

119TH CONGRESS
2D SESSION

H. R. 9921

To amend the Internal Revenue Code of 1986 to support the national defense and economic security of the United States by incentivizing the construction of United States shipyards.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2026

Mr. MORAN (for himself and Mr. KELLY 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 support the national defense and economic security of the United States by incentivizing the construction of United States shipyards.

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 “American Shipyard
5 Investment Act of 2026”.

1 **SEC. 2. CREDIT FOR CONSTRUCTION OF SHIPYARD FACILI-**
 2 **TIES.**

3 (a) IN GENERAL.—Subpart E of part IV of sub-
 4 chapter A of chapter 1 of the Internal Revenue Code of
 5 1986 is amended by inserting after section 48E the fol-
 6 lowing new section:

7 **“SEC. 48F. CREDIT FOR CONSTRUCTION OF SHIPYARD FA-**
 8 **CILITIES.**

9 “(a) IN GENERAL.—For purposes of section 46, the
 10 shipyard investment tax credit for any taxable year is an
 11 amount equal to 25 percent of the qualified investment
 12 for such taxable year with respect to any qualified ship-
 13 yard facility of a taxpayer described in section 48D(c)(1).
 14 In the case of any qualified shipyard facility located in
 15 an area described in section 1400Z–1, the preceding sen-
 16 tence shall be applied by substituting ‘35 percent’ for ‘25
 17 percent’.

18 “(b) QUALIFIED INVESTMENT.—

19 “(1) IN GENERAL.—For purposes of subsection
 20 (a), the qualified investment with respect to any
 21 qualified shipyard facility for any taxable year is the
 22 basis of any qualified property placed in service by
 23 the taxpayer during such taxable year which is part
 24 of a qualified shipyard facility.

25 “(2) QUALIFIED PROPERTY.—The term ‘quali-
 26 fied property’ shall have the same meaning given

1 such term in section 48D(b)(2), except that subpara-
2 graph (A)(iv) of such section shall be applied by sub-
3 stituting ‘qualified shipyard facility’ for ‘advanced
4 manufacturing facility’.

5 “(3) QUALIFIED SHIPYARD FACILITY.—For
6 purposes of this section, the term ‘qualified shipyard
7 facility’ means a facility—

8 “(A) which is located within the United
9 States (including any territory or possession of
10 the United States), and

11 “(B) for which the primary purpose is—

12 “(i) constructing or repairing commer-
13 cial or military vessels,

14 “(ii) manufacturing components which
15 are critical (as determined by the Sec-
16 retary, in consultation with the Secretary
17 of the Navy and the Maritime Adminis-
18 trator) to the operation of commercial or
19 military vessels, or

20 “(iii) manufacturing equipment which
21 is used to produce or repair commercial or
22 military vessels.

23 “(4) CERTAIN PROGRESS EXPENDITURE RULES
24 MADE APPLICABLE.—Rules similar to the rules of
25 subsections (c)(4) and (d) of section 46 (as in effect

1 on the day before the date of the enactment of the
 2 Revenue Reconciliation Act of 1990) shall apply for
 3 purposes of subsection (a).

4 “(c) REGULATIONS.—The Secretary shall issue such
 5 regulations or other guidance as may be necessary or ap-
 6 propriate to carry out the purposes of this section.

7 “(d) TERMINATION OF CREDIT.—The credit allowed
 8 under this section shall not apply to property placed in
 9 service after December 31, 2033.”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 46 of the Internal Revenue Code of
 12 1986 is amended—

13 (A) in paragraph (6), by striking “and” at
 14 the end,

15 (B) in paragraph (7), by striking the pe-
 16 riod at the end and inserting “, and”, and

17 (C) by adding at the end the following:

18 “(8) the shipyard investment tax credit.”.

19 (2) Section 49(a)(1)(C) of such Code is amend-
 20 ed—

21 (A) in clause (vii), by striking “and” at the
 22 end,

23 (B) in clause (viii), by striking the period
 24 at the end and inserting “, and”, and

25 (C) by adding at the end the following:

1 “(ix) the basis of any qualified prop-
 2 erty (as defined in subsection (b)(2) of sec-
 3 tion 48F) which is part of a qualified ship-
 4 yard facility (as defined in subsection
 5 (b)(3) of such section).”.

6 (3) Section 50(a)(2)(E) of such Code is amend-
 7 ed by striking “or 48E(e)” and inserting “48E(e),
 8 or 48F(b)(4)”.

9 (4) The table of sections for subpart E of part
 10 IV of subchapter A of chapter 1 of such Code is
 11 amended by inserting after the item relating to sec-
 12 tion 48E the following new item:

“Sec. 48F. Shipyard investment tax credit.”.

13 (c) ELECTIVE PAYMENT AND TRANSFER OF CRED-
 14 IT.—

15 (1) ELECTIVE PAYMENT.—Section 6417 of the
 16 Internal Revenue Code of 1986 is amended—

17 (A) in subsection (b), by adding at the end
 18 the following:

19 “(13) The shipyard investment tax credit under
 20 section 48F.”, and

21 (B) in subsection (d)(1)—

22 (i) in subparagraph (E), by striking
 23 “(C), or (D)” each place it appears and in-
 24 serting “(C), (D), or (E)”,

1 (ii) by redesignating subparagraph
 2 (E) (as amended by clause (i)) as subpara-
 3 graph (F), and

4 (iii) by inserting after subparagraph
 5 (D) the following:

6 “(E) ELECTION WITH RESPECT TO THE
 7 SHIPYARD INVESTMENT TAX CREDIT.—If a tax-
 8 payer other than an entity described in sub-
 9 paragraph (A) makes an election under this
 10 subparagraph with respect to any taxable year
 11 in which such taxpayer has placed in service
 12 any qualified property which is part of a quali-
 13 fied shipyard facility (as defined in section
 14 48F), such taxpayer shall be treated as an ap-
 15 plicable entity for purposes of this section for
 16 such taxable year, but only with respect to the
 17 credit described in subsection (b)(13).”.

18 (2) TRANSFER.—Section 6418(f)(1)(A) of the
 19 Internal Revenue Code of 1986 is amended by add-
 20 ing at the end the following:

21 “(xii) The shipyard investment tax
 22 credit under section 48F.”.

23 (d) EXCEPTION RELATING TO ALTERNATIVE TAX ON
 24 QUALIFYING SHIPPING ACTIVITIES.—Section 1357(c) of
 25 the Internal Revenue Code of 1986 is amended—

1 (1) in paragraph (1), by striking “paragraph
2 (2)” and inserting “paragraph (2) or (4)”, and

3 (2) by adding at the end the following new
4 paragraph:

5 “(4) EXCEPTION FOR SHIPYARD INVESTMENT
6 TAX CREDIT.—Paragraph (1) shall not apply with
7 respect to any credit allowed to the taxpayer under
8 section 48F.”.

9 (e) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to property placed in service after
11 the date of the introduction of this Act.

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