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(Original Signature of Member)

112TH CONGRESS
1ST SESSION

H. R.

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

IN THE HOUSE OF REPRESENTATIVES

Mr. McDERMOTT introduced the following bill; which was referred to the Committee on _____

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 2011”.

7 (b) AMENDMENT OF 1986 CODE.—Except as other-
8 wise expressly provided, whenever in this Act an amend-
9 ment is expressed in terms of an amendment of a section

1 or other provision, the reference shall be considered to be
2 made to a section or other provision of the Internal Rev-
3 enue Code of 1986.

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

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

8 **“Subchapter E—Internet Gambling**

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

“Sec. 4492. Record requirements.

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

“Sec. 4494. Regulations.

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

11 “(a) INTERNET GAMBLING LICENSEE.—

12 “(1) IN GENERAL.—There is hereby imposed a
13 tax on each Internet gambling licensee in an amount
14 equal to 2 percent of all funds deposited by cus-
15 tomers during the preceding month into an account
16 maintained by that Internet gambling licensee or
17 any agent of that licensee that can be used for the
18 purpose of placing a bet or wager as defined in sec-
19 tion 5362(1) of title 31, United States Code.

20 “(2) PERSONS LIABLE FOR TAX.—The tax im-
21 posed by subsection (a) shall be the direct and exclu-
22 sive obligation of the Internet gambling operator and
23 may not be deducted from the amounts available as

1 deposits to the person placing a bet. Notwith-
2 standing the preceding sentence, any person making
3 a deposit for the purpose of placing a bet or wager
4 with a person who is required but has failed to ob-
5 tain a license pursuant to subchapter V of chapter
6 53 of title 31, United States Code, shall be liable for
7 and pay the tax under this subchapter on all such
8 deposits, but such liability shall not excuse any fail-
9 ure to pay the tax on the part of the person who is
10 required but has failed to obtain such license. The
11 person making the deposit shall not be liable for the
12 tax on deposits in cases of fraud.

13 “(b) UNAUTHORIZED BETS OR WAGERS.—

14 “(1) IN GENERAL.—There is hereby imposed a
15 tax on any person that is not authorized pursuant
16 to section 5383(b) of title 31, United States Code,
17 to accept bets and wagers.

18 “(2) AMOUNT OF TAX.—The amount of such
19 tax shall be equal to 50 percent of all funds depos-
20 ited into an account that can be used for placing a
21 bet or wager within the meaning of section 5362(1)
22 of that title.

23 “(c) WHEN DUE.—The tax imposed by this section
24 shall be due at by the end of each calendar month with
25 respect to deposits during the preceding month.

1 “(d) DEFINITIONS AND SPECIAL RULES.—For pur-
2 poses of this section—

3 “(1) INTERNET GAMBLING LICENSEE.—The
4 term ‘Internet gambling licensee’ means a licensee,
5 as defined in section 5382 of title 31, United States
6 Code.

7 “(2) DEPOSITS.—Deposits made by or on be-
8 half of an Internet gambling licensee of Internet
9 gambling winnings or returns of funds by or on be-
10 half of an Internet gambling licensee to the account
11 of a customer shall not be treated as a deposit for
12 purposes of this section.

13 **“SEC. 4492. RECORD REQUIREMENTS.**

14 “Each person liable for taxes under this subchapter,
15 except for a person making a deposit who is liable for
16 taxes pursuant to section 4491(a)(2), shall keep a daily
17 record showing deposits (within the meaning of this sub-
18 chapter), in addition to all other records required pursuant
19 to section 6001.

20 **“SEC. 4493. ELECTIVE STATE AND INDIAN TRIBAL GOVERN-
21 MENT ONLINE GAMBLING TAX.**

22 “(a) IN GENERAL.—

23 “(1) PAYMENT OF STATE AND INDIAN TRIBAL
24 GOVERNMENT TAX.—On a monthly basis, each
25 Internet gambling licensee shall pay to each quali-

1 fied State and each qualified Indian tribal govern-
2 ment an amount equal to the monthly pro rata State
3 and Indian tribal government online gambling tax.

