

**AMENDMENT TO RULES COMMITTEE PRINT 117-**

**13**

**OFFERED BY MR. STAUBER OF MINNESOTA**

At the end of title 60, add the following:

1 **SEC. \_\_\_\_ . ADDITIONAL TAX DEDUCTION FOR COST OF CER-**  
2 **TAIN MATERIALS PURCHASED DIRECTLY**  
3 **FROM A DOMESTIC SMELTER OR PROC-**  
4 **ESSOR.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) It is in America’s best interest to ensure a  
7 robust and secure domestic supply chain for United  
8 States manufacturers.

9 (2) The United States’ increasing reliance on  
10 foreign sources of metals and minerals threatens our  
11 economic and national security while providing our  
12 geopolitical rivals, such as China and Russia, lever-  
13 age over our economy.

14 (3) Incentivizing domestic mineral and metal  
15 production and the purchase of these materials will  
16 make our Nation’s supply chains more secure and  
17 resilient.

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

4 **“SEC. 182. ADDITIONAL DEDUCTION FOR COST OF CERTAIN**  
5 **MATERIALS PURCHASED DIRECTLY FROM A**  
6 **DOMESTIC SMELTER OR PROCESSOR.**

7 “(a) IN GENERAL.—There shall be allowed as a de-  
8 duction (in addition to any other deduction allowed under  
9 this chapter for the cost of specified domestically produced  
10 materials) an amount equal to 10 percent of the cost of  
11 specified domestically produced materials if such materials  
12 are acquired by the taxpayer directly from the domestic  
13 smelter or processor of such material.

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

16 “(1) IN GENERAL.—The term ‘specified domes-  
17 tically-produced materials’ means any specified ma-  
18 terial if such material is—

19 “(A) in the case of a mine product, smelt-  
20 ed or processed in the United States by direct  
21 smelting of ore,

22 “(B) in the case of a mine tailings product,  
23 benefited in the United States,

24 “(C) in the case of metal or metal com-  
25 pound production—

1                   “(i) reprocessed from slags or residues  
2                   in the United States, or

3                   “(ii) melted, sputtered, or otherwise  
4                   produced in the United States,

5                   “(D) in the case of alloy production, pro-  
6                   duced by melting together metals in the United  
7                   States to form an alloy, and

8                   “(E) in the case of magnet production, sin-  
9                   tered or bonded and magnetized in the United  
10                  States.

11                 “(2) SPECIFIED MATERIAL.—

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

14                 “(i) for the energy infrastructure of  
15                 the United States, including—

16                         “(I) pipelines,

17                         “(II) refining capacity,

18                         “(III) electrical power generation  
19                         and transmission, and

20                         “(IV) renewable energy produc-  
21                         tion,

22                         “(ii) for community resiliency, coastal  
23                         restoration, and ecological sustainability  
24                         for the coastal United States,

1                   “(iii) to support domestic manufac-  
2                   turing, agriculture, housing, telecommuni-  
3                   cations, healthcare, and transportation in-  
4                   frastructure, or

5                   “(iv) for the economic security of, and  
6                   balance of trade in, the United States.

7                   “(B) MATERIALS NEEDED FOR NATIONAL  
8                   DEFENSE.—The term ‘specified material’ shall  
9                   include all Materials of Interest listed by the  
10                  Defense Logistics Agency.

11                  “(C) EXCEPTIONS.—The term ‘specified  
12                  material’ shall not include—

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

15                         “(ii) water, ice, or snow, or

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

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

23                  “(e) CLERICAL AMENDMENT.—The table of sections  
24                  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 (d) **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.

