To amend the Internal Revenue Code of 1986 to encourage economic growth.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2023

Mr. Smith of Missouri introduced the following bill; which was referred to the Committee on Ways and Means

JUNE 30, 2023

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on June 9, 2023]
A BILL

To amend the Internal Revenue Code of 1986 to encourage economic growth.
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS, ETC.

(a) Short Title.—This Act may be cited as the “Build It in America Act”.

(b) Amendment of 1986 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents, etc.

TITLE I—INVESTMENT IN AMERICA

Sec. 101. Deduction for research and experimental expenditures.
Sec. 102. Extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest.
Sec. 103. Extension of 100 percent bonus depreciation.

TITLE II—SUPPLY CHAIN SECURITY

Sec. 201. Termination of Hazardous Substance Superfund financing rate.
Sec. 202. Election to determine foreign income taxes paid or accrued to certain Western Hemisphere countries without regard to certain regulations.
Sec. 203. Imposition of tax on the acquisition of United States agricultural interests by disqualified persons.

TITLE III—REPEAL OF SPECIAL INTEREST TAX PROVISIONS

Sec. 301. Repeal of clean electricity production credit.
Sec. 302. Repeal of clean electricity investment credit.
Sec. 303. Modification of clean vehicle credit.
Sec. 304. Repeal of credit for previously-owned clean vehicles.
Sec. 305. Repeal of credit for qualified commercial clean vehicles.
TITLE I—INVESTMENT IN AMERICA

SEC. 101. DEDUCTION FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) DELAY OF AMORTIZATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.—Section 174 is amended by adding at the end the following new subsection:

“(e) SUSPENSION OF APPLICATION.—This section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2025 (and shall not apply to amounts paid or incurred in taxable years beginning on or before such date).

(b) REINSTATEMENT OF EXPENSING FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.—Part VI of subchapter B of chapter 1 is amended by inserting after section 174 the following new section:

“SEC. 174A. TEMPORARY RULES FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.

“(a) TREATMENT AS EXPENSES.—Notwithstanding section 263, there shall be allowed as a deduction any research or experimental expenditures which are paid or incurred by the taxpayer during the taxable year in connection with the taxpayer’s trade or business.

“(b) AMORTIZATION OF CERTAIN RESEARCH AND EXPERIMENTAL EXPENDITURES.—
“(1) In general.—At the election of the taxpayer, made in accordance with regulations or other guidance provided by the Secretary, research or experimental expenditures which—

“(A) are paid or incurred by the taxpayer in connection with his trade or business, and

“(B) would (but for subsection (a)) be chargeable to capital account but not chargeable to property of a character which is subject to the allowance under section 167 (relating to allowance for depreciation, etc.) or section 611 (relating to allowance for depletion), may be treated as deferred expenses to which subsection (a) does not apply. In computing taxable income, such deferred expenses shall be allowed as a deduction ratably over such period of not less than 60 months as may be selected by the taxpayer (beginning with the month in which the taxpayer first realizes benefits from such expenditures). Such deferred expenses are expenditures properly chargeable to capital account for purposes of section 1016(a)(1) (relating to adjustments to basis of property).

“(2) Time for and scope of election.—The election provided by paragraph (1) may be made for any taxable year, but only if made not later than the
time prescribed by law for filing the return for such taxable year (including extensions thereof). The method so elected, and the period selected by the taxpayer, shall be adhered to in computing taxable income for the taxable year for which the election is made and for all subsequent taxable years unless, with the approval of the Secretary, a change to a different method (or to a different period) is authorized with respect to part or all of such expenditures. The election shall not apply to any expenditure paid or incurred during any taxable year before the taxable year for which the taxpayer makes the election.

“(c) Election to Capitalize Expenses.—In the case of a taxpayer which elects (at such time and in such manner as the Secretary may provide) the application of this subsection, subsections (a) and (b) shall not apply. Such election shall not apply to any expenditure paid or incurred during any taxable year before the taxable year for which the taxpayer makes the election and may be made with respect to part of the expenditures paid or incurred during any taxable year only with the approval of the Secretary.

“(d) Land and Other Property.—This section shall not apply to any expenditure for the acquisition or improvement of land, or for the acquisition or improvement
of property to be used in connection with the research or experimentation and of a character which is subject to the allowance under section 167 (relating to allowance for depreciation, etc.) or section 611 (relating to allowance for depletion); but for purposes of this section allowances under section 167, and allowances under section 611, shall be considered as expenditures.

“(e) Exploration Expenditures.—This section shall not apply to any expenditure paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (including oil and gas).

“(f) Software Development.—For purposes of this section, any amount paid or incurred in connection with the development of any software shall be treated as a research or experimental expenditure.

“(g) Only Reasonable Research Expenditures Eligible.—This section shall apply to a research or experimental expenditure only to the extent that the amount thereof is reasonable under the circumstances.

