To amend the Social Security Act to provide for mandatory funding, to ensure that the families that have infants and toddlers, have a family income of not more than 200 percent of the applicable Federal poverty guideline, and need child care have access to high-quality infant and toddler child care by the end of fiscal year 2026, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. Casey introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Social Security Act to provide for mandatory funding, to ensure that the families that have infants and toddlers, have a family income of not more than 200 percent of the applicable Federal poverty guideline, and need child care have access to high-quality infant and toddler child care by the end of fiscal year 2026, and for other purposes.

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

This Act may be cited as the “Child Care Access to Resources for Early-learning Act” or the “Child CARE Act”.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to provide funding to ensure that the families that have infants and toddlers, that have a family income of not more than 200 percent of the applicable Federal poverty guideline, and that need child care have access to high-quality infant and toddler child care by the end of fiscal year 2026, in order to promote family economic security and parental employment, to support parents in balancing work and family obligations, and to promote children’s health, early care, and learning;

(2) to provide sufficient funding to ensure that both families and child care providers have the resources they need to support high-quality early care and learning for infants and toddlers;

(3) to ensure that provider payment rates, for infant and toddler child care providers, are set at a level high enough to support high-quality child care for infants and toddlers, including infants and toddlers with disabilities;
(4) to assist eligible infant and toddler child care providers in improving the quality of their programs—

(A) by strengthening the skills, competencies, and compensation of the workforce of those providers, in a manner aligned with the report entitled “Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation”, issued by the National Academy of Sciences in April 2015; and

(B) by helping those providers ensure that children receive the comprehensive services they need, by coordinating activities with other community service providers; and

(5) to ensure that high-quality infant and toddler child care is a strong component of a continuum of quality early care and learning activities within States and Indian and Native Hawaiian communities, starting with prenatal care and continuing through activities in the early school years, with seamless transitions between programs.
TITLE I—CHILD CARE ACCESS TO RESOURCES FOR EARLY LEARNING

SEC. 101. APPROPRIATION.

Title IV of the Social Security Act is amended by inserting after section 418 (42 U.S.C. 618) the following:

“SEC. 418A. APPROPRIATION.

“For grants under the Child CARE Act, there is appropriated—

“(1) $3,664,862,604 for fiscal year 2017;
“(2) $4,121,731,861 for fiscal year 2018;
“(3) $4,819,546,318 for fiscal year 2019;
“(4) $5,843,784,371 for fiscal year 2020; and
“(5) $6,887,236,056 for fiscal year 2021.”.

SEC. 102. DEFINITIONS.

In this Act:

(1) Child care and development fund.—The term “Child Care and Development Fund” means the funds appropriated under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) and the funds appropriated under section 418 of the Social Security Act (42 U.S.C. 618).

(2) Eligible family.—The term “eligible family” means a family that has, and needs child...
care for, an infant or toddler, and is a low-income family.

(3) ELIGIBLE INFANT OR TODDLER.—The term “eligible infant or toddler” means an infant or toddler from a low-income family.

(4) INDIAN; INDIAN TRIBE.—The terms “Indian” and “Indian tribe” have the meanings given the terms in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(5) HIGH-QUALITY.—This term “high-quality”, used with respect to child care (including early care and learning), means child care provided in a manner consistent with the quality standards described in section 105(a)(3).

(6) INFANT OR TODDLER.—The term “infant or toddler” means a child under age 4.

(7) INFANT OR TODDLER WITH A DISABILITY.—The term “infant or toddler with a disability” has the meaning given the term in section 632 of the Individuals with Disabilities Education Act (20 U.S.C. 1432).

(8) LOW-INCOME FAMILY.—The term “low-income family” means a family with a family income
of not more than 200 percent of the applicable Federal poverty guideline.

(9) NATIVE HAWAIIAN.—The term “Native Hawaiian” has the meaning given the term in section 6207 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7517).

(10) SECRETARY.—The term “Secretary” means the Secretary of Health and Human Services.

(11) STATE.—The term “State” means any of the several States, the District of Columbia, the Virgin Islands of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(12) TRIBAL ORGANIZATION.—The term “tribal organization” has the meaning given the term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

SEC. 103. FUNDING ALLOTMENTS.

