SEC. 3002. EXCLUSION OF GAIN FROM SALE OF QUALIFIED FARMLAND.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139L the following new section:

"SEC. 139M. EXCLUSION OF GAIN FROM SALE OF QUALIFIED FARMLAND.

"(a) EXCLUSION.—Gross income shall not include gain from the sale or exchange of qualified farmland if such sale or exchange is made to or with a qualified buyer.

"(b) LIMITATION.—

"(1) IN GENERAL.—The amount of gain excluded from gross income under subsection (a) with respect to any sale or exchange shall not exceed the applicable exclusion amount.

"(2) APPLICABLE EXCLUSION AMOUNT.—For purposes of this subsection, the applicable exclusion amount is $500,000 ($1,000,000 in the case of a joint return), reduced (but not below zero) by the aggregate amount excluded under this section for all preceding taxable years with respect to the same buyer.

"(c) QUALIFIED FARMLAND.—For purposes of this section, the term 'qualified farmland' means real property located in the United States which, during the 5-year period ending on the date of the sale or exchange of such property, has been used by the owner of such property (or a lessee thereof) primarily for the production of crops, fruits, other agricultural products, or live stock. Such term includes any farm residence, farm building, or appurtenant structure which is customarily found on such a property, and any equipment which is purchased primarily for the cultivation and processing of crops.

"(d) QUALIFIED BUYER.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified buyer' means a beginning farmer or a qualified family member.

"(2) BEGINNING FARMER.—For purposes of paragraph (1), the term 'beginning farmer' means—

"(A) any individual who, as of the date of the sale or exchange of qualified farmland to or with such individual, has operated a farm or ranch for a period less than 10 years and who materially and substantially participates in the operation of such farm or ranch, or

"(B) any entity if, as of the date of the sale or exchange of qualified farmland to or with such entity, at least 50 percent of the interests of such entity is held by beginning farmers.

"(3) QUALIFIED FAMILY MEMBER.—For purposes of paragraph (1), the term 'qualified family member' means, with respect to the taxpayer—

"(A) the spouse of the taxpayer,

"(B) a lineal descendant of the taxpayer,

"(C) a sibling of the taxpayer, or

"(D) a spouse of a lineal descendant or sibling of the taxpayer.

"(e) RECAPTURE OF EXCLUDED GAIN.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, if a taxpayer excludes under subsection (a) any gain from the sale or exchange of qualified farmland to or with a qualified buyer and such buyer, during the 5-year period beginning on the date of such sale or exchange, ceases to use such farmland primarily for the production of crops, fruits, other agricultural products, or live stock, or disposes of such farmland, then the tax imposed by this chapter on the taxpayer for the taxable year of such cessation or disposition shall be increased by—

"(A) the amount of gain excluded under subsection (a) from such sale or exchange, multiplied by

"(B) a fraction—

"(i) the numerator of which is the number of full years remaining in such 5-year period as of the date of such cessation or disposition, and

"(ii) the denominator of which is 5.

If the cessation or disposition results from any action within the qualified buyer's control (as determined by the Secretary), then this paragraph shall be applied by substituting 'the tax imposed by this chapter on the qualified buyer' for 'the tax imposed by this chapter on the taxpayer'. If the cessation or disposition results from the taxpayer and qualified buyer acting together, then the amount of the increase in tax which would otherwise be imposed on the taxpayer under this paragraph shall be divided between the taxpayer and qualified buyer in such manner as the Secretary shall by regulations prescribe.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to any cessation of the use of qualified farmland, or the disposition of qualified farmland, described in such paragraph if such cessation or disposition results from the death or permanent disability of the qualified buyer, the condemnation or other involuntary conversion of such farmland, or such other circumstances as the Secretary may prescribe.

"(f) ANTI-ABUSE RULES.—

"(1) RELATED-ENTITY RESTRICTION.—This section shall not apply to any sale or exchange of qualified farmland to or with any entity where the taxpayer owns, directly or indirectly, a controlling interest in such entity.