“(h) Coordination With Research Credit.—

“(1) In General.—Section 41(d)(1)(A) shall be applied by substituting ‘expenses under section 174A’ for ‘specified research or experimental expenditures under section 174’.
“(2) DENIAL OF DOUBLE BENEFIT.—

“(A) IN GENERAL.—Section 280C(c) shall not apply and the amount taken into account under this section as research or experimental expenditures shall be reduced by the amount of the credit allowable under section 41(a).

“(B) ELECTION OF REDUCED CREDIT.—

“(i) IN GENERAL.—In the case of any taxable year for which an election is made under this subparagraph—

“(I) subparagraph (A) shall not apply, and

“(II) the amount of the credit under section 41(a) shall be the amount determined under clause (ii).

“(ii) AMOUNT OF REDUCED CREDIT.—

The amount of credit determined under this clause for any taxable year shall be the amount equal to the excess of—

“(I) the amount of credit determined under section 41(a) without regard to this subparagraph, over

“(II) the product of the amount described in subclause (I), multiplied by the rate of tax under section 11(b).
“(iii) Election.—An election under this subparagraph for any taxable year shall be made not later than the time for filing the return of tax for such year (including extensions), shall be made on such return, and shall be made in such manner as the Secretary may prescribe. Such an election, once made, shall be irrevocable.

“(C) Controlled Groups.—Paragraph (3) of section 280C(b) shall apply for purposes of this paragraph.

“(i) Coordination With Long-Term Contract Rules.—For purposes of determining percentage of completion under section 460(b)(1)(A), any research or experimental expenditures paid or incurred by the taxpayer in connection with the taxpayer’s trade or business shall be taken into account as a cost allocated to the contract for the taxable year in which so paid or incurred.

“(j) Coordination With Certain Other Provisions.—A reference to the corresponding provision of this section shall be treated as included in any reference to section 174 in section 56(b), 59(e), 144(a), 168(i), 170(e), 195(c), 263(a), 263A(e), 469(c), 543(d), 864(g), 993(d), 1016(a)(14), 1202(a), or 1298(e).

“(k) Termination.—
“(1) IN GENERAL.—This section shall not apply to amounts paid or incurred in taxable years beginning after December 31, 2025.

“(2) CHANGE IN METHOD OF ACCOUNTING.—Paragraph (1) (and the corresponding application of section 174) shall be treated as a change in method of accounting for purposes of section 481 and—

“(A) such change shall be treated as initiated by the taxpayer,

“(B) such change shall be treated as made with the consent of the Secretary, and

“(C) such change shall be applied only on a cut-off basis for any research or experimental expenditures paid or incurred in taxable years beginning after December 31, 2025, and no adjustment under section 481(a) shall be made.”.

(c) COORDINATION OF AMORTIZATION WITH CERTAIN OTHER PROVISIONS.—Section 174, as amended by subsection (a), is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

“(e) COORDINATION WITH CERTAIN OTHER PROVISIONS.—

“(1) COORDINATION WITH ALTERNATIVE MINIMUM TAX.—Sections 56(b)(2) and 59(c)(2)(B) shall
not apply to specified research or experimental expenditure to which this section applies.

“(2) Cooperation with Basis Adjustment Rules.—Section 1016(a)(14) shall be applied by substituting ‘an amortization deduction under section 174(a)’ for ‘deductions as deferred expenses under section 174(b)(1)’.

“(3) Cooperation with Long-Term Contract Rules.—For purposes of determining percentage of completion under section 460(b)(1)(A), the amortization deduction under subsection (a) shall be taken into account as a cost allocated to the contract.”.

(d) Conforming Amendments.—

(1) Section 13206 of Public Law 115-97 is amended by striking subsection (b) (relating to change in method of accounting).

(2) The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 174 the following new item:

“Sec. 174A. Temporary rules for research and experimental expenditures.”.

(e) Effective Date.—

(1) In general.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2021.
(2) **Repeal of Superseded Change in Method of Accounting Rules.**—The amendment made by subsection (d)(1) shall take effect as if included in Public Law 115-97.

(f) **Transition Rules.**—

(1) **Election Regarding Treatment as Change in Method of Accounting.**—In the case of any taxpayer which (as of the date of the enactment of this Act) had adopted a method of accounting provided by section 174 of the Internal Revenue Code of 1986 (as in effect prior to the amendments made by this section) for the taxpayer’s first taxable year beginning after December 31, 2021, and elects the application of this paragraph—

(A) the amendments made by this section shall be treated as a change in method of accounting for purposes of section 481 of such Code,

(B) such change shall be treated as initiated by the taxpayer for the taxpayer’s immediately succeeding taxable year,

(C) such change shall be treated as made with the consent of the Secretary, and

(D) such change shall be applied on a modified cut-off basis, taking into account for pur-
poses of section 481(a) of such Code only the capitalized expenditures which were not allowed as an amortization deduction by reason of section 174 prior to amendment by this Act for the taxpayer’s first taxable year beginning after December 31, 2021.

