

113TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Richard B. Russell National School Lunch Act to establish a permanent, nationwide summer electronic benefits transfer for children program.

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IN THE SENATE OF THE UNITED STATES

\_\_\_\_\_  
\_\_\_\_\_ introduced the following bill; which was read twice  
and referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Richard B. Russell National School Lunch Act to establish a permanent, nationwide summer electronic benefits transfer for children program.

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.**

4 This Act may be cited as the "Stop Child Summer  
5 Hunger Act of 2014".

1 **SEC. 2. SUMMER ELECTRONIC BENEFITS TRANSFER FOR**  
2 **CHILDREN PROGRAM.**

3 Section 13(a) of the Richard B. Russell National  
4 School Lunch Act (42 U.S.C. 1761(a)) is amended by add-  
5 ing at the end the following:

6 “(13) SUMMER ELECTRONIC BENEFITS TRANS-  
7 FER FOR CHILDREN PROGRAM.—

8 “(A) DEFINITIONS.—In this paragraph:

9 “(i) ELIGIBLE HOUSEHOLD.—The  
10 term ‘eligible household’ means a house-  
11 hold that includes 1 or more children who  
12 are eligible to receive free or reduced price  
13 lunches under this Act or free or reduced  
14 price breakfasts under the Child Nutrition  
15 Act of 1966 (42 U.S.C. 1771 et seq.).

16 “(ii) SUMMER EBT CARD.—The term  
17 ‘summer EBT card’ means an electronic  
18 benefit transfer card that is issued to an  
19 eligible household under this paragraph  
20 and limited to food purchases.

21 “(B) PROGRAM.—The Secretary shall es-  
22 tablish a program under which the Secretary  
23 shall provide to eligible households summer  
24 EBT cards for the purpose of providing access  
25 to food for children during summer months—

1                   “(i) to reduce or eliminate the food in-  
2                   security and hunger of children; and

3                   “(ii) to improve the nutritional status  
4                   of children.

5                   “(C) USE.—An eligible household may use  
6                   a summer EBT card only to purchase food  
7                   from retail food stores that have been approved  
8                   for participation in the supplemental nutrition  
9                   assistance program established under the Food  
10                  and Nutrition Act of 2008 (7 U.S.C. 2011 et  
11                  seq.), in accordance with section 7(b) of that  
12                  Act (7 U.S.C. 2016(b)).

13                  “(D) AMOUNT.—Each summer EBT card  
14                  issued shall be in an amount of—

15                         “(i) for calendar year 2016, \$150 in  
16                         food assistance per child per summer; and

17                         “(ii) for each subsequent calendar  
18                         year, the amount specified in clause (i) as  
19                         adjusted to reflect changes in reimburse-  
20                         ment rates for school meals under this Act  
21                         between calendar year 2016 and the most  
22                         recent calendar year.

23                  “(E) TIMING.—Summer EBT cards shall  
24                  be issued at the end of the regular school year.

25                  “(F) FUNDING.—



1           pate in the free or reduced price lunch  
2           program under this Act or the free or  
3           reduced price breakfast program  
4           under the Child Nutrition Act of 1966  
5           (42 U.S.C. 1771 et seq.) during the  
6           school year immediately preceding the  
7           summer; and

8                     “(II) local educational agencies  
9           shall distribute to the families of all  
10          children enrolled in schools partici-  
11          pating in programs authorized under  
12          this Act and the Child Nutrition Act  
13          of 1966 (42 U.S.C. 1771 et seq.) and,  
14          to the maximum extent practicable,  
15          the families of all children enrolled in  
16          schools of the local educational agency  
17          information, as provided by the Sec-  
18          retary, —

19                     “(aa) regarding the program  
20           authorized under this paragraph,  
21           including eligibility rules and how  
22           children in eligible households  
23           that are not automatically en-  
24           rolled under subclause (I) may  
25           apply for program benefits; and

1                   “(bb) to assist households  
2                   receiving summer EBT cards in  
3                   making healthy food choices and  
4                   maximizing resources.