"(2) NO DOUBLE BENEFIT.—In applying section 1031, 1033, or 1202 with respect to the sale or exchange of qualified farmland to or with a qualified buyer, the amount realized from such sale or exchange shall be treated as being the amount determined without regard to this section, reduced by the amount of gain not included in gross income pursuant to this section.

"(3) CERTIFICATION AND REPORTS.—In the case of the sale or exchange of qualified farmland to or with any person and with respect to which gain is excluded under subsection (a), such person shall submit to the Secretary, in such form and manner as the Secretary may prescribe—

"(A) a certification that the person was a qualified buyer as of the date of such sale or exchange, and

"(B) a report for each year of the 5-year period described in subsection (e)(1) on whether the person is continuing to use such farmland primarily for the production of crops, fruits, other agricultural products, or live stock.

"(g) BASIS OF QUALIFIED FARMLAND.—In the case of the sale or exchange of qualified farmland to or with a qualified buyer and with respect to which gain is excluded under subsection (a), the basis of such farmland in the hands of the qualified buyer shall not be increased by the amount of gain so excluded.

"(h) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 139L the following new item:

"Sec. 139M. Exclusion of gain from sale of qualified farmland.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and exchanges after December 31, 2026.

TITLE IV—EDUCATION

SEC. 4001. ENHANCED LOAN REPAYMENT PROGRAM.

Section 455(m) of the Higher Education Act of 1965 (20 U.S.C. is amended—

(1) in paragraph (2), by inserting " or paragraph (3), as applicable" after "described in paragraph (1)";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

"(3) RURAL SERVICE INCENTIVE.—

"(A) IN GENERAL.—The Secretary shall cancel the balance of interest and principal due, in accordance with paragraph (2), on any eligible Federal Direct Loan not in default for a borrower who—

"(i) has made 100 consecutive monthly payments on the eligible Federal Direct Loan after October 1, 2007, pursuant to any one or a combination of the payments described in clauses (i) through (v) of paragraph (1)(A); and

"(ii)(I) is employed in a public service job in a rural area at the time of such forgiveness; and

"(II) has been employed in a public service job in a rural area during the period in which the borrower makes each of the 100 payments described in clause (i).

"(B) RURAL AREA DEFINED.—In this paragraph, the term 'rural area' means—

"(i) an area assisted by a grant made under section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a);

"(ii) an area of persistent poverty (as such term is defined in section 6702(a)(1)(A) of title 49, United States Code);

"(iii) a community with a median household income that is less than 80 percent of the median household income for the State in which the community is located; or

"(iv) a Tribal area.".

TITLE V—PUBLIC EMPLOYMENT AND SAFETY

SEC. 5001. DEDUCTION FOR ESSENTIAL RURAL EMPLOYEES.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 226 as section 227 and by inserting after section 225 the following new section:

"SEC. 226. ESSENTIAL RURAL EMPLOYEES.

"(a) IN GENERAL.—In the case of an eligible rural employee, there shall be allowed as a deduction an amount equal to 20 percent of the qualified compensation of the employee for the taxable year.

"(b) DOLLAR LIMITATION.—The amount allowed as a deduction under this section for any taxable year shall not exceed $10,000.

"(c) ELIGIBLE RURAL EMPLOYEE; OTHER DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE RURAL EMPLOYEE.—The term 'eligible rural employee' means any individual who—

"(A) is employed by a State or political subdivision thereof, or by an Indian tribe (as defined in section 45A(c)(6)), in a rural area, and

"(B) in the course of such employment, performs any services described in paragraph (2) on a full-time basis.

"(2) SERVICES DESCRIBED.—Services described in this paragraph are the following:

"(A) Public safety and emergency services.

"(B) Services related to public works, infrastructure, and utilities.

"(C) Engineering and technical services.

"(D) Planning, permitting, and community development services.

"(E) Public health and human services.

"(F) Financial and administrative services.

"(G) Legal and judicial services.

"(H) Agricultural, natural resource, and environmental services.

"(3) RURAL AREA.—The term 'rural area' has the meaning given such term in section 7001 of the Always Remember Our Rural America Act of 2026.