4 “(2) MONTHLY PRO RATA ONLINE GAMBLING
5 TAX.—For purposes of this section, with respect to
6 a qualified State and a qualified Indian tribal gov-
7 ernment for any calendar month, the monthly pro
8 rata online gambling tax is the amount of the taxes
9 described in subsection (b) received with respect to
10 such calendar month.

11 “(3) QUALIFIED STATE; QUALIFIED INDIAN
12 TRIBAL GOVERNMENT.—

13 “(A) IN GENERAL.—For purposes of this
14 section, the terms ‘qualified State’ and ‘quali-
15 fied Indian tribal government’ mean a State or
16 an Indian tribal government, respectively, for
17 which an election to receive funds under this
18 section is in effect. Notice of such election shall
19 be provided by the Governor, principal chief, or
20 other chief executive officer in such form and
21 manner as the Secretary may prescribe.

22 “(B) STATE ELECTION NOT TO AFFECT
23 TRIBAL ELECTION.—An election by a State
24 under subparagraph (A) to receive funds under
25 this section shall not constitute an election to

1 be so included on behalf of any Indian tribe lo-
2 cated within or partially within the geographic
3 boundaries of such State.

4 “(C) REVOCATION OF STATE OR TRIBAL
5 ELECTION.—

6 “(i) IN GENERAL.—A State or Indian
7 Tribal government may revoke its election
8 by notice provided by the Governor, prin-
9 cipal chief, or other chief executive officer
10 and in such form and manner as the Sec-
11 retary may prescribe.

12 “(ii) TIMING OF REVOCATION.—Rev-
13 ocation of state election shall take effect
14 the later of 6 months after receipt by the
15 Secretary of such revocation, or on Janu-
16 ary 1st of the year following receipt by the
17 Secretary of such revocation.

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

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

1 of section 4 of the Indian Gaming Regulatory
2 Act).

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

7 “(5) LIST OF QUALIFIED STATES AND QUALI-
8 FIED INDIAN TRIBAL GOVERNMENTS.—The Sec-
9 retary shall maintain a current list of qualified
10 States and qualified Indian tribal governments and
11 shall publish such list online.

12 “(b) STATE AND INDIAN TRIBAL GOVERNMENT ON-
13 LINE GAMBLING TAX.—The State and Indian tribal gov-
14 ernment online gambling tax shall be an amount equal to
15 6 percent of all deposited funds deposited by customers
16 located in each qualified state or area subject to the juris-
17 diction of a qualified Indian tribal government at the time
18 of the deposit.

19 “(c) EFFECT OF ACCEPTANCE OF TAX.—Acceptance
20 by a State or Indian tribal government of the State and
21 Indian tribal government online gambling tax shall relieve
22 Internet gambling licensees from the obligation to pay any
23 other fee or tax to the State or Indian tribal government
24 relating to its online gambling services, except for—

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

4 “(2) any fees associated with an Internet gam-
5 bling licensee’s choice to rely on a State or Indian
6 tribal regulatory body certification of suitability in
7 connection with a Federal online gambling licensing
8 application.

9 **“SEC. 4494. REGULATIONS.**

10 “The Secretary shall prescribe such regulations as
11 may be necessary or appropriate to carry out this sub-
12 chapter.”.

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

 “SUBCHAPTER E. INTERNET GAMBLING.”.

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

19 **SEC. 3. INTERNET GAMBLING LICENSEE INFORMATION RE-**
20 **PORTING.**

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

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

2 “(a) REQUIREMENT.—Every person who is an Inter-
3 net gambling licensee or who otherwise is engaged in the
4 business of accepting any bet or wager within the meaning
5 of section 5362(1) of title 31, United States Code, during
6 a taxable year shall furnish, at such time and in such man-
7 ner as the Secretary shall by regulations prescribe, the in-
8 formation described in subsection (b), and such person
9 shall maintain (in the location, in the manner, and to the
10 extent prescribed in regulations) such records as may be
11 appropriate to the information described in subsection (b).