(2) Election regarding 10-year writeoff.—

(A) In general.—An eligible taxpayer which files, during the 1-year period beginning on the date of the enactment of this Act, an amended income tax return for the taxable year described in subparagraph (B)(ii) may elect the application of section 59(e) of the Internal Revenue Code of 1986 with respect to qualified expenditures described in section 59(e)(2)(B) of such Code with respect to such taxable year. Such election shall be filed with such amended income tax return and shall be effective only to the extent that such election would have been effective if filed with the original income tax return for such taxable year.

(B) Eligible taxpayer.—For purposes of subparagraph (A), the term “eligible taxpayer” means any taxpayer which—
(i) does not elect the application of
paragraph (1), and
(ii) filed an income tax return for such
taxpayer’s first taxable year beginning after
December 31, 2021, before the earlier of—
(I) the due date for such return,
and
(II) the date of the enactment of
this Act.

Sec. 102. Extension of Allowance for Depreciation,
Amortization, or Depletion in Determining the Limitation on Business Interest.

(a) In General.—Section 163(j)(8)(A)(v) is amended
by striking “January 1, 2022” and inserting “January 1, 2026”.

(b) Effective Date.—

(1) In General.—Except as otherwise provided
in this subsection, the amendment made by this sec-
tion shall apply to taxable years beginning after De-
cember 31, 2022.

(2) Election to Apply Extension Retro-
actively.—In the case of a taxpayer which elects (at
such time and in such manner as the Secretary may
provide) the application of this paragraph, para-
graph (1) shall be applied by substituting “December 31, 2021” for “December 31, 2022”.

SEC. 103. EXTENSION OF 100 PERCENT BONUS DEPRECIATION.

(a) IN GENERAL.—Section 168(k)(6)(A) is amended—

(1) in clause (i)—

(A) by striking “2023” and inserting “2026”, and

(B) by adding “and” at the end, and

(2) by striking clauses (ii), (iii), and (iv), and redesignating clause (v) as clause (ii).

(b) PROPERTY WITH LONGER PRODUCTION PERIODS.—Section 168(k)(6)(B) is amended—

(1) in clause (i)—

(A) by striking “2024” and inserting “2027”, and

(B) by adding “and” at the end, and

(2) by striking clauses (ii), (iii), and (iv), and redesignating clause (v) as clause (ii).

(c) PLANTS BEARING FRUITS AND NUTS.—Section 168(k)(6)(C) is amended—

(1) in clause (i)—

(A) by striking “2023” and inserting “2026”, and

(B) by adding “and” at the end, and
(2) by striking clauses (ii), (iii), and (iv), and redesignating clause (v) as clause (ii).

(d) Effective Dates.—

(1) In General.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to property placed in service after December 31, 2022.

(2) Plants Bearing Fruits and Nuts.—The amendments made by subsection (c) shall apply to specified plants planted or grafted after December 31, 2022.

TITLE II—SUPPLY CHAIN SECURITY

SEC. 201. TERMINATION OF HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.

(a) In General.—Section 4611 (as amended by section 13601 of Public Law 117–169) is amended by inserting after subsection (d) the following new subsection:

“(e) Application of Hazardous Substance Superfund Financing Rate.—The Hazardous Substance Superfund financing rate under this section shall not apply after December 31, 2022.”.

(b) Termination of Authority for Advances.—Section 9507(d)(3)(B) (as so amended) is amended—
(1) by striking “December 31, 2032” and inserting “the date of the enactment of the Build It in America Act”, and

(2) by striking “on or before such date” and inserting “as soon as practicable thereafter”.

(c) Effective Date.—

(1) In general.—The amendment made by subsection (a) shall take effect on January 1, 2023.

(2) Termination of authority for advances.—The amendments made by subsection (b) shall take effect on the date of the enactment of this Act.

SEC. 202. ELECTION TO DETERMINE FOREIGN INCOME TAXES PAID OR ACCRUED TO CERTAIN WESTERN HEMISPHERE COUNTRIES WITHOUT REGARD TO CERTAIN REGULATIONS.

(a) Election with respect to determining certain foreign income taxes.—In the case of any taxpayer which elects (at such time and in such manner as the Secretary may provide) the application of this subsection, the determination of whether any Western Hemisphere tax paid or accrued by such taxpayer is an income, war profits, or excess profits tax for purposes of any provision of the Internal Revenue Code of 1986 shall be made without regard to any specified regulation.
(b) SEPARATE ELECTION WITH RESPECT TO ALLOCATION AND APPORTIONMENT OF FOREIGN INCOME TAXES RELATING TO DISREGARDED PAYMENTS FROM CERTAIN DISREGARDED ENTITIES.—

(1) IN GENERAL.—If the owner of any specified disregarded entity elects (at such time and in such manner as the Secretary may provide) the application of this subsection with respect to such entity, then for purposes of allocating and apportioning any foreign income taxes (as defined in section 986(a)(4) of the Internal Revenue Code of 1986 and determined after the application of subsection (a) of this section) paid or accrued by reason of any remittance made by such entity to such owner during the applicable period, any items of foreign gross income included by reason of the receipt of such remittance shall be assigned to a category based on current and accumulated earnings and profits of such entity (in lieu of being assigned on the basis of the tax book value method described in a specified regulation).