(a) DISTRIBUTION BY ACTIVITY.—From the amounts appropriated under this Act for each fiscal year, the Secretary shall—

(1) reserve a portion for providing the allotments described in subsection (b) (relating to expanding access to high-quality child care);
(2) reserve a portion of not less than 2 percent of the appropriated amounts for providing the allotments described in subsection (d) (relating to Indian and Native Hawaiian child care);

(3) reserve a portion, of not more than 0.5 percent of the appropriated amounts, for carrying out research and evaluation activities under this Act;

(4) reserve a portion, of not more than 0.5 percent of the appropriated amounts, for carrying out technical assistance activities under this Act;

(5) reserve 6 percent of the appropriated amounts for making grants under subsection (e) (relating to child care provided during nontraditional and unpredictable hours); and

(6) use the remainder for providing the allotments described in subsection (c) (relating to maintaining access to child care).

(b) ALLOTMENTS FOR EXPANDING ACCESS TO HIGH-QUALITY CHILD CARE.—

(1) ALLOTMENTS.—Using funds reserved under subsection (a)(1) for a fiscal year, the Secretary shall allot to each eligible State an amount that bears the same relationship to the reserved funds as the number of infants and toddlers from low-income
families in the State bears to the total number of
such infants and toddlers in all eligible States.

(2) USE OF FUNDS.—A State that receives an
allotment under this subsection shall use the allot-
ment funds—

(A) to expand access to high-quality child
care for infants and toddlers who do not receive
child care funded through the Child Care and
Development Fund;

(B) to increase, as described in this Act,
the quality of child care for infants and toddlers
who receive child care funded through the Child
Care and Development Fund;

(C)(i) to support payment rates, for child
care providers that serve infants and toddlers,
that reflect the cost of high-quality child care
and are sufficient to attract, support, and re-
tain providers who meet quality standards that
relate to the unique needs of infants and tod-
dlers, including infants and toddlers with dis-
abilities; and

(ii) to increase the compensation of, and
provide other financial incentives for, the high-
ly-qualified infant and toddler child care work-
force; and
(D) as otherwise described in section 105.

(e) ALLOTMENTS FOR MAINTAINING ACCESS TO
CHILD CARE.—

(1) ALLOTMENTS.—Using the remainder de-
scribed in subsection (a)(6) for a fiscal year, the
Secretary shall allot to each eligible State an amount
that bears the same relationship to the reserved
funds as the amount the State receives for the fiscal
year under section 418(a)(2)(B) of the Social Secu-

(2) USE OF FUNDS.—A State that receives an
allotment under this subsection shall use the allot-
ment funds in accordance with the Child Care and
Development Block Grant Act of 1990.

(d) ALLOTMENTS FOR INDIAN AND NATIVE HAWAI-
IAN CHILD CARE.—

(1) FORMULA.—

(A) IN GENERAL.—In order to ensure that
Indian and Native Hawaiian children have
equal access to high-quality infant and toddler
child care, the Secretary shall develop an for-
mula for allotting the funds reserved under sub-
section (a)(2) to Indian tribes and tribal organizations.

(B) FORMULA FACTORS.—In developing the formula, the Secretary shall—

(i) provide for a level of funding that will ensure that, by the end of fiscal year 2026, the Indian and Native Hawaiian infants and toddlers in eligible families will receive a level of services that is equivalent to the high-quality child care received by infants and toddlers in the general population under this Act;

(ii) take into consideration the unique needs and circumstances of individuals in Indian and Native Hawaiian communities, such as unemployment rates; and

(iii) the cost of providing high-quality child care that addresses Indian and Native Hawaiian culture and language.

(2) USE OF FUNDS.—An Indian tribe or tribal organization that receives an allotment under this subsection shall use the allotment funds as described in section 107.

(c) GRANTS FOR CHILD CARE DURING UNCONVENTIONAL HOURS.—
(1) IN GENERAL.—Using funds reserved under subsection (a)(5) for a fiscal year, the Secretary may make grants to States for child care provided during nontraditional and unpredictable hours.