"(4) QUALIFIED COMPENSATION.—The term 'qualified compensation' means wages or salary (other than bonuses, deferred compensation, or other employer-provided benefits) received by an individual with respect to such individual's employment as an eligible rural employee.

"(d) CERTIFICATION REQUIREMENT.—No deduction shall be allowed under this section unless the taxpayer's employer certifies, in a form and manner prescribed by the Secretary, that the taxpayer is an eligible rural employee.

"(e) TERMINATION.—No deduction shall be allowed under this section for any taxable year beginning after December 31, 2035.".

(b) DEDUCTION ALLOWED WHETHER OR NOT INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—Section 62(a) of such Code is amended by inserting after paragraph (21) the following new paragraph:

"(22) ESSENTIAL RURAL EMPLOYEES.—The deduction allowed by section 226.".

(c) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 226 and inserting the following new items:

"Sec. 226. Essential rural employees.
"Sec. 227. Cross reference.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2026.

SEC. 5002. GRANT PROGRAM FOR LOCAL LAW ENFORCEMENT AGENCY ACCREDITATION.

(a) ESTABLISHMENT.—The Attorney General is authorized to make grants to eligible local law enforcement agencies to provide financial assistance for the qualified accreditation or recertification of such agencies

(b) APPLICATION.—The head of an eligible local law enforcement agency seeking a grant under this section shall submit to the Attorney General an application that—

(1) demonstrates the financial need of the agency; and

(2) specifies the amount requested by the agency, including the amount to be spent on—

(A) accreditation or re-certification fees;

(B) on-site assessment charges; and

(C) extension fees.

(c) USE OF FUNDS.—Grant funds under this section may only be used for the qualified accreditation or re-certification of an eligible local law enforcement agency.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2027, .

(e) PERIOD OF AVAILABILITY.—Funds made available under subsection (d) shall remain available until expended.

(f) DEFINITIONS.—In this section:

(1) QUALIFIED ACCREDITATION OR RE-CERTIFICATION.—The term ''qualified accreditation or re-certification'' means accreditation or re-certification of a local law enforcement agency by a professional law enforcement organization that is involved in the development of standards of accreditation for law enforcement agencies at the national, State, regional, or Tribal level, such as the Commission on Accreditation for Law Enforcement Agencies (CALEA).

(2) ELIGIBLE LOCAL LAW ENFORCEMENT AGENCY.—The term ''eligible local law enforcement agency'' means an agency of a unit of local government that—

(A) is authorized by law to supervise the prevention, detection, investigation, or prosecution of any violation of criminal law; and

(B) has fewer than 350 employees.

SEC. 5003. INCREASED COPS HIRING GRANTS FOR SMALL AND RURAL LAW ENFORCEMENT AGENCIES.

Section 1704(c) of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10384) is amended—

(1) by striking ''Funding provided'' and inserting ''(1) IN GENERAL.—Except as provided in paragraph (2), funding provided''

(2) by adding at the end the following

"(2) RURAL LAW ENFORCEMENT OFFICERS.—

"(A) IN GENERAL.—Funding provided under this part for hiring or rehiring a career law enforcement officer employed by a rural law enforcement agency may not exceed $150,000.

"(B) RURAL LAW ENFORCEMENT AGENCY.—In this subsection, the term 'rural law enforcement agency' means a local law enforcement agency with jurisdiction over an area with a population of less than 50,000.".

TITLE VI—HOUSING

SEC. 6001. SELECTION CRITERIA UNDER QUALIFIED ALLOCATION PLANS.

(a) IN GENERAL.—Subparagraph (C) of section 42(m)(1) of the Internal Revenue Code of 1986 is amended—

(1) by striking "and" at the end of clause (ix),

(2) by striking the period at the end of clause (x) and inserting ", and", and

(3) by adding at the end the following new clause:

"(xi) the affordable housing needs of individuals in the State who are—

"(I) enrolled members of a tribe with respect to an Indian tribal government (including any agencies or instrumentalities of an Indian tribal government and any Alaska Native regional or village corporation, as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)), or

"(II) described in section 801(9) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4221(9)).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to allocations of credits under section 42 of the Internal Revenue Code of 1986 made after December 31, 2026.

