

SA 2993. Mr. SCHUMER (for himself and Mrs. Lincoln) submitted an amendment intended to be proposed to amendment SA 2786 proposed by Mr. Reid (for himself, Mr. Baucus, Mr. Dodd, and Mr. Harkin) to the bill H.R. 3590, to amend the Internal Revenue Code of 1986 to modify the first-time homebuyers credit in the case of members of the Armed Forces and certain other Federal employees, and for other purposes; which was ordered to lie on the table; as follows:

On page 1999, strike lines 9 through 17 and insert the following:

`` (i) *Limitation on Health Flexible Spending Arrangements.*--

`` (1) **IN GENERAL.**--For purposes of this section, if a benefit is provided under a cafeteria plan through employer contributions to a health flexible spending arrangement, such benefit shall not be treated as a qualified benefit unless the cafeteria plan provides that an employee may not elect for any taxable year to have salary reduction contributions in excess of \$2,500 made to such arrangement.

`` (2) **ADJUSTMENT FOR INFLATION.**--In the case of a taxable year beginning in any calendar year after 2011, the dollar amount in paragraph (1) shall be increased to the amount equal to such amount as in effect for taxable years beginning in the calendar year preceding such calendar year, increased by an amount equal to the product of--

`` (A) such amount as so in effect, multiplied by

`` (B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting the calendar year that is 2 years before such calendar year for 'calendar year 1992' in subparagraph (B) thereof, increased by 1 percentage point.

If any increase determined under this paragraph is not a multiple of \$50, such increase shall be rounded to the nearest multiple of \$50."