

(b) **EFFECTIVE DATE.**—The form required by subsection (a) shall be made available for taxable years beginning after the date of the enactment of this Act.

SEC. 41107. ATTORNEYS FEES RELATING TO AWARDS TO WHISTLEBLOWERS.

26 USC 62.

(a) **IN GENERAL.**—Paragraph (21) of section 62(a) is amended to read as follows:

“(21) **ATTORNEYS’ FEES RELATING TO AWARDS TO WHISTLEBLOWERS.**—

“(A) **IN GENERAL.**—Any deduction allowable under this chapter for attorney fees and court costs paid by, or on behalf of, the taxpayer in connection with any award under—

“(i) section 7623(b), or

“(ii) in the case of taxable years beginning after December 31, 2017, any action brought under—

“(I) section 21F of the Securities Exchange Act of 1934 (15 U.S.C. 78u–6),

“(II) a State false claims act, including a State false claims act with qui tam provisions, or

“(III) section 23 of the Commodity Exchange Act (7 U.S.C. 26).

“(B) **MAY NOT EXCEED AWARD.**—Subparagraph (A) shall not apply to any deduction in excess of the amount includible in the taxpayer’s gross income for the taxable year on account of such award.”.

26 USC 62 note.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 41108. CLARIFICATION OF WHISTLEBLOWER AWARDS.

(a) **DEFINITION OF PROCEEDS.**—

(1) **IN GENERAL.**—Section 7623 is amended by adding at the end the following new subsection:

“(c) **PROCEEDS.**—For purposes of this section, the term ‘proceeds’ includes—

“(1) penalties, interest, additions to tax, and additional amounts provided under the internal revenue laws, and

“(2) any proceeds arising from laws for which the Internal Revenue Service is authorized to administer, enforce, or investigate, including—

“(A) criminal fines and civil forfeitures, and

“(B) violations of reporting requirements.”.

(2) **CONFORMING AMENDMENTS.**—Paragraphs (1) and (2)(A) of section 7623(b) are each amended by striking “collected proceeds (including penalties, interest, additions to tax, and additional amounts) resulting from the action” and inserting “proceeds collected as a result of the action”.

(b) **AMOUNT OF PROCEEDS DETERMINED WITHOUT REGARD TO AVAILABILITY.**—Paragraphs (1) and (2)(A) of section 7623(b) are each amended by inserting “(determined without regard to whether such proceeds are available to the Secretary)” after “in response to such action”.

(c) **DISPUTED AMOUNT THRESHOLD.**—Section 7623(b)(5)(B) is amended by striking “tax, penalties, interest, additions to tax, and additional amounts” and inserting “proceeds”.

26 USC 7623 note.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to information provided before, on, or after the date

of the enactment of this Act with respect to which a final determination for an award has not been made before such date of enactment.

SEC. 41109. CLARIFICATION REGARDING EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.

(a) **IN GENERAL.**—Subsection (b)(1) of section 4968, as added by section 13701(a) of Public Law 115–97, is amended—

26 USC 4968.

(1) by inserting “tuition-paying” after “500” in subparagraph (A), and

(2) by inserting “tuition-paying” after “50 percent of the” in subparagraph (B).

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

26 USC 4968 note.

SEC. 41110. EXCEPTION FROM PRIVATE FOUNDATION EXCESS BUSINESS HOLDING TAX FOR INDEPENDENTLY-OPERATED PHILANTHROPIC BUSINESS HOLDINGS.

(a) **IN GENERAL.**—Section 4943 is amended by adding at the end the following new subsection:

“(g) **EXCEPTION FOR CERTAIN HOLDINGS LIMITED TO INDEPENDENTLY-OPERATED PHILANTHROPIC BUSINESS.**—

“(1) **IN GENERAL.**—Subsection (a) shall not apply with respect to the holdings of a private foundation in any business enterprise which meets the requirements of paragraphs (2), (3), and (4) for the taxable year.

“(2) **OWNERSHIP.**—The requirements of this paragraph are met if—

“(A) 100 percent of the voting stock in the business enterprise is held by the private foundation at all times during the taxable year, and

“(B) all the private foundation’s ownership interests in the business enterprise were acquired by means other than by purchase.

“(3) **ALL PROFITS TO CHARITY.**—

“(A) **IN GENERAL.**—The requirements of this paragraph are met if the business enterprise, not later than 120 days after the close of the taxable year, distributes an amount equal to its net operating income for such taxable year to the private foundation.

“(B) **NET OPERATING INCOME.**—For purposes of this paragraph, the net operating income of any business enterprise for any taxable year is an amount equal to the gross income of the business enterprise for the taxable year, reduced by the sum of—

“(i) the deductions allowed by chapter 1 for the taxable year which are directly connected with the production of such income,

“(ii) the tax imposed by chapter 1 on the business enterprise for the taxable year, and

“(iii) an amount for a reasonable reserve for working capital and other business needs of the business enterprise.

“(4) **INDEPENDENT OPERATION.**—The requirements of this paragraph are met if, at all times during the taxable year—

“(A) no substantial contributor (as defined in section 4958(c)(3)(C)) to the private foundation or family member