(2) SPECIFIED DISREGARDED ENTITY.—For purposes of this subsection, the term “specified disregarded entity” means any entity (including any trade or business) if—
(A) such entity is disregarded as an entity separate from its owner for purposes of applying chapter 1 of the Internal Revenue Code of 1986,

(B) such entity is created or organized in a possession of the United States or a foreign country described in subsection (d)(1)(B),

(C) at all times after December 31, 2019 (or, if later, the date on which such entity is created or organized) substantially all of the income of such entity is derived from trades or businesses conducted in the possession or country referred to in subparagraph (B), and

(D) at all times after the date on which such entity is created or organized, such entity maintains separate books and records.

(c) APPLICATION TO DEEMED PAID CREDIT.—In the case of any tax paid or accrued by a controlled foreign corporation and deemed to have been paid by a United States shareholder under section 960 of the Internal Revenue Code of 1986—

(1) any election under subsection (a) or (b) shall be made by such controlled foreign corporation and shall be binding on all United States shareholders of such controlled foreign corporation, and
(2) the applicable period under subsection (d) shall be determined with respect to the taxable years of such controlled foreign corporation.

(d) Western Hemisphere Tax.—For purposes of this section—

(1) In general.—The term “Western Hemisphere tax” means any tax which is paid or accrued for a taxable year which is in the applicable period to—

(A) any possession of the United States, or

(B) any foreign country (other than Cuba and Venezuela) which is located in North, Central, or South America (including the West Indies).

(2) Applicable period.—The term “applicable period” means—

(A) in the case of any election made under subsection (a), all taxable years beginning after December 31, 2021, and before January 1, 2027, and

(B) in the case of any election made under subsection (b), all taxable years beginning after December 31, 2019, and before January 1, 2027.

(3) Determination based on taxable year for which tax actually paid or accrued.—The
determination of the taxable year for which any tax is paid or accrued for purposes of determining whether a foreign tax is paid or accrued for a taxable year which is in the applicable period shall be made without regard to any taxable year with respect to which such tax is deemed to have been paid under section 904(c) or 960 of the Internal Revenue Code of 1986.

(e) SPECIFIED REGULATION.—For purposes of this section, the term “specified regulation” means—

(1) Treasury Regulations relating to “Guidance Related to the Foreign Tax Credit; Clarification of Foreign-Derived Intangible Income” (87 Fed. Reg. 276; published on January 4, 2022),

(2) proposed Treasury Regulations relating to “Guidance Related to the Foreign Tax Credit” (87 Fed. Reg. 71271; published on November 22, 2022), and

(3) any regulation or other guidance published after January 4, 2022, to the extent that such regulation or other guidance is substantially similar to, or predicated upon, any portion of the regulations referred to in paragraph (1) or (2).

In the case of any regulation or other guidance which is published after the date of the enactment of this Act and any portion of which is described in paragraph (3), the Sec-
retary shall identify such regulation or guidance (or por-
tion thereof) as not applying with respect to taxpayers
which have elected the application of subsection (a) or (b),
as the case may be.

(f) SECRETARY.—For purposes of this section, the term
“Secretary” means the Secretary of the Treasury or the Sec-
retary’s delegate.

SEC. 203. IMPOSITION OF TAX ON THE ACQUISITION OF
UNITED STATES AGRICULTURAL INTERESTS
BY DISQUALIFIED PERSONS.

(a) IN GENERAL.—Subtitle D is amended by inserting
after chapter 50A the following new chapter:

“CHAPTER 50B—ACQUISITION OF UNITED
STATES AGRICULTURAL INTERESTS
BY DISQUALIFIED PERSONS

“Sec. 5000E. Imposition of tax on acquisition of United States agricultural in-
terests by disqualified persons.

“SEC. 5000E. IMPOSITION OF TAX ON ACQUISITION OF
UNITED STATES AGRICULTURAL INTERESTS
BY DISQUALIFIED PERSONS.

“(a) IN GENERAL.—In the case of any acquisition of
any United States agricultural interest by any disqualified
person, there is hereby imposed on such person a tax equal
to 60 percent of the amount paid for such interest.

“(b) DISQUALIFIED PERSON.—For purposes of this
section—
“(1) IN GENERAL.—The term ‘disqualified person’ means—

“(A) any citizen of a country of concern (other than a citizen, or lawful permanent resident, of the United States and other than an individual domiciled in Taiwan possessing a valid identification card or number issued by the government of Taiwan),

“(B) any entity domiciled in a country of concern (other than an entity domiciled in Taiwan),

“(C) any country of concern and any political subdivision, agency, or instrumentality thereof, and

“(D) except as provided in paragraph (3), any entity if persons described in subparagraph (A), (B), or (C) (in the aggregate) 10-percent control such entity.

