

the Medicaid program. The Senate amendment had similar language prohibiting implementation of the rules for two years. The House bill did not contain a similar provision.

The bill includes a provision to offset the estimated cost of blocking the Medicaid rules in this section. This provision: (1) requires States, as a condition of receiving Federal matching funds in Medicaid, to require all providers to use tamper-proof prescription drug pads when writing prescriptions for Medicaid beneficiaries; and (2) extends certain Pharmacy Plus waivers under the Medicaid program. The Senate amendment contained a different offset, which increased the required rebate for drugs sold through the Medicaid program. The House bill contained no similar provision.

TITLE VII

FAIR MINIMUM WAGE AND TAX RELIEF

SUBTITLE A—FAIR MINIMUM WAGE

The conference agreement includes provisions to increase the Federal minimum wage in the United States to \$7.25 an hour over two years as proposed by both the House and the Senate. The conference agreement also provides for Federal minimum wage increases of \$0.50 per hour, beginning 60 days after enactment, and annually thereafter, in the Commonwealth of the Northern Mariana Islands and American Samoa, until their minimum wage reaches that of the United States. In addition, the agreement requires that the Department of Labor, through the Bureau of Labor Statistics, transmit a report to Congress assessing the impact of wage increases in the Commonwealth of the Northern Mariana Islands and American Samoa not later than 32 months after enactment.

The House bill included a phased increase of \$0.50 upon enactment, and \$1.00 annually thereafter, in the Federal minimum wage for both the Commonwealth of the Northern Mariana Islands and American Samoa until their minimum wage reaches that of the United States, while the Senate amendment provided a phased increase of \$0.50 upon enactment, and \$1.00 annually thereafter, in the Federal minimum wage for the Commonwealth of the Northern Mariana Islands, but no increase in American Samoa.

SUBTITLE B—SMALL BUSINESS INCENTIVES

The conference agreement modifies small business and work opportunity provisions in the Senate amendment that provide enhanced compliance assistance for small businesses, authorize a program for small business child care grants at the Department of Health and Human Services, require a study on certain aspects of the Earned Income Tax Credit, authorize renewal grants for women's business centers, and require a report under the Buy American Act. The House bill did not contain similar provisions.

SUBTITLE C

SMALL BUSINESS TAX INCENTIVES

The conference agreement modifies provisions in the House bill and Senate amendment regarding small business incentives. The conference agreement extends the Work Opportunity Tax Credit ("WOTC") through August 31, 2011, later than the House proposed but sooner than the Senate proposed. The conference agreement expands WOTC to include more veterans with service-connected disabilities, "high risk youth," and employees in "outward migration counties." The House and the Senate had proposed various enhancements.

The conference agreement enhances the tip credit for certain small businesses by freezing the minimum wage level for purposes of calculating the credit. The House had similar language, but the Senate did not.

The conference agreement permanently waives both individual and corporate alternative minimum tax limitations on WOTC and tip credits. The House had similar language, but the Senate did not.

The conference agreement extends small business expensing under section 179 through 2010 and increases the expensing limit from the current \$112,000 to \$125,000, as the House had proposed. The Senate had similar language.

The conference agreement extends and expands several tax provisions affecting Gulf Opportunity Zones affected by hurricanes Katrina, Rita and Wilma. The agreement modifies language proposed by the Senate. The House did not include similar language.

The conference agreement makes several changes to the treatment of Subchapter S corporations. The Senate had proposed similar language. The House did not include similar language.

The conference agreement raises the age of children whose unearned income is taxed as their parents' income. The House and Senate both had similar language.

The conference agreement modifies IRC section 6404(g) which provides for suspension of interest and certain penalties, from the current 18 months after filing to 36 months. The House had proposed 22 months and the Senate had proposed repeal of suspensions.

The conference agreement increases the penalty for bad checks and money orders, creates a new penalty on claims for refunds filed without any reasonable basis, and expands the penalties on tax return preparers. Both House and Senate proposed similar language.

The conference agreement increases the estimated tax payments due July through September, 2012 for corporations with assets in excess of \$1 billion. The House had similar language, but the Senate did not.

CONTRACTING REFORM

The conference agreement does not include language proposed by the House (as title V of the House bill) relating to federal contracting reform.

NOTIFICATION OF EMERGENCY LEGISLATION

The congressional budget resolution (H. Con. Res. 95) agreed to by Congress for fiscal year 2006, and both the House and Senate versions of the congressional budget resolution for fiscal year 2007 include provisions relating to the notification of emergency spending. These provisions require a statement of how the emergency provisions contained in the conference agreement meet the criteria for emergency spending as identified in the budget resolution.

The conference agreement contains emergency funding for fiscal year 2007 for the global war on terror, hurricane recovery in the gulf coast region, emerging threats to homeland security, pandemic influenza prevention, unmet veterans' healthcare needs, and agriculture disaster relief. The funding is related to unanticipated needs and is for situations that are sudden, urgent, and unforeseen, specifically the global war on terror and thy hurricanes of 2005. These needs meet the criteria for emergencies.

EARMARKS

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, this conference report contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2007 recommended by the Committee of Conference, comparisons to the 2007 budget estimates, and the House and Senate bills for 2007 follow:

	(In thousands of dollars)
Budget estimates of new (obligational) authority, fiscal year 2007 .....	103,015,427
House bill, fiscal year 2007 .....	124,315,636
Senate bill, fiscal year 2007 .....	122,807,084
Conference agreement, fiscal year 2007 .....	124,173,007
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 2007 .....	+21,157,580
House bill, fiscal year 2007 .....	-142,629
Senate bill, fiscal year 2007 .....	+1,365,923

DAVID R. OBEY,  
ROSA L. DELAURO,  
JOHN P. MURTHA,  
PETER J. VISCLOSKEY,  
NITA LOWEY,  
CAROLYN KILPATRICK,  
NORMAN D. DICKS,  
CHET EDWARDS,  
ALAN B. MOLLOHAN,  
JOHN OLVER,  
JOSÉ E. SERRANO,  
DEBBIE WASSERMAN  
SCHULTZ,  
JAMES E. CLYBURN,

*Managers on the Part of the House.*

ROBERT C. BYRD,  
DANIEL K. INOUE,  
PATRICK J. LEAHY,  
TOM HARKIN,  
BARBARA A. MIKULSKI,  
HERB KOHL,  
PATTY MURRAY,  
BYRON L. DORGAN,  
DIANNE FEINSTEIN,  
RICHARD J. DURBIN,  
TIM JOHNSON,  
MARY L. LANDRIEU,  
JACK REED,  
FRANK R. LAUTENBERG,  
BEN NELSON,

*Managers on the Part of the Senate.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, the 5-minute voting will continue.

There was no objection.

10,000 TEACHERS, 10 MILLION MINDS SCIENCE AND MATH SCHOLARSHIP ACT

Mr. GORDON of Tennessee. Madam Speaker, pursuant to the instructions of the House on the motion to recommit, I report the bill, H.R. 362, back to the House with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment:

Amend section 204 to read as follows:

SEC. 204. CURRICULA.

Nothing in this Act, or the amendments made by this Act, shall be construed to limit the authority of State governments or local school boards to determine the curricula of their students.

The SPEAKER pro tempore. The question is on the amendment. The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.