SEC. 6002. INCLUSION OF INDIAN AREAS AS DIFFICULT DEVELOPMENT AREAS FOR PURPOSES OF CERTAIN BUILDINGS.

(a) IN GENERAL.—Subclause (I) of section 42(d)(5)(B)(iii) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: ", and any Indian area".

(b) INDIAN AREA.—Clause (iii) of section 42(d)(5)(B) of such Code is amended by redesignating subclause (II) as subclause (III) and by inserting after subclause (I) the following new subclause:

"(II) INDIAN AREA.—For purposes of subclause (I), the term 'Indian area' means any Indian area (as defined in section 4(11) of the Native American Housing Assistance and Self Determination Act of 1996 (25 U.S.C. 4103(11))) and any housing area (as defined in section 801(5) of such Act (25 U.S.C. 4221(5)))."

(c) ELIGIBLE BUILDINGS.—Clause (iii) of section 42(d)(5)(B) of such Code, as amended by subsection (b), is amended by adding at the end the following new subclause:

"(IV) SPECIAL RULE FOR BUILDINGS IN INDIAN AREAS.—In the case of an area which is a difficult development area solely because it is an Indian area, a building shall not be treated as located in such area unless such building is assisted or financed under the Native American Housing

Assistance and Self Determination Act of 1996 (25 U.S.C. 4101 et seq.) or the project sponsor is an Indian tribe (as defined in section 45A(c)(6)), a tribally designated housing entity (as defined in section 4(22) of such Act (25 U.S.C. 4103(22))), or wholly owned or controlled by such an Indian tribe or tribally designated housing entity.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to buildings placed in service after December 31, 2026.

SEC. 6003. INCLUSION OF RURAL AREAS AS DIFFICULT DEVELOPMENT AREAS.

(a) IN GENERAL.—Subclause (I) of section 42(d)(5)(B)(iii) of the Internal Revenue Code of 1986, as amended by the preceding provisions of this Act, is amended by inserting '', any rural area'' after ''median gross income''.

(b) RURAL AREA.—Clause (iii) of section 42(d)(5)(B) of such Code, as amended by the preceding provisions of this Act, is amended—

(1) by redesignating subclauses (III) and (IV) as subclauses (IV) and (V), respectively, and

(2) by inserting after subclause (II) the following new subclause:

"(III) RURAL AREA.—For purposes of subclause (I), the term 'rural area' means any non-metropolitan area, or any rural area as defined by section 520 of the Housing Act of 1949, which is identified by the qualified allocation plan under subsection (m)(1)(B).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to buildings placed in service after December 31, 2026.

SEC. 6004. UNIFORM INCOME ELIGIBILITY FOR RURAL PROJECTS.

(a) IN GENERAL.—Paragraph (8) of section 42(i) of the Internal Revenue Code of 1986 is amended by striking the second sentence.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2026.

SEC. 6005. INDIVIDUAL HOUSEHOLD DISASTER MITIGATION PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Title II of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5131 et seq.) is amended by adding at the end the following:

“SEC. 207. INDIVIDUAL HOUSEHOLD DISASTER MITIGATION PROGRAM.

“(a) ESTABLISHMENT.—The President shall establish a program to provide grants to States and Indian tribal governments for qualifying pre-disaster mitigation activities on individual residential households that are at risk of being damaged by a major disaster.

“(b) ESTABLISHMENT OF ELIGIBLE DISASTER AREAS.—In carrying out the program under this section, the President shall—

“(1) establish eligible disaster areas, in consultation with States, that the President determines to be at risk of a natural hazard, including—

“(A) a description of the type, likelihood, and severity of each potential natural hazard affecting each such risk area; and

“(B) by taking into account previously declared major disasters impacting such areas;

“(2) provide technical assistance to the States or Indian tribal governments in developing the plan described in subsection (c) and administering grants provided for individual households under the program;

"(3) not less frequently than every 5 years, review and update the eligible disaster areas that the President determines to be at risk of a natural disaster, including a description of the type and severity of each potential natural disaster affecting each such risk area; and

"(4) consult with relevant governmental and nongovernmental experts in order to ensure that such determinations are made using current scientific standards and tools available in establishing, reviewing, and updating the eligible disaster areas that the President determines to be at risk of a natural disaster.