“(2) COUNTRY OF CONCERN.—The term ‘country of concern’ means any country the government of which is engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or the security and safety of United States persons, including the People’s Republic of China, the Russian Federation,
Iran, North Korea, Cuba, and the regime of Nicolas Maduro in Venezuela.

“(3) EXCEPTION FOR CERTAIN PUBLICLY TRADED CORPORATIONS.—

“(A) IN GENERAL.—An entity shall not be treated as described in paragraph (1)(D) if—

“(i) such entity is a specified publicly traded corporation, or

“(ii) specified publicly traded corporations (in the aggregate) control such entity.

“(B) SPECIFIED PUBLICLY TRADED CORPORATION.—

“(i) IN GENERAL.—The term ‘specified publicly traded corporation’ means any corporation if—

“(I) the stock of such corporation is regularly traded on an established securities market located in the United States, and

“(II) specified disqualified persons do not (in the aggregate) control such corporation.

“(ii) SPECIFIED DISQUALIFIED PERSONS.—The term ‘specified disqualified persons’ means, with respect to any corpora-
tion referred to in clause (i), any person which—

“(I) is described in subparagraph (A), (B), or (C) of paragraph (1), and

“(II) 10-percent controls such corporation.

“(c) PRORATED TAX ON ACQUISITIONS BY ENTITIES NOT MORE THAN 50 PERCENT CONTROLLED BY DISQUALIFIED PERSONS.—

“(1) IN GENERAL.—In the case of any disqualified person described in subsection (b)(1)(D) with respect to which persons described in subparagraphs (A), (B), or (C) of subsection (b)(1) do not (in the aggregate) control such disqualified person, subsection (a) shall be applied by substituting ‘the applicable percentage of the amount’ for ‘the amount’.

“(2) APPLICABLE PERCENTAGE.—For purposes of this section, the term ‘applicable percentage’ means, with respect to any disqualified person to which paragraph (1) applies, the highest percentage which could be substituted for ‘50 percent’ both places it appears in section 954(d)(3) without causing persons described in subparagraph (A), (B), or (C) of subsection (b)(1) (in the aggregate) to control (deter-
mined by taking into account such substitution) such disqualified person.

“(d) CONTROL.—For purposes of this section—

“(1) IN GENERAL.—The term ‘control’ has the meaning given such term under section 954(d)(3), determined by treating the rules of section 958(a)(2) as applying to both foreign and domestic corporations, partnerships, trusts, and estates.

“(2) 10-PERCENT CONTROL.—The term ‘10-percent control’ means control (as defined in paragraph (1)), determined by substituting ‘10 percent’ for ‘50 percent’ both places it appears in section 954(d)(3).

“(e) UNITED STATES AGRICULTURAL INTEREST.—For purposes of this section—

“(1) IN GENERAL.—The term ‘United States agricultural interest’ has the meaning which would be given the term ‘United States real property interest’ by section 897(c) if—

“(A) paragraph (1)(A)(i) were applied by substituting ‘an interest in agricultural land’ for ‘an interest in real property’ and all that follows,

“(B) paragraph (1)(A)(ii) were applied by substituting ‘such corporation was not a United States real property holding corporation at the
time of acquisition’ for ‘such corporation’ and all that follows,

“(C) paragraph (1)(B) did not apply, and

“(D) paragraph (3) were applied by substituting ‘at the time of acquisition’ for ‘at some time during the shorter of the periods described in paragraph (1)(A)(ii)’.

“(2) AGRICULTURAL LAND.—For purposes of paragraph (1), the term ‘agricultural land’ means—

“(A) agricultural land as defined in section 9 of the Agricultural Foreign Investment Disclosure Act of 1978 (7 U.S.C. 3508), and

“(B) land located in one or more States and used for livestock production purposes (determined under rules similar to the rules that apply under such section 9).”.

(b) REPORTING REQUIREMENTS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new section:

“SEC. 6050AA. RETURNS RELATING TO ACQUISITION OF UNITED STATES AGRICULTURAL INTERESTS BY DISQUALIFIED PERSONS.

“(a) IN GENERAL.—The required reporting person, with respect to any acquisition of any United States agric-
cultural interest by a presumptively disqualified person to which section 5000E(a) applies, shall make a return at such time as the Secretary may provide setting forth—

“(1) the name, address, and TIN of such presumptively disqualified person,

“(2) a description of such United States agricultural interest (including the street address, if applicable), and

“(3) the amount paid for such United States agricultural interest.

“(b) Statement to Be Furnished to Presumptively Disqualified Person.—Every person required to make a return under subsection (a) shall furnish, at such time as the Secretary may provide, to each presumptively disqualified person whose name is required to be set forth in such return a written statement showing—

“(1) the name and address of the information contact of the required reporting person, and

“(2) the information described in paragraphs (1), (2), and (3) of subsection (a) which relates to such disqualified person.

