

111TH CONGRESS
2D SESSION

H. R. 4976

To amend the Internal Revenue Code of 1986 to regulate and tax Internet gambling.

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 2010

Mr. McDERMOTT (for himself, Mr. LARSON of Connecticut, Mr. FRANK of Massachusetts, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to regulate and tax Internet gambling.

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

3 **SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Internet Gambling Regulation and Tax Enforcement Act
6 of 2010”.

7 (b) AMENDMENT OF 1986 CODE.—Except as other-
8 wise expressly provided, whenever in this Act an amend-

1 ment is expressed in terms of an amendment of a section
 2 or other provision, the reference shall be considered to be
 3 made to a section or other provision of the Internal Rev-
 4 enue Code of 1986.

5 **SEC. 2. TAX ON INTERNET GAMBLING.**

6 (a) IN GENERAL.—Chapter 36 (relating to certain
 7 other excise taxes) is amended by adding at the end the
 8 following new subchapter:

9 **“Subchapter E—Internet Gambling**

“Sec. 4491. Imposition of Internet gambling license fee.

“Sec. 4492. Record requirements.

“Sec. 4493. Elective State and Indian tribal government online gambling fee.

10 **“SEC. 4491. IMPOSITION OF INTERNET GAMBLING LICENSE**

11 **FEE.**

12 “(a) FEDERAL FEE.—Each licensee within the mean-
 13 ing of section 5382 of title 31, United States Code, (here-
 14 after in this subchapter referred to as ‘licensee’) shall be
 15 required to pay an Internet gambling license fee by the
 16 end of each calendar month in an amount equal to two
 17 percent of all funds deposited by customers during the
 18 preceding month into an account maintained by that li-
 19 censee or any agent of that licensee that can be used for
 20 the purpose of placing a bet or wager as defined in section
 21 5362(1) of title 31, United States Code.

22 “(b) DEPOSITS.—Deposits made by or on behalf of
 23 a licensee of Internet gambling winnings or returns of
 24 funds by or on behalf of a licensee to the account of a

1 customer shall not be treated as a deposit for purposes
2 of this section.

3 “(c) PERSONS LIABLE FOR FEE.—The Internet gam-
4 bling license fee shall be the direct and exclusive obligation
5 of the Internet gambling operator and may not be de-
6 ducted from the amounts available as deposits to the per-
7 son placing a bet. Notwithstanding the foregoing, any per-
8 son making a deposit for the purpose of placing a bet or
9 wager with a person who is required but has failed to ob-
10 tain a license pursuant to subchapter V of chapter 53 of
11 title 31, United States Code, shall be liable for and pay
12 the fee under this subchapter on all such deposits, but
13 such liability shall not excuse any failure to pay the fee
14 on the part of the person who is required but has failed
15 to obtain such license.

16 “(d) UNAUTHORIZED BETS OR WAGERS.—There is
17 hereby imposed a fee in an amount equal to 50 percent
18 of all funds deposited into an account that can be used
19 for placing a bet or wager within the meaning of Section
20 5362(1) of title 31, United States Code, with any person
21 that is not authorized pursuant to section 5382 of that
22 title. Such tax is due by the end of each calendar month
23 with respect to deposits during the preceding month.

24 “(e) DISPOSITION.—Amounts paid as Internet gam-
25 bling license fees or on unauthorized bets or wagers under

1 this section shall be deposited in the general fund of the
2 Treasury and treated as revenue.

3 “(f) ADMINISTRATIVE PROVISIONS.—Except to the
4 extent the Secretary shall by regulations prescribe, the
5 fees imposed by this section shall be subject to the admin-
6 istrative provisions of this title applicable to excise taxes
7 imposed by chapter 35.

8 **“SEC. 4492. RECORD REQUIREMENTS.**

9 “Each person liable for fees under this subchapter,
10 except for a person making a deposit who is liable for fees
11 pursuant to section 4491(e), shall keep a daily record
12 showing deposits as defined in this subchapter, in addition
13 to all other records required pursuant to section 6001(a).

14 **“SEC. 4493. ELECTIVE STATE AND INDIAN TRIBAL GOVERN-
15 MENT ONLINE GAMBLING FEE.**

16 “(a) IN GENERAL.—

17 “(1) PAYMENT OF STATE AND INDIAN TRIBAL
18 GOVERNMENT FEE.—On a monthly basis, each li-
19 censee shall pay to each qualified State and each
20 qualified Indian tribal government an amount equal
21 to the monthly pro rata State and Indian tribal gov-
22 ernment online gambling fee amount.

