

104TH CONGRESS
1ST SESSION

H. R. 392

To amend the Internal Revenue Code of 1986 to reinstate a 10-percent domestic investment tax credit, to provide a credit for the purchase of domestic durable goods, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. TRAFICANT introduced the following bill; which was referred to the Committee on Ways and Means and, in addition, to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to reinstate a 10-percent domestic investment tax credit, to provide a credit for the purchase of domestic durable goods, and for other purposes.

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 “Investment for Amer-
5 ica Act”.

1 **SEC. 2. REINSTATEMENT OF 10-PERCENT DOMESTIC IN-**
2 **VESTMENT TAX CREDIT.**

3 (a) ALLOWANCE OF CREDIT.—Section 46 of the In-
4 ternal Revenue Code of 1986 (relating to amount of in-
5 vestment credit) is amended by striking “and” at the end
6 of paragraph (2), by striking the period at the end of para-
7 graph (3) and inserting “, and”, and by adding at the
8 end thereof the following new paragraph:

9 “(4) the domestic investment credit.”

10 (b) AMOUNT OF CREDIT.—Section 48 of such Code
11 is amended by adding at the end thereof the following new
12 subsection:

13 “(c) DOMESTIC INVESTMENT CREDIT.—

14 “(1) IN GENERAL.—For purposes of section 46,
15 the domestic investment credit for any taxable year
16 is an amount equal to 10 percent of the qualified in-
17 vestment for such taxable year.

18 “(2) QUALIFIED INVESTMENT.—

19 “(A) IN GENERAL.—For purposes of para-
20 graph (1), the qualified investment for any tax-
21 able year is the aggregate of—

22 “(i) the applicable percentage of the
23 basis of each new domestic section 38
24 property placed in service by the taxpayer
25 during such taxable year, plus

1 “(ii) the applicable percentage of the
2 cost of each used domestic section 38 prop-
3 erty placed in service by the taxpayer dur-
4 ing such taxable year.

5 “(B) APPLICABLE PERCENTAGE.—For
6 purposes of subparagraph (A), the applicable
7 percentage for any property shall be determined
8 under paragraphs (2) and (7) of section 46(c)
9 (as in effect on the day before the date of the
10 enactment of the Revenue Reconciliation Act of
11 1990).

12 “(C) CERTAIN RULES MADE APPLICA-
13 BLE.—The provisions of subsections (b) and (c)
14 of section 48 (as in effect on the day before the
15 date of the enactment of the Revenue Reconcili-
16 ation Act of 1990) shall apply for purposes of
17 this paragraph.

18 “(3) DOMESTIC SECTION 38 PROPERTY.—For
19 purposes of this subsection, the term ‘domestic sec-
20 tion 38 property’ means any section 38 property if—

21 “(A) the property was completed in the
22 United States, and

23 “(B) at least 60 percent of the basis of the
24 property is attributable to value added within
25 the United States.

1 For purposes of the preceding sentence, the term
2 ‘United States’ includes the Commonwealth of Puer-
3 to Rico and the possessions of the United States.

4 “(4) SECTION 38 PROPERTY.—For purposes of
5 this subsection, the term ‘section 38 property’
6 means—

7 “(A) tangible personal property (other
8 than an air conditioning or heating unit), or

9 “(B) other tangible property (not including
10 a building and its structural components) but
11 only if such property—

12 “(i) is used as an integral part of
13 manufacturing, production, or extraction
14 or of furnishing transportation, commu-
15 nications, electrical energy, gas, water, or
16 sewage disposal services, or

17 “(ii) constitutes a research facility
18 used in connection with any of the activi-
19 ties referred to in clause (i), or

20 “(iii) constitutes a facility used in
21 connection with any of the activities re-
22 ferred to in clause (i) for the bulk storage
23 of fungible commodities (including com-
24 modities in a liquid or gaseous state), or

25 “(C) elevators and escalators, but only if—

1 “(i) the construction, reconstruction,
2 or erection of the elevator or escalator is
3 completed by the taxpayer, or

4 “(ii) the original use of such elevator
5 or escalator commences with the taxpayer,
6 or

7 “(D) single purpose agricultural or horti-
8 cultural structures; or

9 “(E) a storage facility (not including a
10 building and its structural components) used in
11 connection with the distribution of petroleum or
12 any primary product of petroleum.

