

AMENDMENT TO RULES COMMITTEE

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OFFERED BY MR. STAUBER OF MINNESOTA

Add at the end the following:

1 **DIVISION M—MANUFACTURING**
2 **AMERICA’S MINERAL SECURITY**

3 **SEC. 120001. FINDINGS.**

4 Congress finds the following:

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

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

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

1 **SEC. 120002. ADDITIONAL DEDUCTION FOR COST OF CER-**
2 **TAIN MATERIALS PURCHASED DIRECTLY**
3 **FROM A DOMESTIC SMELTER OR PROC-**
4 **ESSOR.**

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

8 **“SEC. 182. ADDITIONAL DEDUCTION FOR COST OF CERTAIN**
9 **MATERIALS PURCHASED DIRECTLY FROM A**
10 **DOMESTIC SMELTER OR PROCESSOR.**

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

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

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

23 “(A) in the case of a mine product, smelt-
24 ed or processed in the United States by direct
25 smelting of ore;

1 “(B) in the case of a mine tailings product,
2 beneficiated in the United States;

3 “(C) in the case of metal or metal com-
4 pound production—

5 “(i) reprocessed from slags or residues
6 in the United States; or

7 “(ii) melted, sputtered, or otherwise
8 produced in the United States;

9 “(D) in the case of alloy production, pro-
10 duced by melting together metals in the United
11 States to form an alloy; and

12 “(E) in the case of magnet production, sin-
13 tered or bonded and magnetized in the United
14 States.

15 “(2) SPECIFIED MATERIAL.—

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

18 “(i) for the energy infrastructure of
19 the United States, including—

20 “(I) pipelines;

21 “(II) refining capacity;

22 “(III) electrical power generation
23 and transmission; and

24 “(IV) renewable energy produc-
25 tion;

1 “(ii) for community resiliency, coastal
2 restoration, and ecological sustainability
3 for the coastal United States;

4 “(iii) to support domestic manufac-
5 turing, agriculture, housing, telecommuni-
6 cations, healthcare, and transportation in-
7 frastructure; or

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

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

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

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

18 “(ii) water, ice, or snow; or

19 “(iii) sand, stone, gravel, pumice,
20 pumicite, cinders, or clay.

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

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for part VI of subchapter B of chapter 1 of such Code
3 is amended by inserting after the item relating to section
4 181 the following new item:

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

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

