

119TH CONGRESS
2D SESSION

S. _____

To amend the Internal Revenue Code of 1986 to allow rehabilitation expenditures for public school buildings to qualify for rehabilitation credit.

IN THE SENATE OF THE UNITED STATES

Mr. KAINE introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to allow rehabilitation expenditures for public school buildings to qualify for rehabilitation credit.

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 “School Infrastructure
5 Modernization Act of 2026”.

1 **SEC. 2. QUALIFICATION OF REHABILITATION EXPENDI-**
2 **TURES FOR PUBLIC SCHOOL BUILDINGS FOR**
3 **REHABILITATION CREDIT.**

4 (a) IN GENERAL.—Section 47(c)(2)(B)(v) of the In-
5 ternal Revenue Code of 1986 is amended by adding at the
6 end the following new subclause:

7 “(III) CLAUSE NOT TO APPLY TO
8 PUBLIC SCHOOLS.—This clause shall
9 not apply in the case of the rehabilita-
10 tion of any building which was used
11 as a qualified public educational facil-
12 ity (as defined in section 142(k)(1),
13 determined without regard to sub-
14 paragraph (B) thereof) at any time
15 during the 5-year period ending on
16 the date that such rehabilitation be-
17 gins and which is used as such a facil-
18 ity immediately after such rehabilita-
19 tion.”.

20 (b) REPORT.—Not later than the date which is 5
21 years after the date of the enactment of this Act, the Sec-
22 retary of the Treasury, after consultation with the heads
23 of appropriate Federal agencies, shall report to Congress
24 on the effects resulting from the amendment made by sub-
25 section (a), including—

1 (1) the number of qualified public education fa-
2 cilities rehabilitated (stated separately with respect
3 to each State) and the number of students using
4 such facilities (stated separately with respect to each
5 such State),

6 (2) the number of qualified public education fa-
7 cilities rehabilitated in low-income communities (as
8 defined in section 45D(e)(1) of the Internal Revenue
9 Code of 1986) and the number of students using
10 such facilities,

11 (3) the amount of qualified rehabilitation ex-
12 penditures for each qualified public education facility
13 rehabilitated, and

14 (4) and any other data determined by the Sec-
15 retary to be useful in evaluating the impact of such
16 amendment.

17 (c) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to property placed in service after
19 December 31, 2026.