

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.

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. SHORT TITLE.**

4 This Act may be cited as the “Manufacturing Amer-
5 ica’s Mineral Security Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

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

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

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

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

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

19 **“SEC. 182. ADDITIONAL DEDUCTION FOR COST OF CERTAIN**
 20 **MATERIALS PURCHASED DIRECTLY FROM A**
 21 **DOMESTIC SMELTER OR PROCESSOR.**

22 “(a) IN GENERAL.—There shall be allowed as a de-
 23 duction (in addition to any other deduction allowed under
 24 this chapter for the cost of specified domestically produced
 25 materials) an amount equal to 10 percent of the cost of

1 specified domestically produced materials if such materials
2 are acquired by the taxpayer directly from the domestic
3 smelter or processor of such material.

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

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

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

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

14 “(C) in the case of metal or metal com-
15 pound production—

16 “(i) reprocessed from slags or residues
17 in the United States; or

18 “(ii) melted, sputtered, or otherwise
19 produced in the United States;

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

23 “(E) in the case of magnet production, sin-
24 tered or bonded and magnetized in the United
25 States.

1 “(2) SPECIFIED MATERIAL.—

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

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

6 “(I) pipelines;

7 “(II) refining capacity;

8 “(III) electrical power generation
9 and transmission; and

10 “(IV) renewable energy produc-
11 tion;

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

15 “(iii) to support domestic manufac-
16 turing, agriculture, housing, telecommuni-
17 cations, healthcare, and transportation in-
18 frastructure; or

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

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

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