

109TH CONGRESS
2^D SESSION

H. R. 4835

To amend the Internal Revenue Code of 1986 to provide tax relief to promote investments in mine safety.

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 2006

Mr. ENGLISH of Pennsylvania 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 tax relief to promote investments in mine safety.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PARTIAL EXPENSING FOR ADVANCED MINE**
4 **SAFETY EQUIPMENT.**

5 (a) IN GENERAL.—Part VI of subchapter B of chap-
6 ter 1 of the Internal Revenue Code of 1986 (relating to
7 itemized deductions for individuals and corporations) is
8 amended by inserting after section 179D the following new
9 section:

1 **“SEC. 179E. ELECTION TO EXPENSE ADVANCED MINE SAFE-**
2 **TY EQUIPMENT.**

3 “(a) TREATMENT AS EXPENSES.—A taxpayer may
4 elect to treat 50 percent of the cost of any qualified ad-
5 vanced mine safety equipment property as an expense
6 which is not chargeable to capital account. Any cost so
7 treated shall be allowed as a deduction for the taxable year
8 in which the qualified advanced mine safety equipment
9 property is placed in service.

10 “(b) ELECTION.—

11 “(1) IN GENERAL.—An election under this sec-
12 tion for any taxable year shall be made on the tax-
13 payer’s return of the tax imposed by this chapter for
14 the taxable year. Such election shall specify the ad-
15 vanced mine safety equipment property to which the
16 election applies and shall be made in such manner
17 as the Secretary may by regulations prescribe.

18 “(2) ELECTION IRREVOCABLE.—Any election
19 made under this section may not be revoked except
20 with the consent of the Secretary.

21 “(c) QUALIFIED ADVANCED MINE SAFETY EQUIP-
22 MENT PROPERTY.—For purposes of this section, the term
23 ‘qualified advanced mine safety equipment property’
24 means any advanced mine safety equipment property for
25 use in any underground mine located in the United
26 States—

1 “(1) the original use of which commences with
2 the taxpayer, and

3 “(2) which is placed in service by the taxpayer
4 after the date of the enactment of this section.

5 “(d) ADVANCED MINE SAFETY EQUIPMENT PROP-
6 ERTY.—For purposes of this section, the term ‘advanced
7 mine safety equipment property’ means any of the fol-
8 lowing:

9 “(1) Emergency communication technology or
10 device which is used to allow a miner to maintain
11 constant communication with an individual who is
12 not in the mine.

13 “(2) Electronic identification and location de-
14 vice which allows an individual who is not in the
15 mine to track at all times the movements and loca-
16 tion of miners working in or at the mine.

17 “(3) Emergency oxygen-generating, self-rescue
18 device which provides oxygen for at least 90 min-
19 utes.

20 “(4) Pre-positioned supplies of oxygen which (in
21 combination with self-rescue devices) can be used to
22 provide each miner on a shift, in the event of an ac-
23 cident or other event which traps the miner in the
24 mine or otherwise necessitates the use of such a self-

1 rescue device, the ability to survive for at least 48
2 hours.

3 “(5) Comprehensive atmospheric monitoring
4 system which monitors the levels of carbon mon-
5 oxide, methane, and oxygen that are present in all
6 areas of the mine and which can detect smoke in the
7 case of a fire in a mine.

8 “(e) SPECIAL RULES.—

9 “(1) COORDINATION WITH SECTION 179.—No
10 expenditures shall be taken into account under sub-
11 section (a) with respect to the portion of the cost of
12 any property specified in an election under section
13 179.

14 “(2) BASIS REDUCTION.—For purposes of this
15 title, the basis of any property shall be reduced by
16 the portion of the cost of such property taken into
17 account under subsection (a).

18 “(f) TERMINATION.—This section shall not apply to
19 property placed in service after the date which is 3 years
20 after the date of the enactment of this section.”.

21 (b) ALTERNATIVE ELECTION TO INCREASE MINIMUM
22 TAX LIMITATION.—Section 53 of such Code (relating to
23 credit for prior year minimum tax liability) is amended
24 by adding at the end the following new subsection:

1 “(e) TEMPORARY ELECTION TO INCREASE MINIMUM
2 TAX LIMITATION FOR MINE SAFETY INVESTMENTS.—

3 “(1) IN GENERAL.—A taxpayer may elect to in-
4 crease the limitation under subsection (c) for a tax-
5 able year by the cost of any qualified advanced mine
6 safety equipment property, as defined for purposes
7 of section 179E, placed into service during such tax-
8 able year.

9 “(2) ELECTION.—

10 “(A) IN GENERAL.—An election under this
11 subsection for any taxable year shall be made
12 on the taxpayer’s return of the tax imposed by
13 this chapter for the taxable year. Such election
14 shall specify the advanced mine safety equip-
15 ment property to which the election applies and
16 shall be made in such manner as the Secretary
17 may by regulations prescribe.

18 “(B) ELECTION IRREVOCABLE.—Any elec-
19 tion made under this subsection may not be re-
20 voked except with the consent of the Secretary.

21 “(C) NO DOUBLE BENEFIT.—A taxpayer
22 making an election under this subsection for
23 any taxable year may not make an election for
24 such year under section 179E.