23 “(2) MONTHLY PRO RATA ONLINE GAMBLING
24 FEE AMOUNT.—For purposes of this section, with
25 respect to a qualified State and a qualified Indian

1 tribal government for any calendar month, the
2 monthly pro rata online gambling fee amount is the
3 amount of the fees described in subsection (b) re-
4 ceived with respect to such calendar month that are
5 attributable to deposits for online wagers made by
6 persons residing within the jurisdiction of such State
7 or Indian tribal government.

8 “(3) QUALIFIED STATE; QUALIFIED INDIAN
9 TRIBAL GOVERNMENT.—

10 “(A) IN GENERAL.—For purposes of this
11 section, the terms ‘qualified State’ and ‘quali-
12 fied Indian tribal government’ mean a State or
13 an Indian tribal government, respectively, that
14 has not elected (by notice provided by the Gov-
15 ernor, principal chief, or other chief executive
16 officer and in such form and manner as the
17 Secretary may prescribe) to be excluded from
18 the receipt of funds under this section.

19 “(B) STATE ELECTION NOT TO AFFECT
20 TRIBAL ELECTION.—An election by a State
21 under subparagraph (A) to be excluded from
22 the receipt of funds under this section shall not
23 constitute an election to be so excluded on be-
24 half of any Indian tribe located within or par-

1 tially within the geographic boundaries of such
2 State.

3 “(C) APPLICABILITY OF ELECTION.—An
4 election made under subparagraph (A) shall be
5 effective—

6 “(i) upon receipt by the Secretary, if
7 such election is received within 90 days of
8 the date of the enactment of the section;
9 and

10 “(ii) in any other case, on the first
11 January 1 that occurs at least 60 days
12 after the later of—

13 “(I) the receipt of such election
14 by the Secretary; or

15 “(II) the effective date specified
16 in such election.

17 “(D) STATE.—The term ‘State’ means any
18 State, the District of Columbia, or any com-
19 monwealth, territory or other possession of the
20 United States.

21 “(E) INDIAN TRIBAL GOVERNMENT.—The
22 term ‘Indian tribal government’ means the gov-
23 ernment of an Indian tribe (within the meaning
24 of section 4 of the Indian Gaming Regulatory
25 Act).

1 “(4) TIME OF PAYMENTS.—The payment made
2 under this subsection with respect to any calendar
3 month shall be made not later than the 11th day of
4 the succeeding calendar month.

5 “(b) STATE AND INDIAN TRIBAL GOVERNMENT ON-
6 LINE GAMBLING FEE.—The State and Indian tribal gov-
7 ernment online gambling fee shall be an amount equal to
8 6 percent of all deposited funds deposited by customers
9 residing in each State or area subject to the jurisdiction
10 of an Indian tribal government.

11 “(c) EFFECT OF ACCEPTANCE OF FEE.—Acceptance
12 by a State or Indian tribal government of the State and
13 Indian tribal government online gambling fee shall relieve
14 licensees from the obligation to pay any other fee or tax
15 to the State or Indian tribal government relating to its
16 online gambling services, except for—

17 “(1) applicable State individual and corporate
18 income taxes, which shall be unaffected by the elec-
19 tion, and

20 “(2) any fees associated with a licensee’s choice
21 to rely on a State or Indian tribal regulatory body
22 certification of suitability in connection with a Fed-
23 eral online gambling licensing application.”.

1 (b) CLERICAL AMENDMENT.—The table of sub-
 2 chapters for chapter 36 is amended by adding at the end
 3 the following new item:

“SUBCHAPTER E—INTERNET GAMBLING

“Sec. 4491. Imposition of Internet gambling license fee.

“Sec. 4492. Record requirements.

“Sec. 4493. Elective State and Indian tribal government online gambling fee.”.

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply to bets or wagers placed after the
 6 date of the enactment of this Act.