(2) ADJUSTMENTS.—The Secretary may adjust the requirement that providers serving children that require child care during those hours meet quality standards as described in section 105(a)(3), as necessary to address the need for nontraditional and unpredictable hours care.

(3) APPLICABLE REQUIREMENTS.—Except as provided in paragraph (2), a State that receives a grant under this subsection shall use the grant funds in accordance with the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9859 et seq.) and this Act.

SEC. 104. STATE APPLICATION.

(a) IN GENERAL.—To be eligible to receive a grant under this Act through allotments made under subsection (b), (c), or (e) of section 103, a State shall submit to the Secretary an application, as a supplement to the State plan described in section 658E of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e).

(b) INFORMATION.—Each such application shall include a description of each of the following:
(1)(A) How the State will increase the number of high-quality child care slots for eligible families, to ensure, by the end of fiscal year 2026, access to high-quality infant and toddler child care for the eligible families in the State (referred to in this section as “universal high-quality child care”).

(B) The ambitious goals and measurable benchmarks that the State will use to demonstrate progress toward achieving universal high-quality child care, including—

(i) substantially increasing the percentage of eligible families served; and

(ii) addressing the needs identified in the needs assessment under section 105(a)(4).

(2) How the State will measurably improve, by the end of fiscal year 2026, the quality of child care available to children who are infants and toddlers, including such children who are dual language learners or are children with disabilities, and the ambitious goals and measurable benchmarks that the State will use to demonstrate progress toward achieving this improvement.

(3) How the State will maintain, using the Child Care and Development Fund and the funds made available under section 103(c), the caseload of
children that were served using the Child Care and Development Fund on the date of enactment of this Act.

(4)(A) How the State will conduct a study on the cost of high-quality child care for infants and toddlers, at least once every 3 years, consistent with this supplement—

(i) to determine provider payment rates that are sufficient—

(I) to ensure fair and competitive compensation for high-quality infant and toddler child care providers;

(II) to recognize child care providers who have the specialized knowledge and competencies of early childhood educators; and

(III) to recognize child care providers who offer a rich learning environment, use evidence-based classroom practices, and have provider competencies in engaging in stimulating, warm, and responsive adult-child interactions, consistent with the program performance standards referred to in section 641A(a)(1) of the Head Start Act
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(42 U.S.C. 9836a), appropriate to the age
of the child; and

(ii) to assess the compensation levels nec-
essary to attract, support, and retain a work-
force of child care providers described in clause
(i).

(B) Whether the State proposes to conduct the
study required under subparagraph (A) by carrying
out a cost of quality study or survey that the State
is currently conducting, as a requirement of its State
plan under section 658E of the Child Care and De-
velopment Block Grant Act of 1990 (42 U.S.C.
9858c).

(C) How the State will incorporate into the
study information gathered through a public hearing
to solicit input from relevant stakeholders including
the infant and toddler child care workforce.

(D) How the State will use the results of the
study to establish and annually update reimburse-
ment rates for high-quality infant and toddler child
care providers in the State.

(5) How the State will ensure and demonstrate
that—

(A) the higher provider payment rates that
the State proposes to pay under this Act are
sufficient to achieve the compensation levels described in paragraph (4)(A)(ii), and attract, support, and retain child care providers described in paragraph (4)(A)(i); and

(B) the rates described in subparagraph (A) will keep pace with inflation.

(6) The need in the State for high-quality child care for infants and toddlers, based on a needs assessment—

(A) that is conducted prior to the receipt of the corresponding allotment and at least once every 3 years consistent with the State plan;

(B) that is conducted by the State Advisory Council on Early Childhood Education and Care (designated or established pursuant to section 642B(b)(1)(A)(i) of the Head Start Act (42 U.S.C. 9837b(b)(1)(A)(i))) or another entity as determined by the State; and

(C) that identifies such need for geographic areas and special populations of infants and toddlers, including children with disabilities, homeless children, children in foster care, children who are dual language learners, children living in rural areas, and children whose families work nontraditional hours.
(7) A unified approach to early care and learning that begins prenatally and supports children and their families at least until the children enter kindergarten, which includes a description of how the State will align infant and toddler child care with—

(A) other early care and learning programs, including State-supported programs of quality preschool if applicable; and

(B) programs carried out under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.).

