

116TH CONGRESS  
2D SESSION

# H. R. 8143

To amend the Internal Revenue Code of 1986 to permanently allow a tax deduction at the time an investment is made in property used for the mining, reclaiming, or recycling of critical minerals and metals from the United States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 1, 2020

Mr. GOODEN (for himself, Mr. GONZALEZ of Texas, Mr. HURD of Texas, Mr. CUELLAR, Mr. OLSON, Mr. WILLIAMS, and Mr. WEBER of Texas) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Natural Resources, 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

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## A BILL

To amend the Internal Revenue Code of 1986 to permanently allow a tax deduction at the time an investment is made in property used for the mining, reclaiming, or recycling of critical minerals and metals from the United States, 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,*

1 **SECTION 1. PERMANENT FULL EXPENSING FOR PROPERTY**  
2 **USED TO EXTRACT CRITICAL MINERALS AND**  
3 **METALS WITHIN THE UNITED STATES.**

4 (a) IN GENERAL.—Section 168(k) of the Internal  
5 Revenue Code of 1986 is amended by adding at the end  
6 the following:

7 “(11) SPECIAL RULE FOR PROPERTY USED FOR  
8 MINING OF CRITICAL MINERALS AND METALS WITH-  
9 IN THE UNITED STATES.—

10 “(A) IN GENERAL.—In the case of any  
11 qualified property which is substantially in-  
12 volved in the mining, reclaiming, or recycling of  
13 critical minerals and metals from deposits in  
14 the United States—

15 “(i) paragraph (2)(A)(iii) shall not  
16 apply, and

17 “(ii) the applicable percentage shall be  
18 100 percent.

19 “(B) CRITICAL MINERALS AND METALS.—  
20 For purposes of this paragraph, the term ‘crit-  
21 ical minerals and metals’ means cerium, cobalt,  
22 dysprosium, erbium, europium, gadolinium,  
23 graphite, holmium, lanthanum, lithium, lute-  
24 tium, manganese, neodymium, praseodymium,  
25 promethium, samarium, scandium, terbium,  
26 thulium, ytterbium, and yttrium.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to property placed in service after  
3 December 31, 2019.

4 **SEC. 2. PERMANENT FULL EXPENSING FOR NONRESIDEN-**  
5 **TIAL REAL PROPERTY USED FOR MINING OF**  
6 **CRITICAL MINERALS AND METALS WITHIN**  
7 **THE UNITED STATES.**

8 (a) IN GENERAL.—Section 168 of the Internal Rev-  
9 enue Code of 1986 is amended by adding at the end the  
10 following new subsection:

11 “(n) SPECIAL ALLOWANCE FOR NONRESIDENTIAL  
12 REAL PROPERTY USED FOR MINING OF CRITICAL MIN-  
13 ERALS AND METALS WITHIN THE UNITED STATES.—

14 “(1) NEW STRUCTURES.—In the case of any  
15 qualified real property—

16 “(A)(i) if such property is placed in service  
17 on or after the date of enactment of this sub-  
18 section, the depreciation deduction provided by  
19 section 167(a) for the taxable year in which  
20 such property is placed in service shall include  
21 an allowance equal to 100 percent of the ad-  
22 justed basis of such property, or

23 “(ii) if such property was placed in service  
24 before the date of enactment of this subsection,  
25 the depreciation deduction provided by section

1           167(a) for the first taxable year beginning after  
2           such date shall include an allowance equal to  
3           100 percent of the adjusted basis of such prop-  
4           erty, and

5                   “(B) the adjusted basis of such property  
6           shall be reduced by the amount of such deduc-  
7           tion before computing the amount otherwise al-  
8           lowable as a depreciation deduction under this  
9           chapter for such taxable year and any subse-  
10          quent taxable year.

11                   “(2) QUALIFIED REAL PROPERTY.—For pur-  
12          poses of this subsection, the term ‘qualified real  
13          property’ means any nonresidential real property  
14          which is substantially involved in the mining, re-  
15          claiming, or recycling of critical minerals and metals  
16          (as defined in subsection (k)(11)(B)) from deposits  
17          in the United States.”.