13 Such term includes only property to which section
14 168 applies without regard to any useful life and
15 any other property with respect to which deprecia-
16 tion (or amortization in lieu of depreciation) is al-
17 lowable and having a useful life (determined as of
18 the time such property is placed in service) of 3
19 years or more.

20 “(5) COORDINATION WITH OTHER CREDITS.—
21 This subsection shall not apply to any property to
22 which the energy credit or rehabilitation credit
23 would apply unless the taxpayer elects to waive the
24 application of such credits to such property.

1 “(6) CERTAIN PROGRESS EXPENDITURE RULES
2 MADE APPLICABLE.—Rules similar to rules of sub-
3 section (c)(4) and (d) of section 46 (as in effect on
4 the day before the date of the enactment of the Rev-
5 enue Reconciliation Act of 1990) shall apply for pur-
6 poses of this subsection.”

7 (c) TECHNICAL AMENDMENTS.—

8 (1) Subparagraph (C) of section 49(a)(1) of
9 such Code is amended by striking “and” at the end
10 of clause (ii), by striking the period at the end of
11 clause (iii) and inserting “, and”, and by adding at
12 the end thereof the following new clause:

13 “(iv) the basis of any new domestic
14 section 38 property and the cost of any
15 used domestic section 38 property.”

16 (2) Subparagraph (E) of section 50(a)(2) of
17 such Code is amended by inserting “or 48(c)(6)” be-
18 fore the period at the end thereof.

19 (3) Paragraph (5) of section 50(a) of such Code
20 is amended by adding at the end thereof the follow-
21 ing new subparagraph:

22 “(D) SPECIAL RULES FOR CERTAIN PROP-
23 PERTY.—In the case of any domestic section 38
24 property which is 3-year property (within the
25 meaning of section 168(e))—

1 “(i) the percentage set forth in clause
2 (ii) of the table contained in paragraph
3 (1)(B) shall be 66 percent,

4 “(ii) the percentage set forth in clause
5 (iii) of such table shall be 33 percent, and

6 “(iii) clauses (iv) and (v) of such table
7 shall not apply.”

8 (4)(A) The section heading for section 48 of
9 such Code is amended to read as follows:

10 **“SEC. 48. OTHER CREDITS.”**

11 (B) The table of sections for subpart E of part
12 IV of subchapter A of chapter 1 of such Code is
13 amended by striking the item relating to section 48
14 and inserting the following:

“Sec. 48. Other credits.”

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to periods after December 31,
17 1994, under rules similar to the rules of section 48(m)
18 of the Internal Revenue Code of 1986 (as in effect on the
19 day before the date of the enactment of the Revenue Rec-
20 onciliation Act of 1990).

21 **SEC. 3. CREDIT FOR PURCHASES OF DOMESTIC DURABLE**
22 **GOODS.**

23 (a) IN GENERAL.—Subpart A of part IV of sub-
24 chapter A of chapter 1 of the Internal Revenue Code of
25 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 22 the following new
2 section:

3 **“SEC. 23. PURCHASES OF DOMESTIC DURABLE GOODS.**

4 “(a) GENERAL RULE.—In the case of an individual,
5 there shall be allowed as a credit against the tax imposed
6 by this chapter for the taxable year an amount equal to
7 7 percent of the aggregate amount paid during the taxable
8 year for the purchase of domestic durable goods.

9 “(b) DOMESTIC DURABLE GOODS.—For purposes of
10 this section—

11 “(1) IN GENERAL.—The term ‘domestic durable
12 good’ means any durable good if—

13 “(A) the property was completed in the
14 United States, and

15 “(B) at least 60 percent of the basis of the
16 property is attributable to value added within
17 the United States.

18 “(2) UNITED STATES.—The term ‘United
19 States’ includes the Commonwealth of Puerto Rico
20 and the possessions of the United States.

21 “(c) LIMITATION.—The amount of the credit allowed
22 under subsection (a) for any taxable year shall not exceed
23 \$1,000.”

1 (b) CONFORMING AMENDMENT.—The table of sec-
2 tions for such subpart A is amended by inserting after
3 the item relating to section 22 the following new item:

“Sec. 23. Purchases of domestic durable goods.”

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 1994.