(8) How the State will support early childhood educators and K–3 teachers, including the best practices that the State will use to support transitions into kindergarten and alignment of curricula, professional development, and early learning standards, to reflect an integrated approach to enabling children to achieve substantial gains in key skill areas across their development.

(9) How the State will coordinate activities with other public or private agencies to ensure that, to the extent that services are available in the community, infants and toddlers are referred to local agencies or other appropriate providers, including com-
munity-based organizations, for comprehensive health, mental health, family, and nutrition services similar to those provided through Early Head Start programs.

(10) How the State will address infant and toddler child care needs for populations that have acute barriers to accessing high-quality child care and the State’s plan to increase the supply of high-quality child care slots for populations for which the unmet need is greatest, including populations listed in section 658E(c)(2)(M) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(e)(2)(M)), with methods such as grants and contracts.

(11) How the State will, at the option of an Indian tribe or tribal organization in the State, collaborate and coordinate activities with the Indian tribe or tribal organization in the development of the State plan.

(12) A plan that describes how the State will ensure successful engagement by parents and families in their child’s early care and learning and how this plan will promote engagement that continues from infant and toddler programs into preschool programs and beyond.
(13) How the State will collaborate and coordinate activities with early childhood educators and organizations that foster the professional development and collective engagement of the child care workforce.

(e) ASSURANCES.—Each such application shall include each of the following:

(1) An assurance that the State will maintain, using the Child Care and Development Fund and the funds made available under section 103(c), the caseload of children that were served using the Child Care and Development Fund on the date of enactment of this Act.

(2) An assurance that the State will establish and support standards for high-quality child care for infants and toddlers in the State as described in section 105(a)(3).

(3) An assurance that the State will contribute a percentage toward the cost of activities authorized under section 103(b), toward the cost of activities authorized under section 103(c), and toward the cost of activities authorized under section 103(e), that is equal to the percentage that the State contributes under section 418(a)(2)(C) of the Social Security Act (42 U.S.C. 618(a)(2)(C)) toward the cost of the
child care authorized under section 418 of that Act (42 U.S.C. 618).

SEC. 105. STATE EXPANSION AND QUALITY ENHANCEMENT ACTIVITIES.

(a) Expanding Access to High-quality Child Care.—

(1) In General.—Using funds made available through an allotment under section 103(b), the State shall reserve at least 80 percent for direct services provided through grants, contracts, or certificates, to expand access to high-quality child care for infants and toddlers and to increase parental options for and access to such care.

(2) Promotion of Quality.—During the period beginning not later than the date on which the allotment is made and ending not later than 6 months after that date, and every third year thereafter, the State shall use the cost of high-quality child care study, described in section 104(b)(4), to ensure that, for all infant and toddler child care slots—

(A) the child care is of sufficient quality;

(B) the providers of the care are supported along a career pathway to achieve higher levels of training and education; and
(C) provider payment rates are sufficient as described in section 104(b)(4)(A)(i).

(3) **QUALITY STANDARDS.**—The State shall ensure that all infant and toddler child care providers, who participate in activities funded through the Child Care and Development Fund, meet quality standards by the end of fiscal year 2026, including—

(A) ensuring that the providers enable lead teachers and educators, regardless of setting, to receive program quality funds reserved under subsection (b), through grants, contracts, or certificates, to prepare for meeting higher standards of quality and to progress through professional development goals;

(B)(i) offering full-day, full-year care or otherwise meeting the needs of working families;

(ii) meeting the requirements described in section 104(b)(4)(A)(i)(III);

(iii) ensuring individuals working directly with infants and toddlers have the qualifications, knowledge, and skills to promote the healthy social, emotional, cognitive, and physical development of children as appropriate to
the children’s age, and attain the compensation levels necessary to attract, support, and retain a well-qualified workforce, in a manner aligned with the findings in the study entitled “Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation”, issued by the National Academy of Sciences in April 2015;

(iv) aligning its activities with the State’s Early Learning and Development Guidelines that apply to infants and toddlers and the Head Start Early Learning Outcomes Framework;

(v) coordinating activities with other public or private agencies to ensure that, to the extent that services are available in the community, infants and toddlers are referred to local agencies or other appropriate providers, including community-based organizations, for comprehensive health, mental health, family, and nutrition services, similar to those provided through Early Head Start programs; and

(vi) engaging with parents in their roles as first teachers and partnering with parents in their child’s early care and learning and transi-
tion to pre-kindergarten or a Head Start pro-
gram.

