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117TH CONGRESS
1ST SESSION

H. R. 4932

To amend the Internal Revenue Code of 1986 to provide an additional deduction for the cost of certain materials purchased directly from a domestic smelter or processor.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 2021

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

A BILL

To amend the Internal Revenue Code of 1986 to provide an additional deduction for the cost of certain materials purchased directly from a domestic smelter or processor.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Manufacturing America's Mineral Security Act''.

SEC. 2. FINDINGS.

Congress finds the following:

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

(2) The United States increasing reliance on foreign sources of metals and minerals threatens our economic and national security while providing our geopolitical rivals, such as China and Russia, leverage over our economy.

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

SEC. 3. ADDITIONAL DEDUCTION FOR COST OF CERTAIN MATERIALS PURCHASED DIRECTLY FROM A DOMESTIC SMELTER OR PROCESSOR.

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

"SEC. 182. ADDITIONAL DEDUCTION FOR COST OF CERTAIN MATERIALS PURCHASED DIRECTLY FROM A DOMESTIC SMELTER OR PROCESSOR.

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

"(b) SPECIFIED DOMESTICALLY PRODUCED MATERIALS.—For purposes of this section—

"(1) IN GENERAL.—The term 'specified domestically-produced materials' means any specified material if such material is—

"(A) in the case of a mine product, smelted or processed in the United States by direct smelting of ore;

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

"(C) in the case of metal or metal compound production—

"(i) reprocessed from slags or residues in the United States; or

"(ii) melted, sputtered, or otherwise produced in the United States;

"(D) in the case of alloy production, produced by melting together metals in the United States to form an alloy; and

"(E) in the case of magnet production, sintered or bonded and magnetized in the United States.

“(2) SPECIFIED MATERIAL.—

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

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

“(I) pipelines;

“(II) refining capacity;

“(III) electrical power generation and transmission; and

“(IV) renewable energy production;

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

“(iii) to support domestic manufacturing, agriculture, housing, telecommunications, healthcare, and transportation infrastructure; or

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

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

"(C) EXCEPTIONS.—The term 'specified material' shall not include—

"(i) fuel minerals, including oil, natural gas, or any other fossil fuels;

"(ii) water, ice, or snow; or

"(iii) sand, stone, gravel, pumice, pumicite, cinders, or clay.

"(c) DOMESTIC SMELTER OR PROCESSOR.—For purposes of this section, the term 'domestic smelter or processor' means, with respect to any specified material, the person performing the activity described in subsection (b)(1) with respect to such material.".

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

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

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

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