“(c) Required Reporting Person.—For purposes of this section, the term ‘required reporting person’ means, with respect to any acquisition of any United States agricultural interest—
“(1) the person (including any attorney or title company) responsible for closing the transaction in which such United States agricultural interest is acquired, or

“(2) if no one is responsible for closing such transaction (or in such other cases as the Secretary may provide), the transferor of such United States agricultural interest.

“(d) Presumptively Disqualified Person.—For purposes of this section, the term ‘presumptively disqualified person’ means any person unless such person furnishes to the required reporting person an affidavit by the such person stating, under penalty of perjury, that such person is not a disqualified person (as defined in section 5000E(b)).

“(e) Requirement to Request Affidavit.—If the required reporting person, with respect to any acquisition of any United States agricultural interest, has not, as of the time of such acquisition, been furnished the affidavit described in subsection (d) by the acquirer of such interest, such required reporting person shall furnish to such acquirer, at such time, a written statement informing such acquirer of the required reporting person’s obligation to make the return described in subsection (a) with respect to
such acquisition and including such other information as the Secretary may require.

“(f) UNITED STATES AGRICULTURAL INTEREST.—For purposes of this section, the term ‘United States agricultural interest’ has the meaning given such term in section 5000E.”.

(2) PENALTIES.—Section 6724(d) is amended—

(A) in paragraph (1)(B), by striking “or” at the end of clause (xxvii), by striking “and” at the end of clause (xxviii) and inserting “or”, and by adding at the end the following new clause:

“(xxix) section 6050AA(a) (relating to returns relating to acquisition of United States agricultural interests by disqualified persons), and”, and

(B) in paragraph (2), by striking “or” at the end of subparagraph (KK), by striking the period at the end of subparagraph (LL) and inserting “, or”, and by inserting after subparagraph (LL) the following new subparagraph:

“(MM) subsection (b) or (e) of section 6055AA (relating to statements relating to acquisition of United States agricultural interests by disqualified persons).”.

(c) CLERICAL AMENDMENTS.—
(1) The table of chapters for subtitle D is amended by inserting after the item relating to chapter 50A the following new item:

“CHAPTER 50B. ACQUISITION OF UNITED STATES AGRICULTURAL INTERESTS BY DISQUALIFIED PERSONS.”.

(2) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new item:

“Sec. 6050AA. Returns relating to acquisition of United States agricultural interests by disqualified persons.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to acquisitions after the date of the enactment of this Act.

TITLE III—REPEAL OF SPECIAL INTEREST TAX PROVISIONS

SEC. 301. REPEAL OF CLEAN ELECTRICITY PRODUCTION CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by striking section 45Y (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended by striking paragraph (39) and redesignating paragraphs (40) and (41) as paragraphs (39) and (40), respectively.
(2) Section 6417(b) is amended by striking paragraph (8) and redesignating paragraphs (9) through (12) as paragraphs (8) through (11), respectively.

(3) Section 6418(f)(1) is amended—

(A) in subparagraph (A), by striking clause (vii) and by redesignating clauses (viii) through (xi) as clauses (vii) through (x), respectively, and

(B) in subparagraph (B), by striking “(v), or (vii)” and inserting “or (v)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 13701 of Public Law 117–169.

SEC. 302. REPEAL OF CLEAN ELECTRICITY INVESTMENT CREDIT.

(a) IN GENERAL.—Subpart E of part IV of subchapter A of chapter 1 is amended by striking section 48E (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENTS.—

(1) Section 46, as amended by Public Law 117–169, is amended—

(A) in paragraph (5), by adding “and” at the end,

(B) in paragraph (6), by striking “, and” and inserting a period, and
(C) by striking paragraph (7).

(2) Section 48(e)(4)(D) is amended by striking “except as provided in section 48E(h)(4)(D)(ii)”.

(3) Section 48C(f) is amended by striking “48E,”.

(4) Section 49(a)(1)(C), as amended by Public Law 117–169, is amended—

(A) by adding “and” at the end of clause (v),

(B) by striking the comma at the end of clause (vi) and inserting a period, and

(C) by striking clauses (vii) and (viii).

(5) Section 50(a)(2)(E), as amended by Public Law 117–169, is amended by striking “48D(b)(5), or 48E(e)” and inserting “or 48D(b)(5)”.

(6) Section 50(c)(3), as amended by Public Law 117–169, is amended by striking “or clean electricity investment credit”.

(7) Section 168(e)(3)(B), as amended by Public Law 117–169, is amended—

(A) in clause (vi)(III), by inserting “and” at the end,

(B) in clause (vii), by striking “, and” and inserting a period, and

(C) by striking clause (viii).
(8) Section 6417(b), as amended by the preceding provisions of this Act, is amended by striking paragraph (11).

(9) Section 6418(f)(1)(A), as amended by the preceding provisions of this Act, is amended by striking clause (x).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 13702 of Public Law 117–169.

SEC. 303. MODIFICATION OF CLEAN VEHICLE CREDIT.