(4) ADDRESSING UNDERSERVED GEOGRAPHIC
AREAS AND SPECIAL POPULATIONS.—

(A) IDENTIFICATION.—Based on a valid
needs assessment referred to in section
104(b)(6), the State shall identify geographic
areas and special populations described in that
section.

(B) INCREASING AVAILABILITY OF CHILD
care.—The State shall develop and implement
a plan to increase the availability of high-qual-
ity child care (including by stabilizing the in-
come of providers of such care)—

(i) in geographic areas and for popu-
lations identified under subparagraph (A); and

(ii) to the extent practicable, in hard-
to-serve areas or populations.

(b) ENHANCING THE QUALITY OF INFANT AND TOD-
DLER CHILD CARE.—

(1) FINDINGS.—Congress finds that the activi-
ties described in paragraph (3) are interconnected
and that each of the activities is critical to enhanc-
ing the quality of infant and toddler child care.
(2) General authority.—The State shall reserve at least 12 percent of funds made available through each allotment made under subsection (b), (c), or (e) of section 103 to carry out activities described in paragraph (3), to increase the quality of child care programs for infants and toddlers in eligible families.

(3) Activities.—The activities referred to in paragraph (2) shall consist of—

(A) activities that improve the skills and competencies of the infant and toddler child care workforce, including competencies specific to working with children who are culturally and linguistically diverse and children with disabilities, by providing a pathway to higher levels of training and education consistent with the findings in the National Academy of Sciences study described in subsection (a)(3)(B)(iii);

(B) activities that support training and technical assistance through a statewide network of infant and toddler specialists, infant and early childhood mental health consultants, or coach mentors, that provide onsite assistance directly to providers who receive funds under this Act;
(C) activities that provide startup grants, to purchase equipment and materials needed to provide high-quality early care and learning experiences to infants and toddlers, such as cribs, changing tables, safety equipment, infant and toddler curricula, and age- and developmentally-appropriate toys; or

(D) activities that establish networks of family child care providers to share workforce training and technical assistance.

(4) STANDARDS.—The State shall use the funds described in paragraph (2) to ensure that infant and toddler child care providers meet relevant standards and shall develop statewide plans to improve the knowledge and competencies of the infant and toddler child care workforce, by implementing 1 or more of the activities described in paragraph (3).

(5) COORDINATION.—The State shall coordinate the activities carried out under this subsection with other quality enhancement efforts funded through the Child Care and Development Fund.

(c) APPLICABLE REQUIREMENTS.—In carrying out activities under this section, a State shall comply with the requirements of this Act and the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).
(d) Supplement Not Supplant.—Amounts made available under this Act shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide child care for children under age 13.

SEC. 106. TRIBAL APPLICATION.

To be eligible to receive a grant under this Act through an allotment made under section 103(d), an Indian tribe or tribal organization shall submit to the Secretary an application, as a supplement to the application the tribe or tribal organization submits under section 658O(c) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m(c)). Each such application shall contain such information as the Secretary may require, including:

(1) Information demonstrating that the Indian tribe or tribal organization meets the requirements for a grant or contract on section 658O(c) of such Act.

(2) At the election of the Indian tribe or tribal organization, a plan—

(A) to align programs for child care funded through the Child Care and Development Fund, Head Start (including Early Head Start) programs, early childhood home visitation programs under section 511 of the Social Security
Act (42 U.S.C. 711), preschool programs, and early childhood programs relating to Indian and Native Hawaiian culture and language, to create more aligned and seamless early care and learning in tribal communities; and

(B) to combine funding for the programs described in subparagraph (A).