12 “(b) REQUIRED INFORMATION.—For purposes of
13 subsection (a), the information described is set forth
14 below, which information may be modified as appropriate
15 by the Secretary through regulation—

16 “(1) the name, address, and TIN of the Inter-
17 net gambling licensee or other person engaged in the
18 business of accepting any bet or wager,

19 “(2) the name, address, and TIN of each per-
20 son placing a bet or wager with the Internet gam-
21 bling licensee or other person engaged in the busi-
22 ness of accepting any bet or wager during the cal-
23 endar year,

24 “(3) the gross winnings, gross wagers, and
25 gross losses for the calendar year of each person
26 placing a bet or wager with the Internet gambling

1 licensee or other person engaged in the business of
2 accepting any bet or wager during the year,

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

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

7 “(6) beginning and end-of-year account bal-
8 ances for each such person for the calendar year,
9 and

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

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

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

18 “(1) the name, address, and phone number of
19 the information contact of the person required to
20 make such return, and

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

24 The written statement required under the preceding sen-
25 tence shall be furnished to the person on or before Janu-

1 ary 31 of the year following the calendar year for which
2 the return under subsection (a) was required to be made.

3 “(d) DEFINITIONS.—

4 “(1) INTERNET GAMBLING LICENSEE.—The
5 term ‘Internet gambling licensee’ has the meaning
6 given such term by section 4491(d)(1).

7 “(2) NET INTERNET GAMBLING WINNINGS.—
8 The term ‘net Internet gambling winnings’ means
9 gross winnings from wagers placed over the Internet
10 with a person required to be licensed under section
11 5382 of chapter 53 of title 31, United States Code,
12 less the amounts wagered.

13 “(3) INTERNET; WAGER.—The terms ‘Internet’
14 and ‘wager’ shall have the respective meanings given
15 such terms by section 5362 of chapter 53 of title 31,
16 United States Code.”.

17 (b) The table of sections for subpart B of part III
18 of subchapter A of chapter 61 is amended by inserting
19 after the item relating to section 6050W the following new
20 item:

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

21 **SEC. 4. WITHHOLDING FROM CERTAIN GAMBLING**
22 **WINNINGS.**

23 (a) NET INTERNET GAMBLING WINNINGS.—Para-
24 graph (3) of section 3406(b) (relating to other reportable

1 payments for purposes of backup withholding) is amend-
2 ed—

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

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

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

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

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

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

14 (a) TAX ON NONRESIDENT ALIEN INDIVIDUALS.—

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

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

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

21 (3) by inserting after subparagraph (D) the fol-
22 lowing new subparagraph:

23 “(E) the gross amount of winnings from
24 each wager placed over the Internet with a per-
25 son required to be licensed under section 5382

1 of chapter 53 of title 31, United States Code
2 (as such terms are defined in section
3 6050X(d)(2)),”.

4 (b) EXEMPTION FOR CERTAIN GAMBLING
5 WINNINGS.—Section 871(j) (relating to exemption for cer-
6 tain gambling winnings) is amended by inserting before
7 the period at the end the following: “or to any bets or
8 wagers placed over the Internet (as such terms are defined
9 in section 6050X(d)(2))”.

10 (c) WITHHOLDING OF TAX ON NONRESIDENT ALIEN
11 INDIVIDUALS.—The first sentence of subsection (b) of sec-
12 tion 1441 (relating to withholding of tax on nonresident
13 aliens) is amended by inserting after “gains subject to tax
14 under section 871(a)(1)(D),” the following: “the gross
15 amount of winnings from wagers placed over the Internet
16 described in section 871(a)(1)(E),”.

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

20 “(10) INTERNET GAMBLING WINNINGS.—Any
21 Internet gambling winnings received from an Inter-
22 net gambling licensee (as defined by section
23 4491(d)(1)).”.