7 **SEC. 3. LICENSEE INFORMATION REPORTING.**

8 (a) IN GENERAL.—Subpart A of part III of sub-
 9 chapter A of chapter 61 (relating to information con-
 10 cerning persons subject to special provisions) is amended
 11 by adding at the end the following new section:

12 **“SEC. 6050X. RETURNS RELATING TO INTERNET GAMBLING.**

13 “(a) REQUIREMENT.—Every person who is a licensee
 14 (within the meaning of section 5382(3) of title 31, United
 15 States Code) or who otherwise is engaged in the business
 16 of accepting any bet or wager within the meaning of sec-
 17 tion 5362(1) of title 31, United States Code, during a tax-
 18 able year shall furnish, at such time and in such manner
 19 as the Secretary shall by regulations prescribe, the infor-
 20 mation described in subsection (b), and such person shall
 21 maintain (in the location, in the manner, and to the extent
 22 prescribed in regulations) such records as may be appro-
 23 priate to the information described in subsection (b).

1 “(b) REQUIRED INFORMATION.—For purposes of
2 subsection (a), the information described is set forth
3 below, which information may be modified as appropriate
4 by the Secretary through regulation—

5 “(1) the name, address, and TIN of the licensee
6 or other person engaged in the business of accepting
7 any bet or wager,

8 “(2) the name, address, and TIN of each per-
9 son placing a bet or wager with the licensee or other
10 person engaged in the business of accepting any bet
11 or wager during the calendar year,

12 “(3) the gross winnings, gross wagers, and
13 gross losses for the calendar year of each person
14 placing a bet or wager with the licensee or other per-
15 son engaged in the business of accepting any bet or
16 wager during the year,

17 “(4) the net Internet gambling winnings for
18 each such person for the calendar year,

19 “(5) the amount of tax withheld with respect to
20 each such person for the calendar year,

21 “(6) beginning and end-of-year account bal-
22 ances for each such person for the calendar year,
23 and

24 “(7) amounts deposited and withdrawn by each
25 such person during the calendar year.

1 “(c) STATEMENT TO BE FURNISHED TO PERSONS
2 WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—

3 Every person required to make a return under subsection
4 (a) shall furnish to each person whose name is required
5 to be set forth in such return by reason of placing a bet
6 or wager a written statement showing—

7 “(1) the name, address, and phone number of
8 the information contact of the person required to
9 make such return, and

10 “(2) the information required to be shown on
11 such return with respect to each person whose name
12 is required to be set forth in such return.

13 The written statement required under the preceding sen-
14 tence shall be furnished to the person on or before Janu-
15 ary 31 of the year following the calendar year for which
16 the return under subsection (a) was required to be made.

17 “(d) DEFINITIONS.—

18 “(1) NET INTERNET GAMBLING WINNINGS.—
19 The term ‘net Internet gambling winnings’ means
20 gross winnings from wagers placed over the Internet
21 with a person required to be licensed under section
22 5382 of chapter 53 of title 31, United States Code,
23 less the amounts wagered.

24 “(2) INTERNET; WAGER.—The terms ‘Internet’
25 and ‘wager’ shall have the respective meanings given

1 such terms by section 5362 of chapter 53 of title 31,
2 United States Code.”.

3 (b) The table of sections for subpart B of part III
4 of subchapter A of chapter 61 is amended by inserting
5 after the item relating to section 6050W the following new
6 item:

“Sec. 6050X. Returns relating to internet gambling.”.

7 **SEC. 4. WITHHOLDING FROM CERTAIN GAMBLING**
8 **WINNINGS.**

9 (a) **NET INTERNET GAMBLING WINNINGS.**—Para-
10 graph (3) of section 3406(b) (relating to other reportable
11 payments for purposes of backup withholding) is amend-
12 ed—

13 (1) by striking “or” in subparagraph (E);

14 (2) by striking “.” and inserting “, or” at the
15 end of subparagraph (F); and

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

18 “(G) section 6050X(b)(4) (relating to net
19 Internet gambling winnings).”.

20 (b) **EFFECTIVE DATE.**—The amendment made by
21 this section shall apply to bets or wagers placed after the
22 date of the enactment of this Act.

1 **SEC. 5. WITHHOLDING OF TAX ON NONRESIDENT ALIENS.**

2 (a) **TAX ON NONRESIDENT ALIEN INDIVIDUALS.—**

3 Paragraph (1) of section 871(a) (relating to income not
4 connected with United States business) is amended—

5 (1) by striking “and” at the end of subpara-
6 graph (C),

7 (2) by inserting “and” at the end of subpara-
8 graph (D), and

9 (3) by inserting after subparagraph (D) the fol-
10 lowing new subparagraph:

11 “(E) the gross amount of winnings from
12 each wager placed over the Internet with a per-
13 son required to be licensed under section 5382
14 of chapter 53 of title 31, United States Code
15 (as such terms are defined in section
16 6050X(d)(2)),”.

