



Public Law 110-246
110th Congress

An Act

To provide for the continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2012, and for other purposes.

June 18, 2008

[H.R. 6124]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Food, Conservation, and Energy Act of 2008”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Food,
Conservation,
and Energy Act
of 2008.
7 USC 8701 note.

- Sec. 1. Short title; table of contents.
- Sec. 2. Definition of Secretary.
- Sec. 3. Explanatory Statement.
- Sec. 4. Repeal of duplicative enactment.

TITLE I—COMMODITY PROGRAMS

Sec. 1001. Definitions.

Subtitle A—Direct Payments and Counter-Cyclical Payments

- Sec. 1101. Base acres.
- Sec. 1102. Payment yields.
- Sec. 1103. Availability of direct payments.
- Sec. 1104. Availability of counter-cyclical payments.
- Sec. 1105. Average crop revenue election program.
- Sec. 1106. Producer agreement required as condition of provision of payments.
- Sec. 1107. Planting flexibility.
- Sec. 1108. Special rule for long grain and medium grain rice.
- Sec. 1109. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

- Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.
- Sec. 1202. Loan rates for nonrecourse marketing assistance loans.
- Sec. 1203. Term of loans.
- Sec. 1204. Repayment of loans.
- Sec. 1205. Loan deficiency payments.
- Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.
- Sec. 1207. Special marketing loan provisions for upland cotton.
- Sec. 1208. Special competitive provisions for extra long staple cotton.
- Sec. 1209. Availability of recourse loans for high moisture feed grains and seed cotton.
- Sec. 1210. Adjustments of loans.

Subtitle C—Peanuts

- Sec. 1301. Definitions.
- Sec. 1302. Base acres for peanuts for a farm.
- Sec. 1303. Availability of direct payments for peanuts.
- Sec. 1304. Availability of counter-cyclical payments for peanuts.
- Sec. 1305. Producer agreement required as condition on provision of payments.
- Sec. 1306. Planting flexibility.
- Sec. 1307. Marketing assistance loans and loan deficiency payments for peanuts.

- Sec. 14212. Prohibition on closure or relocation of county offices for the Farm Service Agency.
- Sec. 14213. USDA Graduate School.
- Sec. 14214. Fines for violations of the Animal Welfare Act.
- Sec. 14215. Definition of central filing system.
- Sec. 14216. Consideration of proposed recommendations of study on use of cats and dogs in Federal research.
- Sec. 14217. Regional economic and infrastructure development.
- Sec. 14218. Coordinator for chronically underserved rural areas.
- Sec. 14219. Elimination of statute of limitations applicable to collection of debt by administrative offset.
- Sec. 14220. Availability of excess and surplus computers in rural areas.
- Sec. 14221. Repeal of section 3068 of the Water Resources Development Act of 2007.
- Sec. 14222. Domestic food assistance programs.
- Sec. 14223. Technical correction.

TITLE XV—TRADE AND TAX PROVISIONS

- Sec. 15001. Short title; etc.

Subtitle A—Supplemental Agricultural Disaster Assistance From the Agricultural
Disaster Relief Trust Fund

- Sec. 15101. Supplemental agricultural disaster assistance.

Subtitle B—Revenue Provisions for Agriculture Programs

- Sec. 15201. Customs User Fees.
- Sec. 15202. Time for payment of corporate estimated taxes.

Subtitle C—Tax Provisions

PART I—CONSERVATION

SUBPART A—LAND AND SPECIES PRESERVATION PROVISIONS

- Sec. 15301. Exclusion of conservation reserve program payments from SECA tax for certain individuals.
- Sec. 15302. Two-year extension of special rule encouraging contributions of capital gain real property for conservation purposes.
- Sec. 15303. Deduction for endangered species recovery expenditures.

SUBPART B—TIMBER PROVISIONS

- Sec. 15311. Temporary reduction in rate of tax on qualified timber gain of corporations.
- Sec. 15312. Timber REIT modernization.
- Sec. 15313. Mineral royalty income qualifying income for timber REITs.
- Sec. 15314. Modification of taxable REIT subsidiary asset test for timber REITs.
- Sec. 15315. Safe harbor for timber property.
- Sec. 15316. Qualified forestry conservation bonds.

PART II—ENERGY PROVISIONS

SUBPART A—CELLULOSIC BIOFUEL

- Sec. 15321. Credit for production of cellulosic biofuel.
- Sec. 15322. Comprehensive study of biofuels.

SUBPART B—REVENUE PROVISIONS

- Sec. 15331. Modification of alcohol credit.
- Sec. 15332. Calculation of volume of alcohol for fuel credits.
- Sec. 15333. Ethanol tariff extension.
- Sec. 15334. Limitations on duty drawback on certain imported ethanol.

PART III—AGRICULTURAL PROVISIONS

- Sec. 15341. Increase in loan limits on agricultural bonds.
- Sec. 15342. Allowance of section 1031 treatment for exchanges involving certain mutual ditch, reservoir, or irrigation company stock.
- Sec. 15343. Agricultural chemicals security credit.
- Sec. 15344. 3-year depreciation for race horses that are 2-years old or younger.
- Sec. 15345. Temporary tax relief for Kiowa County, Kansas and surrounding area.
- Sec. 15346. Competitive certification awards modification authority.

PART IV—OTHER REVENUE PROVISIONS

- Sec. 15351. Limitation on excess farm losses of certain taxpayers.

Subtitle C—Tax Provisions

PART I—CONSERVATION

Subpart A—Land and Species Preservation Provisions

SEC. 15301. EXCLUSION OF CONSERVATION RESERVE PROGRAM PAYMENTS FROM SECA TAX FOR CERTAIN INDIVIDUALS.

(a) INTERNAL REVENUE CODE.—Section 1402(a)(1) (defining net earnings from self-employment) is amended by inserting “, and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2)) to individuals receiving benefits under section 202 or 223 of the Social Security Act” after “crop shares”. 26 USC 1402.

(b) SOCIAL SECURITY ACT.—Section 211(a)(1) of the Social Security Act is amended by inserting “, and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2)) to individuals receiving benefits under section 202 or 223” after “crop shares”. 42 USC 411.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after December 31, 2007. 26 USC 1402 note.

SEC. 15302. TWO-YEAR EXTENSION OF SPECIAL RULE ENCOURAGING CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—

(1) INDIVIDUALS.—Section 170(b)(1)(E)(vi) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(2) CORPORATIONS.—Section 170(b)(2)(B)(iii) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

SEC. 15303. DEDUCTION FOR ENDANGERED SPECIES RECOVERY EXPENDITURES.

(a) DEDUCTION FOR ENDANGERED SPECIES RECOVERY EXPENDITURES.—

(1) IN GENERAL.—Paragraph (1) of section 175(c) (relating to definitions) is amended by inserting after the first sentence the following new sentence: “Such term shall include expenditures paid or incurred for the purpose of achieving site-specific management actions recommended in recovery plans approved pursuant to the Endangered Species Act of 1973.”

(2) CONFORMING AMENDMENTS.—

(A) Section 175 is amended by inserting “, or for endangered species recovery” after “prevention of erosion of land used in farming” each place it appears in subsections (a) and (c).

(B) The heading of section 175 is amended by inserting “; ENDANGERED SPECIES RECOVERY EXPENDITURES” before the period.

(C) The item relating to section 175 in the table of sections for part VI of subchapter B of chapter 1 is amended