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

4 **SEC. 6. WAGER TAX APPLICABLE TO FEDERAL ONLINE**
5 **GAMBLING ACTIVITIES.**

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

8 “(a) WAGERS.—

9 “(1) AUTHORIZED WAGERS.—There shall be
10 imposed on any wager authorized under Federal law
11 or the law of the State in which accepted an excise
12 tax equal to 0.25 percent of the amount of such
13 wager.

14 “(2) UNAUTHORIZED WAGERS.—There shall be
15 imposed on any wager not described in paragraph
16 (1) an excise tax equal to 2 percent of the amount
17 of such wager.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall apply to wagers made after the date
20 on which subchapter V of chapter 53 of title 31, United
21 States Code, first applies.

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

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

1 **“SEC. 4402. EXEMPTIONS.**

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

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

8 “(2) on any wager placed in a coin-operated de-
9 vice (as defined in section 4462 as in effect for years
10 beginning before July 1, 1980), or on any amount
11 paid, in lieu of inserting a coin, token, or similar ob-
12 ject, to operate a device described in section 4462
13 (a)(2) (as so in effect), and that is not carried out
14 online; or

15 “(3) on any wager placed in a sweepstakes, wa-
16 gering pool, or lottery which is conducted by an
17 agency of a State acting under authority of State
18 law, but only if such wager is placed with the State
19 agency conducting such sweepstakes, wagering pool,
20 or lottery, or with its authorized employees or
21 agents.

22 “(b) ONLINE GAMBLING ACTIVITIES.—Notwith-
23 standing the exemption listed in subsection (a)(3), all on-
24 line gambling activities conducted pursuant to a Federal
25 license shall be subject to the wagering tax set forth in
26 section 4401.”.

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

4 **SEC. 8. TERRITORIAL EXTENT.**

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

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

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

13 **SEC. 9. AMERICAN HERITAGE PROGRAM.**

14 (a) IMPLEMENTATION OF PROGRAM.—From funds
15 appropriated to the American Heritage Block Grant Fund
16 for a fiscal year, the Secretary of the Treasury shall make
17 grants to eligible States to carry out an American Herit-
18 age Program through State arts agencies.

19 (b) ALLOTMENT OF FUNDS.—Funds allotted for a
20 fiscal year shall be allotted among eligible States in the
21 same proportion as funds are allotted among the States
22 under section 5(g)(3) of the National Foundation on the
23 Arts and the Humanities Act of 1965 (20 U.S.C.
24 954(g)(3)).

1 (c) ELIGIBILITY TO RECEIVE GRANTS.—To be eligi-
2 ble to receive a grant under subsection (a) for a fiscal
3 year, a State shall submit to the Secretary an application
4 in such form, and containing such information and assur-
5 ances, as the Secretary may require by rule, including as-
6 surances that—

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

10 (2) not more that 20 percent of such grant may
11 be expended for administrative costs.

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

13 (1) the term “American Heritage Program”
14 means a program carried out by a State that pro-
15 vides qualified activities directly, or by contract with
16 nonprofit organizations (including community-based
17 organizations) or units of local government, for all
18 the people and communities in the State,

19 (2) the term “Secretary” means the Secretary
20 of the Treasury,

21 (3) the term “State” has the meaning given
22 such term in section 4 of the National Foundation
23 on the Arts and the Humanities Act of 1965 (20
24 U.S.C. 953),

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

5 (5) the term “qualified activities” means activi-
6 ties that develop projects, productions, workshops, or
7 programs that will encourage public knowledge, edu-
8 cation, understanding, and appreciation of American
9 heritage and the arts.

10 (e) AMERICAN HERITAGE BLOCK GRANT FUND.—

11 (1) ESTABLISHMENT.—There is established in
12 the Treasury of the United States a trust fund to
13 be known as the “American Heritage Block Grant
14 Fund”, consisting of such amounts as may be appro-
15 priated or credited to the American Heritage Block
16 Grant Fund as provided in this subsection.