"(c) PLAN FOR ELIGIBLE ACTIVITIES.—To be eligible for a grant under this section, a State or Indian tribal government shall submit to the President a plan that includes—

"(1) each disaster risk area established by the President under subsection (b) in which the State or Indian tribal government proposes to provide funds under the program;

"(2) an assessment of the availability and affordability of homeowner insurance coverage in each such risk area, including a breakdown of coverage offered by—

"(A) private insurance companies;

"(B) State residual markets; and

"(C) State and Federal insurance programs;

"(3) an analysis of factors that may be adversely impacting insurance availability and affordability;

"(4) a list of each qualifying mitigation activity that is eligible for funds in each such risk area;

"(5) the criteria by which a State or Indian tribal government will evaluate applicants, which shall include consideration of the household income of the applicant and whether the residence is located in a Community Disaster Resilience Zone; and

"(6) a financial plan that includes maximum amounts available to a household for each qualifying mitigation activity.

"(d) CONSULTATION.—In establishing the program under this section, the President, acting through the Administrator of the Federal Emergency Management Agency and the Director of the Federal Insurance Office, shall consult with the chief insurance regulators from the 50 States, the District of Columbia, and the territories of the United States, insurance industry stakeholders, including insurers, reinsurers, agents, brokers, and insurance-funded research organizations, and consumer and environmental stakeholders to determine what qualifying mitigation activities are likely to incentivize the availability and purchase of residential property insurance and other financial risk transfer mechanisms in eligible disaster areas.

"(e) LIMITATIONS.—

"(1) HIGH-RISK AREAS.—Amounts provided under this section may only be used in eligible disaster areas that the State or Indian tribal government determines are at a high risk of experiencing a major disaster for the major disaster that presents such a risk.

"(2) LIMITATION BASED ON ADJUSTED GROSS INCOME.—An individual shall not be eligible to receive amounts provided under this section if the adjusted gross income of such individual exceeds $250,000 ($500,000 in the case of a joint tax return) for the taxable year ending in the calendar year immediately preceding the calendar year with respect to which a grant application is filed.

"(3) DEFINITION OF ADJUSTED GROSS INCOME.—In this section, the term 'adjusted gross income' has the meaning given such term in section 62(a) of the Internal Revenue Code of 1986.

"(f) MULTI-TIERED MITIGATION STANDARDS.—

"(1) IN GENERAL.—The President, acting through the Administrator of the Federal Emergency Management Agency, shall establish mitigation standards for individual households that carry out each type of qualifying mitigation activity eligible for funds under the program, which may include a multi-tiered standard.

"(2) CONSIDERATION.—In establishing the mitigation standards under paragraph (1), the President, acting through the Administrator—

"(A) shall consider any standards established by—

"(i) the Insurance Institute for Business and Home Safety;

"(ii) the chief insurance regulators from the 50 states, the District of Columbia, and the territories of the United States; and

"(iii) any other standard-issuing entity determined appropriate; and

"(B) may—

"(i) adopt a standard considered under subparagraph (A); or

"(ii) establish alternative standards.

"(g) GUIDANCE TO INSURANCE PROVIDERS.—To be eligible for a grant under the program under this section, a State or Indian tribal government shall establish, and make available to the public, guidance to insurance providers and consumers that includes suggested incentives for households that carry out disaster mitigation activities under the program, including—

"(1) the mitigation standards established under subsection (f);

"(2) increased consumer coverage choice; and

"(3) actuarially supported favorable pricing benefits such as discounts, rebates, or premium credits.

"(h) MAXIMUM AMOUNTS.—A State or Indian tribal government may not provide more than an amount of $10,000, not to exceed the actual cost of mitigation activities, to any individual household under the program. Such amount shall be increased yearly to reflect any increase in the Consumer Price Index.

