

106TH CONGRESS
1ST SESSION

S. 590

To amend the Internal Revenue Code of 1986 to repeal the percentage depletion allowance for certain hardrock mines, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 11, 1999

Mr. FEINGOLD (for himself and Mr. LEAHY) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to repeal the percentage depletion allowance for certain hardrock mines, and for other purposes.

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 “Elimination of Double
5 Subsidies for the Hardrock Mining Industry Act of 1999”.

6 **SEC. 2. REPEAL OF PERCENTAGE DEPLETION ALLOWANCE**
7 **FOR CERTAIN HARDROCK MINES.**

8 (a) IN GENERAL.—Section 613(a) of the Internal
9 Revenue Code of 1986 (relating to percentage depletion)
10 is amended by inserting “(other than hardrock mines lo-

1 cated on lands subject to the general mining laws or on
 2 land patented under the general mining laws)” after “In
 3 the case of the mines”.

4 (b) GENERAL MINING LAWS DEFINED.—Section 613
 5 of the Internal Revenue Code of 1986 is amended by add-
 6 ing at the end the following:

7 “(f) GENERAL MINING LAWS.—For purposes of sub-
 8 section (a), the term ‘general mining laws’ means those
 9 Acts which generally comprise chapters 2, 12A, and 16,
 10 and sections 161 and 162 of title 30 of the United States
 11 Code.”

12 (c) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to taxable years beginning after
 14 December 31, 1998.

15 **SEC. 3. ABANDONED MINE RECLAMATION FUND.**

16 (a) IN GENERAL.—Subchapter A of chapter 98 of the
 17 Internal Revenue Code of 1986 (relating to establishment
 18 of trust funds) is amended by adding at the end the follow-
 19 ing:

20 **“SEC. 9511. ABANDONED MINE RECLAMATION FUND.**

21 “(a) CREATION OF TRUST FUND.—There is estab-
 22 lished in the Treasury of the United States a trust fund
 23 to be known as the ‘Abandoned Mine Reclamation Trust
 24 Fund’ (in this section referred to as ‘Trust Fund’), con-
 25 sisting of such amounts as may be appropriated or cred-

1 ited to the Trust Fund as provided in this section or sec-
 2 tion 9602(b).

3 “(b) TRANSFERS TO TRUST FUND.—There are here-
 4 by appropriated to the Trust Fund amounts equivalent to
 5 25 percent of the additional revenues received in the
 6 Treasury by reason of the amendments made by section
 7 2 of the Elimination of Double Subsidies for the Hardrock
 8 Mining Industry Act of 1999.

9 “(c) EXPENDITURES FROM TRUST FUND.—

10 “(1) IN GENERAL.—Amounts in the Trust
 11 Fund shall be available, as provided in appropriation
 12 Acts, to the Secretary of the Interior for—

13 “(A) the reclamation and restoration of
 14 lands and water resources described in para-
 15 graph (2) adversely affected by mineral (other
 16 than coal and fluid minerals) and mineral mate-
 17 rial mining, including—

18 “(i) reclamation and restoration of
 19 abandoned surface mine areas and aban-
 20 doned milling and processing areas,

21 “(ii) sealing, filling, and grading
 22 abandoned deep mine entries,

23 “(iii) planting on lands adversely af-
 24 fected by mining to prevent erosion and
 25 sedimentation,

1 “(iv) prevention, abatement, treat-
 2 ment, and control of water pollution cre-
 3 ated by abandoned mine drainage, and

4 “(v) control of surface subsidence due
 5 to abandoned deep mines, and

6 “(B) the expenses necessary to accomplish
 7 the purposes of this section.

8 “(2) LANDS AND WATER RESOURCES.—

9 “(A) IN GENERAL.—The lands and water
 10 resources described in this paragraph are lands
 11 within States that have land and water re-
 12 sources subject to the general mining laws or
 13 lands patented under the general mining laws—

14 “(i) which were mined or processed
 15 for minerals and mineral materials or
 16 which were affected by such mining or
 17 processing, and abandoned or left in an in-
 18 adequate reclamation status before the
 19 date of the enactment of this section,

20 “(ii) for which the Secretary of the
 21 Interior makes a determination that there
 22 is no continuing reclamation responsibility
 23 under State or Federal law, and

24 “(iii) for which it can be established
 25 to the satisfaction of the Secretary of the

1 Interior that such lands or resources do
 2 not contain minerals which could economi-
 3 cally be extracted through remining of
 4 such lands or resources.

5 “(B) CERTAIN SITES AND AREAS EX-
 6 CLUDED.—The lands and water resources de-
 7 scribed in this paragraph shall not include sites
 8 and areas which are designated for remedial ac-
 9 tion under the Uranium Mill Tailings Radiation
 10 Control Act of 1978 (42 U.S.C. 7901 et seq.)
 11 or which are listed for remedial action under
 12 the Comprehensive Environmental Response
 13 Compensation and Liability Act of 1980 (42
 14 U.S.C. 9601 et seq.).

15 “(3) GENERAL MINING LAWS.—For purposes of
 16 paragraph (2), the term ‘general mining laws’ means
 17 those Acts which generally comprise chapters 2,
 18 12A, and 16, and sections 161 and 162 of title 30
 19 of the United States Code.”

20 (b) CONFORMING AMENDMENT.—The table of sec-
 21 tions for subchapter A of chapter 98 of the Internal Reve-
 22 nue Code of 1986 is amended by adding at the end the
 23 following:

“Sec. 9511. Abandoned Mine Reclamation Trust Fund.”

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