1 “(3) CREDIT REFUNDABLE.—The aggregate in-
2 crease in the credit allowed by this section for any
3 taxable year by reason of this subsection shall for
4 purposes of this title (other than subsection (b)(2)
5 of this section) be treated as a credit allowed to the
6 taxpayer under subpart C.

7 “(4) TERMINATION.—The election made under
8 this subsection shall not apply with respect to prop-
9 erty placed in service after the date which is 3 years
10 after the date of the enactment of this section.”.

11 (c) CONFORMING AMENDMENTS.—

12 (1) Section 263(a)(1) of such Code is amended
13 by striking “or” at the end of subparagraph (J), by
14 striking the period at the end of subparagraph (K)
15 and inserting “, or”, and by inserting after subpara-
16 graph (K) the following new subparagraph:

17 “(L) expenditures for which a deduction is
18 allowed under section 179E.”.

19 (2) Section 312(k)(3)(B) of such Code is
20 amended by striking “or 179D” each place it ap-
21 pears in the heading and text thereof and inserting
22 “179D, or 179E”.

23 (3) Section 1016(a) of such Code is amended
24 by striking “and” at the end of paragraph (36), by
25 striking the period at the end of paragraph (37) and

1 inserting “, and”, and by adding at the end the fol-
2 lowing new paragraph:

3 “(38) to the extent provided in section
4 179E(e)(2).”.

5 (4) Section 1245(a)(2)(C) of such Code is
6 amended by inserting “179E,” after “179D,”.

7 (5) The table of sections for part VI of sub-
8 chapter B of chapter 1 of such Code is amended by
9 inserting after the item relating to section 179D the
10 following new item:

“Sec. 179E. Election to expense advanced mine safety equipment”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to costs paid or incurred after the
13 date of the enactment of this Act.

14 **SEC. 2. MINE RESCUE TEAM TRAINING TAX CREDIT.**

15 (a) IN GENERAL.—Subpart D of part IV of sub-
16 chapter A of chapter 1 of the Internal Revenue Code of
17 1986 (relating to business related credits) is amended by
18 adding at the end the following new section:

19 **“SEC. 45N. MINE RESCUE TEAM TRAINING CREDIT.**

20 “(a) AMOUNT OF CREDIT.—For purposes of section
21 38, the mine rescue team training credit determined under
22 this section with respect to any eligible employer for any
23 taxable year is an amount equal to the lesser of—

24 “(1) 20 percent of the amount paid or incurred
25 by the taxpayer during the taxable year with respect

1 to the training program costs of each qualified mine
2 rescue team employee (including wages of such em-
3 ployee while attending such program), or

4 “(2) \$10,000 per qualified mine rescue team
5 employee.

6 “(b) QUALIFIED MINE RESCUE TEAM EMPLOYEE.—

7 For purposes of this section, the term ‘qualified mine res-
8 cue team employee’ means with respect to any taxable year
9 any full-time employee of the taxpayer who is—

10 “(1) a miner eligible for more than 6 months
11 of such taxable year to serve as a mine rescue team
12 member as a result of completing, at a minimum, an
13 initial 20-hour course of instruction as prescribed by
14 the Mine Safety and Health Administration’s Office
15 of Educational Policy and Development, or

16 “(2) a miner eligible for more than 6 months
17 of such taxable year to serve as a mine rescue team
18 member by virtue of receiving at least 40 hours of
19 refresher training in such instruction.

20 “(c) ELIGIBLE EMPLOYER.—For purposes of this
21 section, the term ‘eligible employer’ means any taxpayer
22 which employs individuals as miners in underground mines
23 in the United States.

24 “(d) WAGES.—For purposes of this section, the term
25 ‘wages’ has the meaning given to such term by subsection

1 (b) of section 3306 (determined without regard to any dol-
2 lar limitation contained in such section).

3 “(e) TERMINATION.—This section shall not apply to
4 taxable years beginning after December 31, 2008.”.

5 (b) CREDIT MADE PART OF GENERAL BUSINESS
6 CREDIT.—Section 38(b) of such Code is amended by strik-
7 ing “and” at the end of paragraph (29), by striking the
8 period at the end of paragraph (30) and inserting “, and”,
9 and by adding at the end the following new paragraph:

10 “(31) the mine rescue team training credit de-
11 termined under section 45N(a).”.

12 (c) CREDIT ALLOWED AGAINST MINIMUM TAX.—
13 Subparagraph (B) of section 38(c)(4) of such Code (relat-
14 ing to specified credits) is amended by redesignating
15 clause (ii) as clause (iii) and inserting after clause (i) the
16 following new clause:

17 “(ii) for taxable years beginning after
18 December 31, 2005, and before January 1,
19 2009, the mine rescue team training credit
20 determined under section 45N(a).”.

21 (d) NO DOUBLE BENEFIT.—Section 280C of such
22 Code is amended by adding at the end the following new
23 subsection:

24 “(e) MINE RESCUE TEAM TRAINING CREDIT.—No
25 deduction shall be allowed for that portion of the expenses

1 otherwise allowable as a deduction for the taxable year
2 which is equal to the amount of the credit determined for
3 the taxable year under section 45N(a).”.

4 (e) CLERICAL AMENDMENT.—The table of sections
5 for subpart D of part IV of subchapter A of chapter 1
6 of such Code is amended by adding at the end the fol-
7 lowing new item:

“Sec. 45N. Mine rescue team training credit.”.

8 (f) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2005.

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