

~~SEC. 1105. TAX-EXEMPT BOND FINANCING FOR FIXED-WING EMERGENCY MEDICAL AIRCRAFT.~~

~~26 USC 147.~~

~~(a) IN GENERAL.—Subsection (e) of section 147 is amended by adding at the end the following new sentence: “The preceding sentence shall not apply to any fixed-wing aircraft equipped for, and exclusively dedicated to providing, acute care emergency medical services (within the meaning of section 4261(g)(2)).”~~

~~26 USC 147 note.~~

~~(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after the date of the enactment of this Act.~~

26 USC 408 note.

SEC. 1106. ROLLOVER OF AMOUNTS RECEIVED IN AIRLINE CARRIER BANKRUPTCY.

Time period.

(a) GENERAL RULES.—

(1) ROLLOVER OF AIRLINE PAYMENT AMOUNT.—If a qualified airline employee receives any airline payment amount and transfers any portion of such amount to a traditional IRA within 180 days of receipt of such amount (or, if later, within 180 days of the date of the enactment of this Act), then such amount (to the extent so transferred) shall be treated as a rollover contribution described in section 402(c) of the Internal Revenue Code of 1986. A qualified airline employee making such a transfer may exclude from gross income the amount transferred, in the taxable year in which the airline payment amount was paid to the qualified airline employee by the commercial passenger airline carrier.

(2) TRANSFER OF AMOUNTS ATTRIBUTABLE TO AIRLINE PAYMENT AMOUNT FOLLOWING ROLLOVER TO ROTH IRA.—A qualified airline employee who has contributed an airline payment amount to a Roth IRA that is treated as a qualified rollover contribution pursuant to section 125 of the Worker, Retiree, and Employer Recovery Act of 2008, may transfer to a traditional IRA, in a trustee-to-trustee transfer, all or any part of the contribution (together with any net income allocable to such contribution), and the transfer to the traditional IRA will be deemed to have been made at the time of the rollover to the Roth IRA, if such transfer is made within 180 days of the date of the enactment of this Act. A qualified airline employee making such a transfer may exclude from gross income the airline payment amount previously rolled over to the Roth IRA, to the extent an amount attributable to the previous rollover was transferred to a traditional IRA, in the taxable year in which the airline payment amount was paid to the qualified airline employee by the commercial passenger airline carrier. No amount so transferred to a traditional IRA may be treated as a qualified rollover contribution with respect to a Roth IRA within the 5-taxable year period beginning with the taxable year in which such transfer was made.

(3) EXTENSION OF TIME TO FILE CLAIM FOR REFUND.—A qualified airline employee who excludes an amount from gross income in a prior taxable year under paragraph (1) or (2) may reflect such exclusion in a claim for refund filed within the period of limitation under section 6511(a) of such Code (or, if later, April 15, 2013).

(4) OVERALL LIMITATION ON AMOUNTS TRANSFERRED TO TRADITIONAL IRAS.—

(A) IN GENERAL.—The aggregate amount of airline payment amounts which may be transferred to 1 or more traditional IRAs under paragraphs (1) and (2) with respect to any qualified employee for any taxable year shall not exceed the excess (if any) of—

(i) 90 percent of the aggregate airline payment amounts received by the qualified airline employee during the taxable year and all preceding taxable years, over

(ii) the aggregate amount of such transfers to which paragraphs (1) and (2) applied for all preceding taxable years.

(B) SPECIAL RULES.—For purposes of applying the limitation under subparagraph (A)—

(i) any airline payment amount received by the surviving spouse of any qualified employee, and any amount transferred to a traditional IRA by such spouse under subsection (d), shall be treated as an amount received or transferred by the qualified employee, and

(ii) any amount transferred to a traditional IRA which is attributable to net income described in paragraph (2) shall not be taken into account.

(5) COVERED EXECUTIVES NOT ELIGIBLE TO MAKE TRANSFERS.—Paragraphs (1) and (2) shall not apply to any transfer by a qualified airline employee (or any transfer authorized under subsection (d) by a surviving spouse of the qualified airline employee) if at any time during the taxable year of the transfer or any preceding taxable year the qualified airline employee held a position described in subparagraph (A) or (B) of section 162(m)(3) with the commercial passenger airline carrier from whom the airline payment amount was received.