(a) PER VEHICLE DOLLAR LIMITATION.—Section 30D(b) is amended by striking paragraphs (2) and (3) and inserting the following:

“(2) BASE AMOUNT.—The amount determined under this paragraph is $2,500.

“(3) BATTERY CAPACITY.—In the case of a vehicle which draws propulsion energy from a battery with not less than 5 kilowatt hours of capacity, the amount determined under this paragraph is $417, plus $417 for each kilowatt hour of capacity in excess of 5 kilowatt hours. The amount determined under this paragraph shall not exceed $5,000.”.

(b) FINAL ASSEMBLY.—Section 30D(d) is amended—

(1) in paragraph (1), by striking subparagraph (G), and
(2) by striking paragraph (5).

(c) ADDITIONAL MODIFICATIONS TO VEHICLE DEFINITION.—

(1) IN GENERAL.—Section 30D(d), as amended by subsection (b), is amended—

(A) in the heading, by striking “Clean” and inserting “Qualified Plug-in Electric Drive Motor”,

(B) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking “clean” and inserting “qualified plug-in electric drive motor”,

(ii) in subparagraph (C), by striking “qualified” before “manufacturer”,

(iii) in subparagraph (E), by adding “and” at the end,

(iv) in subparagraph (F)—

(I) in clause (i), by striking “7” and inserting “4”, and

(II) in clause (ii), by striking the comma at the end and inserting a period, and

(v) by striking subparagraph (H),

(C) in paragraph (3)—
(i) in the heading, by striking “QUALIFIED MANUFACTURER” and inserting “MANUFACTURER”, and

(ii) by striking “The term ‘qualified manufacturer’ means” and all that follows through the period and inserting “The term ‘manufacturer’ has the meaning given such term in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.)”, and

(D) by striking paragraph (6).

(2) Conforming Amendments.—Section 30D is amended—

(A) in subsection (a), by striking “new clean vehicle” and inserting “new qualified plug-in electric drive motor vehicle”, and

(B) in subsection (b)(1), by striking “new clean vehicle” and inserting “new qualified plug-in electric drive motor vehicle”.

(d) Critical Mineral and Battery Component Requirement Modifications.—

(1) In General.—Section 30D(e), as added by

Public Law 117–169, is amended by striking para-
graphs (1) and (2), by redesignating paragraph (3) as paragraph (4), and by inserting before paragraph (4) (as so redesignated) the following new paragraphs:

“(1) CRITICAL MINERALS REQUIREMENT.—No credit shall be allowed under this section with respect to any vehicle unless, with respect to the battery from which the electric motor of such vehicle draws electricity, the percentage of the value of the applicable critical minerals (as defined in section 45X(c)(6)) contained in such battery that were—

“(A) extracted or processed—

“(i) in the United States, or

“(ii) in any country with which the United States has a free trade agreement in effect, or

“(B) recycled in North America,

is equal to or greater than 80 percent (as certified by the manufacturer, in such form or manner as prescribed by the Secretary). For purposes of subparagraph (A)(ii), the term ‘free trade agreement’ means an international agreement approved by Congress that eliminates duties and other restrictive regulations of commerce on substantially all the trade between the United States and one or more other countries.
“(2) BATTERY COMPONENTS.—No credit shall be allowed under this section with respect to any vehicle unless, with respect to the battery from which the electric motor of such vehicle draws electricity, all of the components contained in such battery were manufactured or assembled in North America (as certified by the manufacturer, in such form or manner as prescribed by the Secretary).

“(3) RESTRICTION ON FOREIGN ENTITIES OF CONCERN.—No credit shall be allowed under this section which respect to any vehicle placed in service after December 31, 2024, if any of the applicable critical minerals contained in the battery of such vehicle (as described in paragraph (1)) were extracted, processed, or recycled by a foreign entity of concern (as defined in section 40207(a)(5) of the Infrastructure Investment and Jobs Act (42 U.S.C. 18741(a)(5))).”.

(2) CONFORMING AMENDMENT.—Section 30D(d) is amended by striking paragraph (7).

(e) TRANSFER OF CREDIT REPEALED.—

(1) IN GENERAL.—Section 30D is amended by striking subsection (g).

(2) CONFORMING AMENDMENTS REVERSED.—Section 30D(f) is amended—
(A) by inserting after paragraph (2) the following:

“(3) Property Used by Tax-exempt Entity.—In the case of a vehicle the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (c)). For purposes of subsection (c), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.”, and

(B) in paragraph (8), by striking “, including any vehicle with respect to which the taxpayer elects the application of subsection (g)”.

(f) Reinstatement of Limitation on Number of Vehicles Eligible for Credit.—Section 30D is amended by inserting after subsection (f) the following:

“(g) Limitation on Number of New Qualified Plug-in Electric Drive Motor Vehicles Eligible for Credit.—

“(1) In General.—In the case of a new qualified plug-in electric drive motor vehicle sold during
the phaseout period, only the applicable percentage of
the credit otherwise allowable under subsection (a)
shall be allowed.