"(i) DEFINITION OF QUALIFYING MITIGATION ACTIVITY.—In this section, the term 'qualifying mitigation activity' means an activity relating to a housing unit—

"(1) for property to—

"(A) improve the strength of a roof deck attachment;

"(B) create a secondary water barrier to prevent water intrusion or mitigate against potential water intrusion from wind-driven rain;

"(C) improve the durability, impact resistance (not less than class 3 or 4 rating), or fire resistance (not less than class A rating) of a roof covering;

"(D) brace gable-end walls;

"(E) reinforce the connection between a roof and supporting wall;

"(F) protect openings from penetration by wind-borne debris;

"(G) protect exterior doors and garages from natural hazards;

"(H) complete measures contained in the publication of the Federal Emergency Management Agency entitled 'Wind Retrofit Guide for Residential Buildings' (P–804);

"(I) elevate the qualified dwelling unit, as well as utilities, machinery, or equipment, above the base flood elevation or other applicable minimum elevation requirement;

"(J) seal walls in the basement of the qualified dwelling unit using waterproofing compounds; or

"(K) protect propane tanks or other external fuel sources;

"(2) to install—

"(A) check valves to prevent flood water from backing up into drains;

"(B) flood vents, breakaway walls or open lattice for homes located in V zones;

"(C) a stormwater drainage system or improve an existing system;

"(D) natural or nature-based features for flood control, including living shorelines;

"(E) roof coverings, sheathing, flashing, roof and attic vents, eaves, or gutters that conform to ignition-resistant construction standards;

"(F) wall components for wall assemblies that conform to ignition-resistant construction standards;

"(G) a wall-to-foundation anchor or connector, or a shear transfer anchor or connector;

"(H) wood structural panel sheathing for strengthening cripple walls;

"(I) anchorage of the masonry chimney to the framing;

"(J) prefabricated lateral resisting systems;

"(K) a standby generator system consisting of a standby generator and an automatic transfer switch;

"(L) a storm shelter that meets the design and construction standards established by the International Code Council and the National Storm Shelter Association (ICC–500), or a safe room that satisfies the criteria contained in—

"(i) the publication of the Federal Emergency Management Agency entitled 'Safe Rooms for Tornadoes and Hurricanes' (P–361); or

"(ii) the publication of the Federal Emergency Management Agency entitled 'Taking Shelter from the Storm' (P–320);

"(M) a lightning protection system;

"(N) exterior walls, doors, windows, or other exterior dwelling unit elements that conform to ignition-resistant construction standards;

"(O) exterior deck or fence components that conform to ignition-resistant construction standards;

"(P) structure-specific water hydration systems, including fire mitigation systems such as interior sprinkler systems;

"(Q) flood openings for fully enclosed areas below the lowest floor of the dwelling unit;

"(R) lateral bracing for wall elements, foundation elements, and garage doors or other large openings to resist seismic loads; or

"(S) automatic shutoff valves for water and gas lines;

"(3) for services or equipment to—

"(A) create buffers around the qualified dwelling unit through the removal or reduction of flammable vegetation, including vertical clearance of tree branches;

"(B) create buffers around the dwelling unit through—

"(i) the removal of exterior deck or fence components or ignition-prone landscape features; or

"(ii) replacement of the components or features described in clause (i) with components or features that conform to ignition-resistant construction standards;

"(C) perform fire maintenance procedures identified by the Federal Emergency Management Agency or the United States Forest Service, including fuel management techniques such as creating fuel and fire breaks; or

"(D) replace flammable vegetation with less flammable species;

"(4) for property relating to satisfying the standards required for receipt of a FORTIFIED designation from the Insurance Institute for Business and Home Safety, provided that the qualified dwelling unit receives such designation following installation of such property;

"(5) for property relating to satisfying the standards required for receipt of a Wildfire Prepared Homes designation from the Insurance Institute for Business and Home Safety, provided that the qualified dwelling unit receives such designation following installation of such property; or

"(6) for any other hazard mitigation activity identified by the President, in consultation with the Administrator of the Federal Emergency Management Agency and the hazard mitigation advisory committee established in subsection (k), for mitigation of a natural hazard.

