

109TH CONGRESS
1ST SESSION

H. R. 320

To amend the Internal Revenue Code of 1986 to provide tax incentives to encourage manufacturers of computer, cell phone, and television equipment to operate an environmentally sound recycling program for use by consumers who want to discard the equipment.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 2005

Mr. CUNNINGHAM (for himself, Mr. CANTOR, and Mr. ISSA) 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 incentives to encourage manufacturers of computer, cell phone, and television equipment to operate an environmentally sound recycling program for use by consumers who want to discard the equipment.

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 “Tax Incentives to En-
5 courage Recycling Act of 2005” or the “TIER Act of
6 2005”.

1 **SEC. 2. CREDIT FOR POST-CONSUMER RECYCLING OF COM-**
2 **PUTER, CELL PHONE, AND TELEVISION**
3 **EQUIPMENT BY MANUFACTURERS OF THE**
4 **EQUIPMENT.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to business-related credits) is amended by
8 adding at the end the following new section:

9 **“SEC. 45J. POST-CONSUMER RECYCLING OF COMPUTER,**
10 **CELL PHONE, AND TELEVISION EQUIPMENT**
11 **BY MANUFACTURERS OF THE EQUIPMENT.**

12 “(a) GENERAL RULE.—For purposes of section 38,
13 in the case of a manufacturer of computer equipment,
14 wireless handheld telephone units, or televisions, the recy-
15 cling equipment credit determined under this section for
16 the taxable year is the amount determined under sub-
17 section (b) for each item of such equipment—

18 “(1) which was manufactured by such manufac-
19 turer, and

20 “(2) which is disposed of by such manufacturer
21 pursuant to a qualified recycling program.

22 “(b) DEFINITIONS.—For purposes of this section—

23 “(1) COMPUTER.—The term ‘computer’ means
24 an electronic, magnetic, optical, electrochemical, or
25 other high speed data processing device performing
26 logical, arithmetic, or storage functions, and may in-

1 clude both a central processing unit and a monitor,
2 but such term does not include an automated type-
3 writer or typesetter, a portable hand held calculator,
4 or other similar device.

5 “(2) CENTRAL PROCESSING UNIT.—The term
6 ‘central processing unit’ includes a case and all of its
7 contents, such as the primary printed circuit board
8 and its components, additional printed circuit
9 boards, one or more disc drives, a transformer, inte-
10 rior wire, and a power cord.

11 “(3) MONITOR.—The term ‘monitor’ means a
12 separate visual display component of a computer,
13 whether sold separately or together with a central
14 processing unit, and includes a cathode ray tube or
15 liquid crystal display, its case, interior wires and cir-
16 cuitry, cable to the central processing unit, and
17 power cord.

18 “(4) WIRELESS HANDHELD TELEPHONE
19 UNIT.—The term ‘wireless handheld telephone unit’
20 includes the charging device for such unit, but such
21 term does not include a cordless telephone designed
22 for use in close proximity of a base unit.

23 “(5) QUALIFIED RECYCLING PROGRAM.—The
24 term ‘qualified recycling program’ means any pro-
25 gram under which all parts of the computer or tele-

1 vision (including any hazardous waste, as defined in
 2 section 1004(5) of the Solid Waste Disposal Act (42
 3 U.S.C. 6903)) are disposed of in an environmentally
 4 sound and responsible manner.

5 “(c) AMOUNT OF CREDIT.—The amount of credit
 6 shall be determined as follows:

“Type of item:	Amount of credit:
Central processing unit	\$4
Monitor	\$4
Printer	\$4
Mouse and Keyboard (both)	\$1
Television	\$4
Wireless handheld telephone and charger (both)	\$1.”.

7 (b) CONFORMING AMENDMENT.—Section 38(b) of
 8 such Code (relating to general business credit) is amended
 9 by striking “plus” at the end of paragraph (18), by strik-
 10 ing the period at the end of paragraph (19) and inserting
 11 “, plus”, and by adding at the end the following new para-
 12 graph:

13 “(20) in the case of a manufacturer of com-
 14 puter equipment or televisions, the recycling equip-
 15 ment credit determined under section 45G(a).”.

16 (c) CLERICAL AMENDMENT.—The table of sections
 17 for subpart D of part IV of subchapter A of chapter 1
 18 of such Code is amended by inserting after the item relat-
 19 ing to section 45I the following new item:

“Sec. 45J. Post-consumer recycling of computer, cell phone, and television
 equipment by manufacturers of the equipment.”.

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

○