(3)(A) Information describing how the Indian tribe or tribal organization will increase the number of high-quality child care slots for eligible families with Indian or Native Hawaiian children, to ensure, by the end of fiscal year 2026, access to high-quality, culturally and linguistically appropriate infant and toddler child care for such eligible families in the tribal community (referred to in this section as “universal high-quality child care”).

(B) The ambitious goals and measurable benchmarks that the Indian tribe or tribal organization will use to demonstrate progress toward achieving universal high-quality child care.

SEC. 107. TRIBAL EARLY CARE AND LEARNING EXPANSION ACTIVITIES.

(a) In General.—An Indian tribe or tribal organization that receives a grant through an allotment made under section 103(d) shall use the grant funds to provide,
by the end of fiscal year 2026, access to high-quality, culturally and linguistically appropriate child care (or, in the case of an entity that submits a plan described in section 106(2), high-quality, culturally and linguistically appropriate early care and learning) (including related supports) for infants and toddlers for such eligible families in the tribal community.

(b) APPLICABLE REQUIREMENTS.—In carrying out activities under this section, an Indian tribe or tribal organization shall comply with the requirements of this Act and the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

TITLE II—INVERTED CORPORATIONS

SEC. 201. MODIFICATIONS TO RULES RELATING TO INVERTED CORPORATIONS.

(a) IN GENERAL.—Subsection (b) of section 7874 of the Internal Revenue Code of 1986 is amended to read as follows:

“(b) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

“(1) IN GENERAL.—Notwithstanding section 7701(a)(4), a foreign corporation shall be treated for purposes of this title as a domestic corporation if—
“(A) such corporation would be a surrogate foreign corporation if subsection (a)(2) were applied by substituting ‘80 percent’ for ‘60 percent’, or

“(B) such corporation is an inverted domestic corporation.

“(2) INVERTED DOMESTIC CORPORATION.—For purposes of this subsection, a foreign corporation shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)—

“(A) the entity completes after February 10, 2016, the direct or indirect acquisition of—

“(i) substantially all of the properties held directly or indirectly by a domestic corporation, or

“(ii) substantially all of the assets of, or substantially all of the properties constituting a trade or business of, a domestic partnership, and

“(B) after the acquisition, more than 50 percent of the stock (by vote or value) of the entity is held—

“(i) in the case of an acquisition with respect to a domestic corporation, by
former shareholders of the domestic corporation by reason of holding stock in the domestic corporation, or

“(ii) in the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership.

“(3) Exception for corporations with substantial business activities in foreign country of organization.—A foreign corporation described in paragraph (2) shall not be treated as an inverted domestic corporation if after the acquisition the expanded affiliated group which includes the entity has substantial business activities in the foreign country in which or under the law of which the entity is created or organized when compared to the total business activities of such expanded affiliated group. For purposes of subsection (a)(2)(B)(iii) and the preceding sentence, the term ‘substantial business activities’ shall have the meaning given such term under regulations in effect on February 10, 2016, except that the Secretary may issue regulations increasing the threshold percent in any of the tests under such regulations for determining if busi-
ness activities constitute substantial business activities for purposes of this paragraph.”.

(b) **CONFORMING AMENDMENTS.**—

(1) Clause (i) of section 7874(a)(2)(B) of such Code is amended by striking “after March 4, 2003,” and inserting “after March 4, 2003, and before February 11, 2016,”.

(2) Subsection (c) of section 7874 of such Code is amended—

(A) in paragraph (2)—

(i) by striking “subsection (a)(2)(B)(ii)” and inserting “subsections (a)(2)(B)(ii) and (b)(2)(B)”, and

(ii) by inserting “or (b)(2)(A)” after “(a)(2)(B)(i)” in subparagraph (B),

(B) in paragraph (3), by inserting “or (b)(2)(B), as the case may be,” after “(a)(2)(B)(ii)”,

(C) in paragraph (5), by striking “subsection (a)(2)(B)(ii)” and inserting “subsections (a)(2)(B)(ii) and (b)(2)(B)”, and

(D) in paragraph (6), by inserting “or inverted domestic corporation, as the case may be,” after “surrogate foreign corporation”.

(c) **Effective Date.**—The amendments made by this section shall apply to taxable years ending after February 10, 2016.