"(j) HAZARD MITIGATION ADVISORY COMMITTEE.—The President shall establish a hazard mitigation advisory committee that shall—

"(1) consist of 50 representatives, including representatives from—

"(A) the State Insurance Commissioners;

"(B) private insurance companies;

"(C) private reinsurance companies;

"(D) insurance broker companies;

"(E) insurance-funded research organizations;

"(F) consumer advocate organizations;

"(G) State, local, and tribal firefighting agencies;

"(H) State-sponsored insurance plans;

"(I) realtor associations;

"(J) home builder associations;

"(K) State, local, and tribal emergency responders;

"(L) State and tribal emergency managers;

"(M) State and tribal hazard mitigation officers;

"(N) relevant academic experts;

"(O) building code associations;

"(P) agricultural groups; and

"(Q) environmental organizations; and

"(2) advise the President on developments in emerging hazard mitigation research and testing and recommend additions to the qualified hazard mitigation activities eligible under this program, including reviewing the effectiveness of hazard mitigation systems, products, and designations submitted to the advisory committee by private or nongovernmental companies or organizations.

"(k) RULES OF CONSTRUCTION.—Nothing in this Act shall—

"(1) require a State or any other entity to base the assessment of the status of the availability of homeowner insurance coverage required under subsection (c)(2) on data not already collected by that entity absent this requirement; and

"(2) be construed to preempt the State regulation of the business of insurance or require, by the Federal Government or any State government, any insurance provider to alter the underwriting, pricing, and distribution of insurance.".

(b) TAX TREATMENT OF INDIVIDUAL HOUSEHOLD DISASTER MITIGATION PROGRAM.—

(1) IN GENERAL.—Section 139 of the Internal Revenue Code of 1986 is amended—

(A) by redesignating subsection (h) as subsection (i), and

(B) by inserting after subsection (g) the following new subsection:

"(h) INDIVIDUAL HOUSEHOLD DISASTER MITIGATION PROGRAM.—Gross income shall not include amounts received under section 207 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to amounts received after the date of the enactment of this Act.

SEC. 6006. CREDIT FOR DISASTER MITIGATION EXPENDITURES.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 27 the following new section:

"SEC. 28. DISASTER MITIGATION EXPENDITURES.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the expenditures paid for qualifying mitigation activities paid or incurred by the taxpayer during such taxable year with respect to real property owned or leased by the taxpayer.

"(b) QUALIFIED DISASTER MITIGATION ACTIVITIES.—For purposes of this section—

"(1) QUALIFYING MITIGATION ACTIVITY.—The term 'qualifying mitigation activity' has the meaning given such term in section 207(j) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

"(2) TREATMENT OF REIMBURSEMENTS.—Any amount originally paid or incurred by the taxpayer which is reimbursed by a State under a qualified State disaster mitigation program shall be treated as paid by such State (and not by such taxpayer).

"(c) APPLICATION WITH OTHER CREDITS.—

"(1) BUSINESS CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—So much of the credit which would be allowed under subsection (a) for any taxable year (determined without regard to this subsection) that is attributable to expenditures made in the ordinary course of the taxpayer's trade or business (or, in the case of expenditures made by a State, would have been expenditures made in the ordinary course of the taxpayer's trade or business if made by the taxpayer) shall be treated as a credit listed in section 38(b) for taxable year (and not allowed under subsection (a)).

"(2) PERSONAL CREDIT.—For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.

"(d) REDUCTION OF CREDIT PERCENTAGE WHERE TAXPAYER EXPENDITURES LESS THAN 30 PERCENT.—

"(1) IN GENERAL.—If the expenditure percentage with respect to any item of expenditure described under subsection (a) is less than 30 percent, subsection (a) shall be applied by substituting 'the expenditure percentage' for '30 percent' with respect to such item of expenditure.

"(2) EXPENDITURE PERCENTAGE.—For purposes of this section, the term 'expenditure percentage' means, with respect to any item of expenditure described under subsection (a) any portion of which is paid or incurred by a State, the ratio (expressed as a percentage) of—

"(A) the taxpayer's expenditure for such item, divided by

"(B) the sum of the taxpayer's and such State's expenditures for such item.