(b) TREATMENT OF AIRLINE PAYMENT AMOUNTS AND TRANSFERS FOR EMPLOYMENT TAXES.—For purposes of chapter 21 of the Internal Revenue Code of 1986 and section 209 of the Social Security Act, an airline payment amount shall not fail to be treated as a payment of wages by the commercial passenger airline carrier to the qualified airline employee in the taxable year of payment because such amount is excluded from the qualified airline employee's gross income under subsection (a).

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) AIRLINE PAYMENT AMOUNT.—

(A) IN GENERAL.—The term “airline payment amount” means any payment of any money or other property which is payable by a commercial passenger airline carrier to a qualified airline employee—

(i) under the approval of an order of a Federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, and

(ii) in respect of the qualified airline employee's interest in a bankruptcy claim against the carrier, any note of the carrier (or amount paid in lieu of a note being issued), or any other fixed obligation of the carrier to pay a lump sum amount.

The amount of such payment shall be determined without regard to any requirement to deduct and withhold tax

from such payment under sections 3102(a) of the Internal Revenue Code of 1986 and 3402(a) of such Code.

(B) EXCEPTION.—An airline payment amount shall not include any amount payable on the basis of the carrier's future earnings or profits.

(2) QUALIFIED AIRLINE EMPLOYEE.—The term “qualified airline employee” means an employee or former employee of a commercial passenger airline carrier who was a participant in a defined benefit plan maintained by the carrier which—

(A) is a plan described in section 401(a) of the Internal Revenue Code of 1986 which includes a trust exempt from tax under section 501(a) of such Code, and

(B) was terminated or became subject to the restrictions contained in paragraphs (2) and (3) of section 402(b) of the Pension Protection Act of 2006.

(3) TRADITIONAL IRA.—The term “traditional IRA” means an individual retirement plan (as defined in section 7701(a)(37) of the Internal Revenue Code of 1986) which is not a Roth IRA.

(4) ROTH IRA.—The term “Roth IRA” has the meaning given such term by section 408A(b) of such Code.

(d) SURVIVING SPOUSE.—If a qualified airline employee died after receiving an airline payment amount, or if an airline payment amount was paid to the surviving spouse of a qualified airline employee in respect of the qualified airline employee, the surviving spouse of the qualified airline employee may take all actions permitted under section 125 of the Worker, Retiree and Employer Recovery Act of 2008, or under this section, to the same extent that the qualified airline employee could have done had the qualified airline employee survived.

(e) EFFECTIVE DATE.—This section shall apply to transfers made after the date of the enactment of this Act with respect to airline payment amounts paid before, on, or after such date.

Applicability.
26 USC 4281
note.

~~SEC. 1107. TERMINATION OF EXEMPTION FOR SMALL JET AIRCRAFT ON NONESTABLISHED LINES.~~

26 USC 4281.

~~(a) IN GENERAL.—The first sentence of section 4281 is amended by inserting “or when such aircraft is a jet aircraft” after “an established line”.~~

~~(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable transportation provided after March 31, 2012.~~

~~SEC. 1108. MODIFICATION OF CONTROL DEFINITION FOR PURPOSES OF SECTION 249.~~

~~(a) IN GENERAL.—Section 249(a) is amended by striking “, or a corporation in control of, or controlled by,” and inserting “, or a corporation in the same parent subsidiary controlled group (within the meaning of section 1563(a)(1) as”~~

~~(b) CONFORMING AMENDMENT.—Section 249(b) is amended—~~

~~(1) by striking all that precedes “is the issue price” and inserting:~~

~~“(b) ADJUSTED ISSUE PRICE.—For purposes of subsection (a), the adjusted issue price”, and~~

~~(2) by striking paragraph (2).~~

26 USC 249 note.

~~(c) EFFECTIVE DATE.—The amendments made by this section shall apply to repurchases after the date of the enactment of this Act.~~