5                   “(iii) ALTERNATIVE TIMING.—

6                   “(I) IN GENERAL.—In issuing  
7                   regulations under this subparagraph,  
8                   the Secretary shall allow alternative  
9                   plans for the timing of issuance of the  
10                  summer electronic benefit cards under  
11                  subparagraph (D) in any part of a  
12                  State in which the school year does  
13                  not include a typical summer break,  
14                  on the condition that the Secretary  
15                  determines that no alternative plan in-  
16                  creases or decreases Federal costs.

17                  “(II) CONSIDERATIONS.—In de-  
18                  veloping regulations under subclause  
19                  (I), the Secretary shall consider the  
20                  ability of a State effectively to issue  
21                  benefits under an alternative sched-  
22                  ule.”.

1 **SEC. 3. DEFER DEDUCTION OF INTEREST EXPENSE RE-**  
2 **LATED TO DEFERRED INCOME.**

3 (a) IN GENERAL.—Section 163 of the Internal Rev-  
4 enue Code of 1986 (relating to deductions for interest ex-  
5 pense) is amended by redesignating subsection (n) as sub-  
6 section (o) and by inserting after subsection (m) the fol-  
7 lowing new subsection:

8 “(n) DEFERRAL OF DEDUCTION FOR INTEREST EX-  
9 PENSE RELATED TO DEFERRED INCOME.—

10 “(1) GENERAL RULE.—The amount of foreign-  
11 related interest expense of any taxpayer allowed as  
12 a deduction under this chapter for any taxable year  
13 shall not exceed an amount equal to the applicable  
14 percentage of the sum of—

15 “(A) the taxpayer’s foreign-related interest  
16 expense for the taxable year, plus

17 “(B) the taxpayer’s deferred foreign-re-  
18 lated interest expense.

19 For purposes of this paragraph, the applicable per-  
20 centage is the percentage equal to the current inclu-  
21 sion ratio.

22 “(2) TREATMENT OF DEFERRED DEDUC-  
23 TIONS.—If, for any taxable year, the amount of the  
24 limitation determined under paragraph (1) exceeds  
25 the taxpayer’s foreign-related interest expense for  
26 the taxable year, there shall be allowed as a deduc-

1           tion for the taxable year an amount equal to the  
2           lesser of—

3                   “(A) such excess, or

4                   “(B) the taxpayer’s deferred foreign-re-  
5           lated interest expense.

6           “(3) DEFINITIONS AND SPECIAL RULE.—For  
7           purposes of this subsection—

8                   “(A) FOREIGN-RELATED INTEREST EX-  
9           PENSE.—The term ‘foreign-related interest ex-  
10          pense’ means, with respect to any taxpayer for  
11          any taxable year, the amount which bears the  
12          same ratio to the amount of interest expense  
13          for such taxable year allocated and apportioned  
14          under sections 861, 864(e), and 864(f) to in-  
15          come from sources outside the United States  
16          as—

17                   “(i) the value of all stock held by the  
18          taxpayer in all section 902 corporations  
19          with respect to which the taxpayer meets  
20          the ownership requirements of subsection  
21          (a) or (b) of section 902, bears to

22                   “(ii) the value of all assets of the tax-  
23          payer which generate gross income from  
24          sources outside the United States.

1           “(B) DEFERRED FOREIGN-RELATED IN-  
2           TEREST EXPENSE.—The term ‘deferred foreign-  
3           related interest expense’ means the excess, if  
4           any, of the aggregate foreign-related interest  
5           expense for all prior taxable years beginning  
6           after December 31, 2014, over the aggregate  
7           amount allowed as a deduction under para-  
8           graphs (1) and (2) for all such prior taxable  
9           years.