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

23 (3) METHOD OF TRANSFER.—The amounts ap-
24 propriated by paragraph (1) shall be transferred
25 from time to time from the general fund of the

1 Treasury. Such amounts shall be determined on the
2 basis of estimates by the Secretary of the taxes,
3 specified in paragraph (1), paid to or deposited into
4 the Treasury. Proper adjustments shall be made in
5 amounts subsequently transferred to the extent prior
6 estimates are in excess of or are less than the taxes
7 specified in paragraph (1).

8 (4) EXPENDITURES FROM AMERICAN HERITAGE
9 BLOCK GRANT FUND.—Amounts in the American
10 Heritage Block Grant Fund shall be available, as
11 provided by appropriation Acts, for making expendi-
12 tures to carry out subsection (a).

13 **SEC. 10. BLOCK GRANTS TO STATES FOR TRANSITIONAL**
14 **ASSISTANCE.**

15 The Social Security Act is amended by adding at the
16 end the following new title:

17 **“TITLE XXII—BLOCK GRANTS TO**
18 **STATES FOR TRANSITIONAL**
19 **ASSISTANCE**

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

21 “(a) CREATION OF TRUST FUND.—There is estab-
22 lished in the Treasury of the United States a trust fund
23 to be known as the “Transitional Assistance Trust Fund”,
24 consisting of such amounts as may be appropriated or

1 credited to the Transitional Assistance Trust Fund as pro-
2 vided in this section.

3 “(b) TRANSFER TO TRANSITIONAL ASSISTANCE
4 TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN
5 TAXES.—

6 “(1) IN GENERAL.—There are hereby appro-
7 priated to the Transitional Assistance Trust Fund,
8 out of any money in the Treasury not otherwise ap-
9 propriated, amounts equivalent to 25 percent of the
10 taxes received in the Treasury after December 31,
11 2010, that the Secretary of the Treasury determines
12 are attributable to Internet gambling.

13 “(2) METHOD OF TRANSFER.—The amounts
14 appropriated by paragraph (1) shall be transferred
15 from time to time from the general fund in the
16 Treasury to the Transitional Assistance Trust Fund.
17 Such amounts shall be determined on the basis of
18 estimates by the Secretary of the Treasury of the
19 taxes, specified in paragraph (1) of this subsection,
20 paid to or deposited into the Treasury. Proper ad-
21 justments shall be made in amounts subsequently
22 transferred to the extent prior estimates were in ex-
23 cess of or were less than the taxes specified in para-
24 graph (1) of this subsection.

1 “(c) EXPENDITURES FROM TRANSITIONAL ASSIST-
2 ANCE TRUST FUND.—Amounts in the Transitional Assist-
3 ance Trust Fund shall be available, as provided by appro-
4 priation Acts, for making expenditures to carry out section
5 2202.

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

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

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

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

21 “(1) provides for expanded education opportuni-
22 ties for individuals who are, or were formerly, in fos-
23 ter care, including streamlining and coordinating
24 education financing opportunities and providing
25 counseling and assistance to such individuals for the

1 purpose of ensuring completion of their academic
2 goals;

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

5 “(3) provides, primarily through expanding ac-
6 cess to and investment in community colleges, for
7 expanded post-secondary education and job training
8 opportunities that lead to a certificate, for individ-
9 uals who are working in, or had worked in, declining
10 sectors of the economy, as defined by the Secretary,
11 and who want to pursue a new career in a sector of
12 the economy with the potential for high wages and
13 high growth, as defined by the Secretary; and

14 “(4) provides a subsidy for the use of public
15 transportation by—

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

19 “(B) individuals participating in programs
20 under the Workforce Investment Act.

21 “(d) ALLOTMENT.—The allotment for a fiscal year
22 for a State receiving an allotment for such fiscal year shall
23 be an amount equal to—

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

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

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

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

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

15 “(3) STATE.—The term ‘State’ means the 50
16 States of the United States, the District of Colum-
17 bia, the Commonwealth of Puerto Rico, the United
18 States Virgin Islands, Guam, American Samoa, and
19 the Northern Mariana Islands.

20 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated for each fiscal year to
22 the Secretary the amount deposited into the Transitional
23 Assistance Trust Fund pursuant to section 2201 to carry
24 out this section.”.