

116TH CONGRESS
2D SESSION

H. R. 6630

To amend the Internal Revenue Code of 1986 to provide an additional deduction for the cost of certain materials purchased directly from a domestic smelter or processor.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2020

Mr. STAUBER (for himself, Mr. GOSAR, and Mr. YOUNG) 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 provide an additional deduction for the cost of certain materials purchased directly from a domestic smelter or processor.

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 “Securing America’s
5 Critical Minerals Supply Chain Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) It is in America’s best interest to ensure a
 2 robust and secure domestic supply chain for U.S.
 3 manufacturers.

4 (2) The United States increasing reliance on
 5 foreign sources of metals and minerals threatens our
 6 economic and national security while providing our
 7 geopolitical rivals, such as China and Russia, lever-
 8 age over our economy.

9 (3) Incentivizing domestic mineral and metal
 10 production and the purchase of these materials will
 11 make our nation’s supply chains more secure and re-
 12 silient.

13 **SEC. 3. ADDITIONAL DEDUCTION FOR COST OF CERTAIN**
 14 **MATERIALS PURCHASED DIRECTLY FROM A**
 15 **DOMESTIC SMELTER OR PROCESSOR.**

16 (a) IN GENERAL.—Part VI of subchapter B of chap-
 17 ter 1 of the Internal Revenue Code of 1986 is amended
 18 by inserting after section 181 the following new section:

19 **“SEC. 182. ADDITIONAL DEDUCTION FOR COST OF CERTAIN**
 20 **MATERIALS PURCHASED DIRECTLY FROM A**
 21 **DOMESTIC SMELTER OR PROCESSOR.**

22 “(a) IN GENERAL.—There shall be allowed as a de-
 23 duction (in addition to any other deduction allowed under
 24 this chapter for the cost of specified domestically-produced
 25 materials) an amount equal to 10 percent of the cost of

1 specified domestically-produced materials if such materials
 2 are acquired by the taxpayer directly from the domestic
 3 smelter or processor of such material.

4 “(b) SPECIFIED DOMESTICALLY-PRODUCED MATE-
 5 RIALS.—For purposes of this section—

6 “(1) IN GENERAL.—The term ‘specified domes-
 7 tically-produced materials’ means any specified ma-
 8 terial if such material is smelted or processed in the
 9 United States by direct smelting of ore, from a mine
 10 product, such as that extracted from mined ore;
 11 from beneficiation; from reprocessing mine tailings;
 12 or from reprocessing smelter or refinery slags or res-
 13 idues, by a taxpayer in the trade or business of
 14 smelting or processing such material.

15 “(2) SPECIFIED MATERIAL.—

16 “(A) IN GENERAL.—The term ‘specified
 17 material’ means minerals that are necessary—

18 “(i) for the national defense and na-
 19 tional security requirements;

20 “(ii) for the energy infrastructure of
 21 the United States, including—

22 “(I) pipelines;

23 “(II) refining capacity;

24 “(III) electrical power generation
 25 and transmission; and

1 “(IV) renewable energy produc-
2 tion;

3 “(iii) for community resiliency, coastal
4 restoration, and ecological sustainability
5 for the coastal United States;

6 “(iv) to support domestic manufac-
7 turing, agriculture, housing, telecommuni-
8 cations, healthcare, and transportation in-
9 frastructure; or

10 “(v) for the economic security of, and
11 balance of trade in, the United States.

12 “(B) EXCEPTIONS.—Such term shall not
13 include—

14 “(i) fuel minerals, including oil, nat-
15 ural gas, or any other fossil fuels;

16 “(ii) water, ice, or snow; or

17 “(iii) sand, stone, gravel, pumice,
18 pumicite, cinders, or clay.

19 “(c) DOMESTIC SMELTER OR PROCESSOR.—For pur-
20 poses of this section, the term ‘domestic smelter or proc-
21 essor’ means, with respect to any specified material, the
22 taxpayer described in subsection (b)(1) with respect to
23 such material.”.

24 (b) CLERICAL AMENDMENT.—The table of sections
25 for part VI of subchapter B of chapter 1 of such Code

1 is amended by inserting after the item relating to section
2 181 the following new item:

“Sec. 182. Additional deduction for cost of certain materials purchased directly
from a domestic smelter or processor.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 the date of the enactment of this Act.

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