7 **SEC. 4. CREDIT FOR CERTAIN COSTS INCURRED IN PUR-**
8 **CHASING AN AMERICAN-MADE PASSENGER**
9 **VEHICLE.**

10 (a) IN GENERAL.—Subpart A of part IV of sub-
11 chapter A of chapter 1 of the Internal Revenue Code of
12 1986 (relating to nonrefundable personal credits) is
13 amended by inserting after section 23 (as added by section
14 3 of this Act) the following new section:

15 **“SEC. 24. CERTAIN COSTS INCURRED IN PURCHASING AN**
16 **AMERICAN-MADE PASSENGER VEHICLE.**

17 “(a) IN GENERAL.—In the case of an individual,
18 there shall be allowed as a credit against the tax imposed
19 by this chapter for the taxable year an amount equal to
20 the qualified payments made by the taxpayer during such
21 year.

22 “(b) QUALIFIED PAYMENTS.—For purposes of this
23 section, the term ‘qualified payments’ means any payment
24 of—

1 “(1) any State or local sales tax imposed on the
2 purchase by the taxpayer of any qualified auto-
3 mobile, and

4 “(2) any interest on any loan which is secured
5 by a qualified automobile and which was incurred by
6 the taxpayer to purchase such automobile.

7 “(c) QUALIFIED AUTOMOBILE.—For purposes of this
8 section, the term ‘qualified automobile’ means any auto-
9 mobile (as defined in section 4064(b))—

10 “(1) which is purchased after December 31,
11 1994,

12 “(2) which is domestically produced,

13 “(3) the original use of which begins with the
14 taxpayer, and

15 “(4) substantially all of the use of which is for
16 personal, nonbusiness purposes.

17 For purposes of the preceding sentence, an automobile is
18 domestically produced if more than 60 percent of the auto-
19 mobile is produced in the United States and its final as-
20 sembly occurs in the United States.

21 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction
22 or credit shall be allowed under any other provision of this
23 title for any payment for which a credit is allowable under
24 this section.”

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for such subpart A is amended by inserting after the item
3 relating to section 23 the following new item:

“Sec. 24. Certain costs incurred in purchasing an American-made
passenger vehicle.”

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years ending after De-
6 cember 31, 1994.

7 **SEC. 5. PLACEMENT OF MADE IN AMERICA LABELS ON**
8 **PRODUCTS.**

9 (a) REQUIREMENTS FOR USE OF LABELS.—No prod-
10 uct may bear a label which states or suggests that the
11 product was made in America unless—

12 (1) the product has been registered with the
13 Department of Commerce under subsection (b); and

14 (2) the Secretary of Commerce has determined
15 that—

16 (A) 60 percent of the product was manu-
17 factured in the United States; and

18 (B) final assembly of the product took
19 place in the United States.

20 (b) REGISTRY OF AMERICAN-MADE PRODUCTS.—
21 Not later than 12 months after the Secretary has promul-
22 gated regulations regarding the registration of products
23 with the Department of Commerce under this section, a
24 person shall register with the Department of Commerce

1 any product on which there is or will be affixed a label
2 which states or suggests that the product was made in
3 America.

4 (c) PENALTIES FOR FRAUDULENT USE OF LA-
5 BELS.—

6 (1) CIVIL FINE.—Any person who, with an in-
7 tent to defraud or mislead, places on a product a
8 label which states or suggests that the product was
9 “made in America” in violation of this section may
10 be assessed a civil penalty by the Secretary of not
11 more than \$100,000. The Secretary may issue an
12 order assessing such civil penalty only after notice
13 and an opportunity for an agency hearing on the
14 record. The validity of such order may not be re-
15 viewed in an action to collect such civil penalty.

16 (2) INJUNCTIVE RELIEF.—The Secretary may
17 bring an action to enjoin the violation of, or to com-
18 pel compliance with, this section, whenever the Sec-
19 retary believes that such a violation has occurred or
20 is about to occur.

21 (d) REGULATIONS.—Not later than 12 months after
22 the date of the enactment of this Act, the Secretary shall
23 promulgate regulations establishing procedures under
24 which a person shall register a product under this section.

25 (e) DEFINITIONS.—For purposes of this section:

1 (1) LABEL.—The term “label” means any writ-
2 ten, printed, or graphic matter on, or attached to,
3 a product or any of its containers or wrappers.

4 (2) SECRETARY.—The term “Secretary” means
5 the Secretary of Commerce.