“(2) **Phaseout Period.**—For purposes of this
subsection, the phaseout period is the period begin-
going with the second calendar quarter following the
calendar quarter which includes the first date on
which the number of new qualified plug-in electric
drive motor vehicles manufactured by the manufac-
turer of the vehicle referred to in paragraph (1) sold
for use in the United States after December 31, 2009,
is at least 200,000.

“(3) **Applicable Percentage.**—For purposes
of paragraph (1), the applicable percentage is—

“(A) 50 percent for the first 2 calendar
quarters of the phaseout period,

“(B) 25 percent for the 3rd and 4th cal-
endar quarters of the phaseout period, and

“(C) 0 percent for each calendar quarter
thereafter.

“(4) **Controlled Groups.**—Rules similar to
the rules of section 30B(f)(4) shall apply for purposes
of this subsection.”.

(g) **Termination Repealed.**—Section 30D is amend-
ed by striking subsection (h).
(h) ADDITIONAL CONFORMING AMENDMENTS.—

(1) The heading of section 30D is amended by striking “CLEAN VEHICLE CREDIT” and inserting “NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES”.

(2) Section 30B(h)(8) is amended by inserting “, except that no benefit shall be recaptured if such property ceases to be eligible for such credit by reason of conversion to a qualified plug-in electric drive motor vehicle”, before the period at the end.

(3) Section 38(b)(30) is amended by striking “clean” and inserting “qualified plug-in electric drive motor”.

(4) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 30D and inserting after the item relating to section 30C the following item:

“Sec. 30D. New qualified plug-in electric drive motor vehicles.”

(i) GROSS UP REPEALED.—Section 13401 of Public Law 117–169 is amended by striking subsection (j).

(j) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection or subsection (k), the amendments made by this section shall apply to vehicles placed in service after June 9, 2023.
(2) Final assembly and manufacturer limitation.—The amendments made by subsections (b) and (f) shall apply to vehicles sold after June 9, 2023. Notwithstanding the preceding sentence, the phaseout period (as defined in section 30D(g) of the Internal Revenue Code of 1986, as amended by this section) shall be determined by taking into account all vehicles described in section 30D(g) of such Code (as so amended).

(k) Transition Rule.—Notwithstanding subsection (j) (other than the last sentence of subsection (j)(2)), the amendments made by this section shall not apply with respect to any vehicle which is—

(1) acquired by the taxpayer pursuant to a written binding contract that was in effect on June 9, 2023, and

(2) placed in service before June 9, 2024.

(l) Coordination with provisions which have not taken effect.—

(1) Transfer of credit.—Notwithstanding subsection (k)(4) of section 13401 of Public Law 117–169, the amendments made by subsection (g) of such section shall not apply.

(2) Per vehicle dollar limits and related requirements.—Notwithstanding subsection (k)(3)
of section 13401 of Public Law 117–169, the amendments made by subsection (a) of such section shall not apply unless the guidance referred to in such subsection (k)(3) is issued on or before June 9, 2023.

SEC. 304. REPEAL OF CREDIT FOR PREVIOUSLY-OWNED CLEAN VEHICLES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by striking section 25E (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENT.—Section 6213(g)(2) is amended—

(1) in subparagraph (T), by adding “and” at the end,

(2) by striking subparagraph (U), and

(3) by redesignating subparagraph (V) as subparagraph (U).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to vehicles acquired after June 9, 2023.

(d) TRANSITION RULE.—Notwithstanding subsection (c), the amendments made by this section shall not apply with respect to any vehicle which is—

(1) acquired by the taxpayer pursuant to a written binding contract that was in effect on June 9, 2023, and
(2) placed in service before June 9, 2024.

(e) COORDINATION WITH PROVISIONS WHICH HAVE NOT TAKEN EFFECT.—Notwithstanding subsection (c)(2) of section 13402 of Public Law 117–169, the amendments made by subsection (b) of such section shall not apply.

SEC. 305. REPEAL OF CREDIT FOR QUALIFIED COMMERCIAL CLEAN VEHICLES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by striking section 45W (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b), as amended by the preceding provisions of this section, is amended by striking paragraph (37) and redesignating paragraphs (38) through (40) as paragraphs (37) through (39), respectively.

(2) Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended—

(A) in subparagraph (S), by adding “and” at the end,

(B) in subparagraph (T), by striking “, and” and inserting a period, and

(C) by striking subparagraph (U).
(3) Section 6417(b), as amended by the preceding provisions of this Act, is amended by striking paragraph (6) and redesignating paragraphs (7) through (10) as paragraphs (6) through (9), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to vehicles acquired after June 9, 2023.

(d) TRANSITION RULE.—Notwithstanding subsection (c), the amendments made by this section shall not apply with respect to any vehicle which is—

(1) acquired by the taxpayer pursuant to a written binding contract that was in effect on June 9, 2023, and

(2) placed in service before June 9, 2024.
H. R. 3938

A BILL

To amend the Internal Revenue Code of 1986 to encourage economic growth.

JUNE 30, 2023

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed.

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