

106TH CONGRESS
2D SESSION

H. R. 4003

To amend the Internal Revenue Code of 1986 to repeal the targeted area limitation on the expense deduction for environmental remediation costs and to extend the termination date of such deduction.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2000

Mr. WELLER (for himself, Mrs. JOHNSON of Connecticut, Mr. COYNE, Ms. DUNN, Mr. ENGLISH, Mr. FOLEY, Mr. MATSUI, Mr. NEAL of Massachusetts, Mr. CARDIN, Mr. McNULTY, and Mr. HOUGHTON) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the targeted area limitation on the expense deduction for environmental remediation costs and to extend the termination date of such deduction.

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. MODIFICATIONS TO EXPENSING OF ENVIRON-**
4 **MENTAL REMEDIATION COSTS.**

5 (a) EXPENSING NOT LIMITED TO SITES IN TAR-
6 GETED AREAS.—Subsection (c) of section 198 of the In-

1 ternal Revenue Code of 1986 is amended to read as fol-
2 lows:

3 “(c) QUALIFIED CONTAMINATED SITE.—For pur-
4 poses of this section—

5 “(1) IN GENERAL.—The term ‘qualified con-
6 taminated site’ means any area—

7 “(A) which is held by the taxpayer for use
8 in a trade or business or for the production of
9 income, or which is property described in sec-
10 tion 1221(a)(1) in the hands of the taxpayer,
11 and

12 “(B) at or on which there has been a re-
13 lease (or threat of release) or disposal of any
14 hazardous substance.

15 “(2) NATIONAL PRIORITIES LISTED SITES NOT
16 INCLUDED.—Such term shall not include any site
17 which is on, or proposed for, the national priorities
18 list under section 105(a)(8)(B) of the Comprehen-
19 sive Environmental Response, Compensation, and
20 Liability Act of 1980 (as in effect on the date of the
21 enactment of this section).

22 “(3) TAXPAYER MUST RECEIVE STATEMENT
23 FROM STATE ENVIRONMENTAL AGENCY.—An area
24 shall be treated as a qualified contaminated site with
25 respect to expenditures paid or incurred during any

1 taxable year only if the taxpayer receives a state-
2 ment from the appropriate agency of the State in
3 which such area is located that such area meets the
4 requirement of paragraph (1)(B).

5 “(4) APPROPRIATE STATE AGENCY.—For pur-
6 poses of paragraph (2), the chief executive officer of
7 each State may, in consultation with the Adminis-
8 trator of the Environmental Protection Agency, des-
9 ignate the appropriate State environmental agency
10 within 60 days of the date of the enactment of this
11 section. If the chief executive officer of a State has
12 not designated an appropriate environmental agency
13 within such 60-day period, the appropriate environ-
14 mental agency for such State shall be designated by
15 the Administrator of the Environmental Protection
16 Agency.”

17 (b) EXTENSION OF TERMINATION DATE.—Sub-
18 section (h) of section 198 of such Code is amended by
19 striking “December 31, 2001” and inserting “June 30,
20 2004”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to expenditures paid or incurred
23 after December 31, 2000.

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