

**AMENDMENT TO RULES COMMITTEE PRINT 117-  
31  
OFFERED BY MR. VICENTE GONZALEZ OF  
TEXAS**

At the end, add the following:

1           **DIVISION M—CRITICAL**  
2           **MINERALS AND METALS**

3   **SEC. 120001. PERMANENT FULL EXPENSING FOR PROPERTY**  
4                   **USED TO EXTRACT CRITICAL MINERALS AND**  
5                   **METALS WITHIN THE UNITED STATES.**

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

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

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

17                   “(i) paragraph (2)(A)(iii) shall not  
18           apply, and

1 “(ii) the applicable percentage shall be  
2 100 percent.

3 “(B) CRITICAL MINERALS AND METALS.—  
4 For purposes of this paragraph, the term ‘crit-  
5 ical minerals and metals’ means cerium, cobalt,  
6 dysprosium, erbium, europium, gadolinium,  
7 graphite, holmium, lanthanum, lithium, lute-  
8 tium, manganese, neodymium, praseodymium,  
9 promethium, samarium, scandium, terbium,  
10 thulium, vanadium, ytterbium, and yttrium.”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to property placed in service after  
13 December 31, 2020.

14 **SEC. 120002. PERMANENT FULL EXPENSING FOR NONRESI-  
15 DENTIAL REAL PROPERTY USED FOR MINING  
16 OF CRITICAL MINERALS AND METALS WITHIN  
17 THE UNITED STATES.**

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

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

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

1           “(A)(i) if such property is placed in service  
2           on or after the date of enactment of this sub-  
3           section, the depreciation deduction provided by  
4           section 167(a) for the taxable year in which  
5           such property is placed in service shall include  
6           an allowance equal to 100 percent of the ad-  
7           justed basis of such property, or

8           “(ii) if such property was placed in service  
9           before the date of enactment of this subsection,  
10          the depreciation deduction provided by section  
11          167(a) for the first taxable year beginning after  
12          such date shall include an allowance equal to  
13          100 percent of the adjusted basis of such prop-  
14          erty, and

15          “(B) the adjusted basis of such property  
16          shall be reduced by the amount of such deduc-  
17          tion before computing the amount otherwise al-  
18          lowable as a depreciation deduction under this  
19          chapter for such taxable year and any subse-  
20          quent taxable year.

21          “(2) QUALIFIED REAL PROPERTY.—For pur-  
22          poses of this subsection, the term ‘qualified real  
23          property’ means any nonresidential real property  
24          which is substantially involved in the mining, re-  
25          claiming, or recycling of critical minerals and metals

1 (as defined in subsection (k)(11)(B)) from deposits  
2 in the United States.”.

3 (b) EFFECTIVE DATE.—The amendment made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2020.

6 **SEC. 120003. DEDUCTION FOR PURCHASE OF CRITICAL MIN-**  
7 **ERALS AND METALS EXTRACTED WITHIN THE**  
8 **UNITED STATES.**

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

12 **“SEC. 177. DEDUCTION FOR PURCHASE OF CRITICAL MIN-**  
13 **ERALS AND METALS EXTRACTED WITHIN THE**  
14 **UNITED STATES.**

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

22 “(b) APPLICATION WITH OTHER DEDUCTIONS.—No  
23 deduction shall be allowed under any other provision of  
24 this chapter with respect to any expenditure with respect

1 to which a deduction is allowed or allowable under this  
2 section to the taxpayer.”.

3 (b) CONFORMING AMENDMENT.—The table of sec-  
4 tions for part VI of subchapter B of chapter 1 of the Inter-  
5 nal Revenue Code of 1986 is amended by inserting after  
6 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.”.

7 (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to amounts paid or incurred after  
9 December 31, 2020.

10 **SEC. 120004. INCREASE IN RATE OF PERCENTAGE DEPLE-**  
11 **TION FOR CRITICAL MINERALS AND METALS**  
12 **FROM DEPOSITS IN THE UNITED STATES.**

13 (a) IN GENERAL.—Section 613(b)(1) of the Internal  
14 Revenue Code of 1986 is amended by striking “and” at  
15 the end of subparagraph (A), by striking the period at  
16 the end of subparagraph (B) and inserting “; and”, and  
17 by adding at the end the following new subparagraph:

18 “(C) critical minerals and metals (as de-  
19 fined in section 168(k)(11)(B)) from deposits in  
20 the United States.”.

21 (b) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to taxable years beginning after  
23 December 31, 2020.

1 **SEC. 120005. GRANT PROGRAM FOR DEVELOPMENT OF**  
2 **CRITICAL MINERALS AND METALS.**

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

7 (b) LIMITATION ON GRANT AWARDS.—A grant  
8 awarded under subsection (a) may not exceed  
9 \$10,000,000.

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

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

20 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
21 are authorized to be appropriated to the Secretary of the  
22 Interior \$50,000,000 for each of fiscal years 2022 through  
23 2025 to carry out the grant program established under  
24 subsection (a).

25 (f) DEFINITIONS.—In this section:

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

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