17 (b) **EXEMPTION FOR CERTAIN GAMBLING**

18 **WINNINGS.—**Section 871(j) (relating to exemption for cer-
19 tain gambling winnings) is amended by inserting before
20 the period at the end the following: “or to any bets or
21 wagers placed over the Internet (as such terms are defined
22 in section 6050X(d)(2))”.

23 (c) **WITHHOLDING OF TAX ON NONRESIDENT ALIEN**

24 **INDIVIDUALS.—**The first sentence of subsection (b) of sec-
25 tion 1441 (relating to withholding of tax on nonresident
26 aliens) is amended by inserting after “gains subject to tax

1 under section 871(a)(1)(D),” the following: “the gross
2 amount of winnings from wagers placed over the Internet
3 described in section 871(a)(1)(E),”.

4 (d) SOURCE OF INTERNET GAMBLING WINNINGS.—
5 Subsection (a) of section 861 is amending by inserting at
6 the end thereof the following new paragraph:

7 “(9) INTERNET GAMBLING WINNINGS.—Any
8 Internet gambling winnings received from a licensee
9 within the meaning of section 5382(3) of title 31,
10 United States Code.”.

11 (e) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to bets or wagers placed after the
13 date of the enactment of this Act.

14 **SEC. 6. WAGER TAX APPLICABLE TO FEDERAL ONLINE**
15 **GAMBLING ACTIVITIES.**

16 (a) IN GENERAL.—Subsection (a) of section 4401 is
17 amended to read as follows:

18 “(a) WAGERS.—

19 “(1) AUTHORIZED WAGERS.—There shall be
20 imposed on any wager authorized under Federal law
21 or the law of the State in which accepted an excise
22 tax equal to 0.25 percent of the amount of such
23 wager.

24 “(2) UNAUTHORIZED WAGERS.—There shall be
25 imposed on any wager not described in paragraph

1 (1) an excise tax equal to 2 percent of the amount
2 of such wager.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall apply to wagers made after December
5 31, 2010.

6 **SEC. 7. NO EXCLUSIONS UNDER FEDERAL WAGER TAX FOR**
7 **ONLINE GAMBLING ACTIVITIES.**

8 (a) IN GENERAL.—Section 4402 is amended to read
9 as follows:

10 **“SEC. 4402. EXEMPTIONS.**

11 “(a) IN GENERAL.—No tax shall be imposed by this
12 subchapter—

13 “(1) on any wager placed with, or on any wager
14 placed in a wagering pool conducted by, a pari-
15 mutuel wagering enterprise licensed under State law
16 and that is not carried out online;

17 “(2) on any wager placed in a coin-operated de-
18 vice (as defined in section 4462 as in effect for years
19 beginning before July 1, 1980), or on any amount
20 paid, in lieu of inserting a coin, token, or similar ob-
21 ject, to operate a device described in section 4462
22 (a)(2) (as so in effect), and that is not carried out
23 online; and

24 “(3) on any wager placed in a sweepstakes, wa-
25 gering pool, or lottery which is conducted by an

1 agency of a State acting under authority of State
2 law, but only if such wager is placed with the State
3 agency conducting such sweepstakes, wagering pool,
4 or lottery, or with its authorized employees or
5 agents, and is not carried out online.

6 “(b) ONLINE GAMBLING ACTIVITIES.—All online
7 gambling activities conducted pursuant to a Federal li-
8 cense shall be subject to the wagering tax set forth in sec-
9 tion 4401.”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall apply to wagers made after December
12 31, 2010.

13 **SEC. 8. TERRITORIAL EXTENT.**

14 (a) IN GENERAL.—Paragraph (2) of section 4404 is
15 amended to read as follows:

16 “(2) placed within the United States, or any
17 Commonwealth, territory, or possession thereof, by a
18 person who is a United States citizen or resident.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall apply to wagers made after December
21 31, 2010.

22 **SEC. 9. AMERICAN HERITAGE PROGRAM.**

23 (a) IMPLEMENTATION OF PROGRAM.—From funds
24 appropriated to the American Heritage Block Grant Fund
25 for a fiscal year, the Secretary of the Treasury shall make

1 grants to eligible States to carry out an American Herit-
2 age Program through State arts agencies.