18                   (b) EFFECTIVE DATE.—The amendment made by  
19          this section shall apply to taxable years beginning after  
20          December 31, 2019.

1 **SEC. 3. DEDUCTION FOR PURCHASE OF CRITICAL MIN-**  
2 **ERALS AND METALS EXTRACTED WITHIN THE**  
3 **UNITED STATES.**

4 (a) IN GENERAL.—Part VI of subchapter B of chap-  
5 ter 1 of the Internal Revenue Code of 1986 is amended  
6 by inserting after section 176 the following new section:

7 **“SEC. 177. DEDUCTION FOR PURCHASE OF CRITICAL MIN-**  
8 **ERALS AND METALS EXTRACTED WITHIN THE**  
9 **UNITED STATES.**

10 “(a) ALLOWANCE OF DEDUCTION.—There shall be  
11 allowed as a deduction for the taxable year an amount  
12 equal to 200 percent of the cost paid or incurred by the  
13 taxpayer for the purchase or acquisition of critical min-  
14 erals and metals (as defined in section 168(k)(11)(B))  
15 which have been extracted from deposits in the United  
16 States.

17 “(b) APPLICATION WITH OTHER DEDUCTIONS.—No  
18 deduction shall be allowed under any other provision of  
19 this chapter with respect to any expenditure with respect  
20 to which a deduction is allowed or allowable under this  
21 section to the taxpayer.”.

22 (b) CONFORMING AMENDMENT.—The table of sec-  
23 tions for part VI of subchapter B of chapter 1 of the Inter-  
24 nal Revenue Code of 1986 is amended by inserting after  
25 the item relating to section 176 the following new item:

“Sec. 177. Deduction for purchase of critical minerals and metals extracted within the United States.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts paid or incurred after  
3 December 31, 2019.

4 **SEC. 4. GRANT PROGRAM FOR DEVELOPMENT OF CRITICAL**  
5 **MINERALS AND METALS.**

6 (a) ESTABLISHMENT.—The Secretary of the Interior  
7 shall establish a grant program to finance pilot projects  
8 for the development of critical minerals and metals in the  
9 United States.

10 (b) LIMITATION ON GRANT AWARDS.—A grant  
11 awarded under subsection (a) may not exceed  
12 \$10,000,000.

13 (c) ECONOMIC VIABILITY.—In awarding grants  
14 under subsection (a), the Secretary of the Interior shall  
15 give priority to projects the Secretary determines are likely  
16 to be economically viable over the long term.

17 (d) SECONDARY RECOVERY.—In awarding grants  
18 under subsection (a) during a fiscal year, the Secretary  
19 of the Interior shall seek to award not less than 30 percent  
20 of the total amount of grants awarded during that fiscal  
21 year for projects relating to secondary recovery of critical  
22 minerals and metals.

23 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
24 are authorized to be appropriated to the Secretary of the

1 Interior \$50,000,000 for each of fiscal years 2021 through  
2 2024 to carry out the grant program established under  
3 subsection (a).

4 (f) DEFINITIONS.—In this section:

5 (1) CRITICAL MINERALS AND METALS.—The  
6 term “critical minerals and metals” means cerium,  
7 cobalt, dysprosium, erbium, europium, gadolinium,  
8 graphite, holmium, lanthanum, lithium, lutetium,  
9 manganese, neodymium, praseodymium, pro-  
10 methium, samarium, scandium, terbium, thulium,  
11 ytterbium, and yttrium.

12 (2) SECONDARY RECOVERY.—The term “sec-  
13 ondary recovery” means the recovery of minerals  
14 and metals from discarded end-use products or from  
15 waste products produced during the metal refining  
16 and manufacturing process, including from mine  
17 waste piles, acid mine drainage sludge, or byprod-  
18 ucts produced through legacy mining and metallurgy  
19 activities.

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