"(e) SPECIAL RULES.—

"(1) TREATMENT OF EXPENDITURES RELATED TO MARKETABLE TIMBER.—An expenditure shall not be taken into account for purposes of this section (whether made by the taxpayer or a State) if such expenditure is properly allocable to timber which is sold or exchanged by the taxpayer. The preceding sentence shall not apply to the extent that such amount exceeds the gain on such sale or exchange.

"(2) BASIS REDUCTION.—For purposes of this subtitle, if the basis of any property would (but for this paragraph) be determined by taking into account any expenditure described under subsection (a), the basis of such property shall be reduced by the amount of the credit allowed under subsection (a) with respect to such expenditure (determined without regard to subsection (c)).

"(3) DENIAL OF DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter for any expenditure for which a credit is allowable under subsection (a) shall be reduced by the amount of credit allowed under such subsection for such expenditure (determined without regard to subsection (c)).".

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of such Code is amended by striking "plus" at the end of paragraph (40), by striking the period at the end of paragraph (41) and inserting ", plus", and by adding at the end the following new paragraph:

"(42) the portion of the disaster mitigation expenditures credit to which section 28(c)(1) applies.".

(2) Section 1016(a) of such Code is amended by redesignating paragraphs (35) through (38) as paragraphs (36) through (39), respectively, and by inserting after paragraph (34) the following new paragraph:

"(35) to the extent provided in section 28(e)(2),".

(3) The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 27 the following new item:

"Sec. 28. Disaster mitigation expenditures.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 6007. EXCLUSION OF AMOUNTS RECEIVED FROM STATE-BASED CATASTROPHE LOSS MITIGATION PROGRAMS.

(a) IN GENERAL.—Section 139 of the Internal Revenue Code of 1986 is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) STATE-BASED CATASTROPHE LOSS MITIGATION PROGRAMS.—

"(1) IN GENERAL.—Gross income shall not include any amount received by or paid for the benefit of an individual as a qualified catastrophe mitigation payment under a program established by—

"(A) a State or any political subdivision or public instrumentality thereof,

"(B) a joint powers authority, or

"(C) an entity created by State law to ensure the availability of an adequate market of last resort for essential property insurance or basic property insurance, over which a State agency or State department of insurance has regulatory oversight,

for the purpose of making such payments.

"(2) QUALIFIED CATASTROPHE MITIGATION PAYMENT.—For purposes of this section, the term 'qualified catastrophe mitigation payment' means any amount which is received by or paid for the benefit of the owner of any property to make improvements to such property for the sole purpose of reducing the damage that would be done to such property by a windstorm, earthquake, or wildfire.

"(3) NO INCREASE IN BASIS.—Rules similar to the rules of subsection (g)(3) shall apply in the case of this subsection.".

(b) CONFORMING AMENDMENTS.—

(1) Section 139(d) of such Code is amended by striking "and qualified" and inserting ", qualified catastrophe mitigation payments, and qualified".

(2) Section 139(i) of such Code (as redesignated by subsection (a)) is amended by striking "or qualified" and inserting ", qualified catastrophe mitigation payment, or qualified".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2020.

(2) RETROACTIVE APPLICABILITY.—The Secretary of the Treasury, or the Secretary's delegate, shall provide an opportunity for individuals to claim the exclusion from gross income under section

139(h) of the Internal Revenue Code of 1986, as added by this section, including by amended return.

TITLE VII—DEFINITION OF RURAL

SEC. 7001. DEFINITION OF RURAL.

For the purpose of this Act, any section that does not reference or define ''rural'', or ''rural area'', they are given the meaning of—

(1) an area which a grant is made under section 306A of the Consolidated Farm and Rural Development Act;

(2) an area of persistent poverty described in section 6702(a)(1)(A) of title 49, United Stated Code;

(3) is a disadvantaged community, meaning a community that has a median household income that is less than 80 percent of the median household income for the State in which the community is located; or

(4) Tribal areas.