3 (b) ALLOTMENT OF FUNDS.—Funds allotted for a
4 fiscal year shall be allotted among eligible States in the
5 same proportion as funds are allotted among the States
6 under section 5(g)(3) of the National Foundation on the
7 Arts and the Humanities Act of 1965 (20 U.S.C.
8 954(g)(3)).

9 (c) ELIGIBILITY TO RECEIVE GRANTS.—To be eligi-
10 ble to receive a grant under subsection (a) for a fiscal
11 year, a State shall submit to the Secretary an application
12 in such form, and containing such information and assur-
13 ances, as the Secretary may require by rule, including as-
14 surances that—

15 (1) not more than 80 percent of the cost of any
16 qualified activity carried out under this section shall
17 be paid with such grant, and

18 (2) not more than 20 percent of such grant may
19 be expended for administrative costs.

20 (d) DEFINITIONS.—For purposes of this section—

21 (1) the term “American Heritage Program”
22 means a program carried out by a State that pro-
23 vides qualified activities directly, or by contract with
24 nonprofit organizations (including community-based

1 organizations) or units of local government, for all
2 the people and communities in the State,

3 (2) the term “Secretary” means the Secretary
4 of the Treasury,

5 (3) the term “State” has the meaning given
6 such term in section 4 of the National Foundation
7 on the Arts and the Humanities Act of 1965 (20
8 U.S.C. 953),

9 (4) the term “State arts agency” has the same
10 meaning given such term as used in the National
11 Foundation on the Arts and the Humanities Act of
12 1965 (20 U.S.C. 951 et seq.), and

13 (5) the term “qualified activities” means activi-
14 ties that develop projects, productions, workshops, or
15 programs that will encourage public knowledge, edu-
16 cation, understanding, and appreciation of American
17 heritage and the arts.

18 (e) AMERICAN HERITAGE BLOCK GRANT FUND.—

19 (1) ESTABLISHMENT.—There is established in
20 the Treasury of the United States a trust fund to
21 be known as the “American Heritage Block Grant
22 Fund”, consisting of such amounts as may be appro-
23 priated or credited to the American Heritage Block
24 Grant Fund as provided in this subsection.

1 (2) TRANSFER TO FUND.—There are appro-
2 priated to the American Heritage Block Grant Fund
3 amounts equal to .5 percent of the taxes received by
4 the Treasury after December 31, 2010, that the Sec-
5 retary determines are attributable to Internet gam-
6 bling.

7 (3) METHOD OF TRANSFER.—The amounts ap-
8 propriated by paragraph (1) shall be transferred
9 from time to time from the general fund of the
10 Treasury. Such amounts shall be determined on the
11 basis of estimates by the Secretary of the taxes,
12 specified in paragraph (1), paid to or deposited into
13 the Treasury. Proper adjustments shall be made in
14 amounts subsequently transferred to the extent prior
15 estimates are in excess of or are less than the taxes
16 specified in paragraph (1).

17 (4) EXPENDITURES FROM AMERICAN HERITAGE
18 BLOCK GRANT FUND.—Amounts in the American
19 Heritage Block Grant Fund shall be available, as
20 provided by appropriation Acts, for making expendi-
21 tures to carry out subsection (a).

22 **SEC. 10. BLOCK GRANTS TO STATES FOR TRANSITIONAL**
23 **ASSISTANCE.**

24 The Social Security Act is amended by adding at the
25 end the following new title:

1 **“TITLE XXII—BLOCK GRANTS TO**
2 **STATES FOR TRANSITIONAL**
3 **ASSISTANCE**

4 **“SEC. 2201. TRANSITIONAL ASSISTANCE TRUST FUND.**

5 “(a) CREATION OF TRUST FUND.—There is estab-
6 lished in the Treasury of the United States a trust fund
7 to be known as the “Transitional Assistance Trust Fund”,
8 consisting of such amounts as may be appropriated or
9 credited to the Transitional Assistance Trust Fund as pro-
10 vided in this section.

11 “(b) TRANSFER TO TRANSITIONAL ASSISTANCE
12 TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN
13 TAXES.—

14 “(1) IN GENERAL.—There are hereby appro-
15 priated to the Transitional Assistance Trust Fund,
16 out of any money in the Treasury not otherwise ap-
17 propriated, amounts equivalent to 25 percent of the
18 taxes received in the Treasury after December 31,
19 2010, that the Secretary of the Treasury determines
20 are attributable to Internet gambling.