10           “(C) VALUE OF ASSETS.—Except as other-  
11           wise provided by the Secretary, for purposes of  
12           subparagraph (A)(ii), the value of any asset  
13           shall be the amount with respect to such asset  
14           determined for purposes of allocating and ap-  
15           portioning interest expense under sections 861,  
16           864(e), and 864(f).

17           “(D) CURRENT INCLUSION RATIO.—The  
18           term ‘current inclusion ratio’ means, with re-  
19           spect to any domestic corporation which meets  
20           the ownership requirements of subsection (a) or  
21           (b) of section 902 with respect to one or more  
22           section 902 corporations for any taxable year,  
23           the ratio (expressed as a percentage) of—

24                   “(i) the sum of all dividends received  
25                   by the domestic corporation from all such

1 section 902 corporations during the taxable  
2 year plus amounts includible in gross in-  
3 come under section 951(a) from all such  
4 section 902 corporations, in each case com-  
5 puted without regard to section 78, divided  
6 by

7 “(ii) the aggregate amount of post-  
8 1986 undistributed earnings.

9 “(E) AGGREGATE AMOUNT OF POST-1986  
10 UNDISTRIBUTED EARNINGS.—The term ‘aggre-  
11 gate amount of post-1986 undistributed earn-  
12 ings’ means, with respect to any domestic cor-  
13 poration which meets the ownership require-  
14 ments of subsection (a) or (b) of section 902  
15 with respect to one or more section 902 cor-  
16 porations, the domestic corporation’s pro rata  
17 share of the post-1986 undistributed earnings  
18 (as defined in section 902(c)(1)) of all such sec-  
19 tion 902 corporations.

20 “(F) FOREIGN CURRENCY CONVERSION.—  
21 For purposes of determining the current inclu-  
22 sion ratio, and except as otherwise provided by  
23 the Secretary, the aggregate amount of post-  
24 1986 undistributed earnings for the taxable  
25 year shall be determined by translating each

1 section 902 corporation's post-1986 undistrib-  
2 uted earnings into dollars using the average ex-  
3 change rate for such year.

4 “(G) SECTION 902 CORPORATION.—The  
5 term ‘section 902 corporation’ has the meaning  
6 given to such term by section 909(d)(5).

7 “(4) TREATMENT OF AFFILIATED GROUPS.—  
8 The current inclusion ratio of each member of an af-  
9 filiated group (as defined in section 864(e)(5)(A))  
10 shall be determined as if all members of such group  
11 were a single corporation.

12 “(5) APPLICATION TO SEPARATE CATEGORIES  
13 OF INCOME.—This subsection shall be applied sepa-  
14 rately with respect to the categories of income speci-  
15 fied in section 904(d)(1).

16 “(6) REGULATIONS.—The Secretary may pre-  
17 scribe such regulations or other guidance as is nec-  
18 essary or appropriate to carry out the purposes of  
19 this subsection, including regulations or other guid-  
20 ance providing—

21 “(A) for the proper application of this sub-  
22 section with respect to changes in ownership of  
23 a section 902 corporation,

24 “(B) that certain corporations that other-  
25 wise would not be members of the affiliated

1 group will be treated as members of the affili-  
2 ated group for purposes of this subsection,

3 “(C) for the proper application of this sub-  
4 section with respect to the taxpayer’s share of  
5 a deficit in earnings and profits of a section  
6 902 corporation,

7 “(D) for appropriate adjustments to the  
8 determination of the value of stock in any sec-  
9 tion 902 corporation for purposes of this sub-  
10 section or to the foreign-related interest expense  
11 to account for income that is subject to tax  
12 under section 882(a)(1), and

13 “(E) for the proper application of this sub-  
14 section with respect to interest expense that is  
15 directly allocable to income with respect to cer-  
16 tain assets.”.

17 (b) **EFFECTIVE DATE.**—The amendments made by  
18 this section shall apply to taxable years beginning after  
19 December 31, 2014.