21 “(2) METHOD OF TRANSFER.—The amounts
22 appropriated by paragraph (1) shall be transferred
23 from time to time from the general fund in the
24 Treasury to the Transitional Assistance Trust Fund.
25 Such amounts shall be determined on the basis of

1 estimates by the Secretary of the Treasury of the
2 taxes, specified in paragraph (1) of this subsection,
3 paid to or deposited into the Treasury. Proper ad-
4 justments shall be made in amounts subsequently
5 transferred to the extent prior estimates were in ex-
6 cess of or were less than the taxes specified in para-
7 graph (1) of this subsection.

8 “(c) EXPENDITURES FROM TRANSITIONAL ASSIST-
9 ANCE TRUST FUND.—Amounts in the Transitional Assist-
10 ance Trust Fund shall be available, as provided by appro-
11 priation Acts, for making expenditures to carry out section
12 2202.

13 **“SEC. 2202. TRANSITIONAL ASSISTANCE GRANT PROGRAM.**

14 “(a) IN GENERAL.—Each State shall be entitled to
15 a payment under this section for each fiscal year in an
16 amount equal to its allotment for such fiscal year, to be
17 used by such State to carry out the State’s plan for transi-
18 tional assistance described in subsection (c), subject to the
19 requirements of this section.

20 “(b) PLAN APPROVAL REQUIRED.—No State may re-
21 ceive a payment under this section unless the State sub-
22 mits the State’s plan for transitional assistance described
23 in subsection (c) to the Secretary and the Secretary ap-
24 proves such plan.

1 “(c) STATE PLAN FOR TRANSITIONAL ASSIST-
2 ANCE.—A State plan for transitional assistance is de-
3 scribed by this subsection if the plan—

4 “(1) provides for expanded education opportuni-
5 ties for individuals who are, or were formerly, in fos-
6 ter care, including streamlining and coordinating
7 education financing opportunities and providing
8 counseling and assistance to such individuals for the
9 purpose of ensuring completion of their academic
10 goals;

11 “(2) provides for job training opportunities for
12 individuals who are, or were formerly, in foster care;

13 “(3) provides, primarily through expanding ac-
14 cess to and investment in community colleges, for
15 expanded post-secondary education and job training
16 opportunities that lead to a certificate, for individ-
17 uals who are working in, or had worked in, declining
18 sectors of the economy, as defined by the Secretary,
19 and who want to pursue a new career in a sector of
20 the economy with the potential for high wages and
21 high growth, as defined by the Secretary; and

22 “(4) provides a subsidy for the use of public
23 transportation by—

1 “(A) individuals qualifying for benefits or
2 services under title XX, including the Federal-
3 State Unemployment Insurance Program; and

4 “(B) individuals participating in programs
5 under the Workforce Investment Act.

6 “(d) ALLOTMENT.—The allotment for a fiscal year
7 for a State receiving an allotment for such fiscal year shall
8 be an amount equal to—

9 “(1) the amount appropriated for such fiscal
10 year under subsection (f), multiplied by

11 “(2) the ratio by which the population of the
12 State bears to the population of all the States receiv-
13 ing an allotment for such fiscal year as determined
14 by the Secretary (on the basis of the most recent
15 data available from the Department of Commerce).

16 “(e) DEFINITIONS.—For purposes of this section:

17 “(1) IN FOSTER CARE.—The term ‘in foster
18 care’ means, with respect to an individual, an indi-
19 vidual who is under the care and placement respon-
20 sibility of the State agency responsible for admin-
21 istering a plan, in connection with such individual,
22 under part B or part E of title IV.

23 “(2) SECRETARY.—The term ‘Secretary’ means
24 the Secretary of Health and Human Services.

1 “(3) STATE.—The term ‘State’ means the 50
2 States of the United States, the District of Colum-
3 bia, the Commonwealth of Puerto Rico, the United
4 States Virgin Islands, Guam, American Samoa, and
5 the Northern Mariana Islands.

6 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated for each fiscal year to
8 the Secretary the amount deposited into the Transitional
9 Assistance Trust Fund pursuant to section 2201 to carry
10 out this section.”.

○